Globe Metals & Mining Limited

(ABN 33 114 400 609)

And Controlled Entities

Annual Report

For the year ended
30 June 2019

CONTENTS

CORPORATE DIRECTORY

Directors
Ms Alice Wong, Non-Executive Chairperson
Mr Alistair Stephens, Deputy Chairperson, Managing Director and CEO
Mr William Hayden, Non-Executive Director
Mr Alex Ko, Non-Executive Director
Mr Bo Tan, Non-Executive Director

Company Secretary
Mr Michael Fry

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Auditors
Australia:
Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Malawi:
Ernst & Young
Apex House
Kidney Crescent
Blantyre
Malawi

Share Registrar
Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

Securities Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Level 40
Central Park
152-158 St Georges' Terrace
Perth WA 6000
Code: GBE

Bankers
Westpac
109 St Georges Terrace
Perth WA 6000

Chairperson's Address

On behalf of the Board of Globe Metals & Mining Limited ("Globe" or "the Group"), it is my pleasure to present to you the 2019 Annual Report.

Consistent with the strategy outlined in my address in the 2018 Annual Report, the Group has maintained momentum on advancing the Kanyika Development Agreement, updating the technical components of a Feasibility Study, and assessing a range of project financing options.

After 7 years of collaboration, it appears that the Kanyika Development Agreement with the Government of Malawi is nearing finalisation. The Development Agreement has been circulated amongst government departments for final comment and as at the date of this annual report, the Company is of the understanding that all of the comments received back have been worked through, with no matters remaining unresolved. We look forward to execution of the Development Agreement in the short term.

With execution of the Kanyika Development Agreement imminent the Company has recently finalised the technical components of the feasibility study, technical designs and development plans for the Project. Once the Kanyika Development Agreement is executed, the Company will be in a position to move forward with project funding and off-take arrangements and the Company's Board and management is optimistic in realising project financing and development opportunities in the near term.

On a positive note for Kanyika, global steel demand is predicted to continue to grow according to latest reports by the World Steel Association. As demand for higher quality steels rises as a proportion of all steel demand, the need for niobium is increasing at a faster rate than steel output.

Analysts are predicting that demand for niobium will grow at a compound annual growth rate (CAGR) of 5.90% during the period 2019. Major factors driving the market are the increased consumption of niobium in structural steel due its characteristics of tensile strength and durability (for use in bridges, buildings and other large constructions such as hangars and stadiums) and extensive utilisation of niobium-based alloys in the manufacture of aircraft engines and automobiles. Lightweight materials and designs have become increasingly important in the manufacture of automobiles, where driving dynamics are a major factor. Additionally, the emerging focus of governments across the world on minimising carbon emissions and enhancing fuel economy has increased the importance of lightweight materials in the production of automobiles.

These combinations of growth and demand bode well for the price of niobium. As does the new emerging market of niobium in new technologies like wind turbines, medical imaging, particle accelerators, as well as an exciting development in the manufacture of batteries for electrical vehicles. Industry leader Toshiba has recently commenced production of its next generation SCiB™ rechargeable battery for electric vehicles featuring a niobium anode, allowing higher performance, longer-life, quicker charging and improved safety and has been adopted by Mazda, Mitsubishi and Nissan.

In the coming year the Group will continue to be cost prudent, whilst maintaining momentum on Kanyika development opportunities.

In closing, I thank all shareholders, board of directors, and employees for their support of the Group in the year past and I am looking forward to their continued support in the year to come.

Yours sincerely,
GLOBE METALS & MINING LIMITED

ALICE WONG
CHAIRPERSON

Corporate Review

Finance

- Cash and cash equivalents at 30 June 2019 of $7.387 million.

Corporate

- As at the date of this report, shares on issue total 465,922,373.
- A total of 1,000,000 options over ordinary shares lapsed during the 2018 financial year.
- A total of 1,000,000 options remain on issue; exercisable at $0.25 on or before 30 June 2020.
- 2 Substantial Shareholders control a total of 364,126,673 shares or 78.15% of the Company.

Company Focus

Consistent with the strategy outlined by the Chairperson in her Address in the 2018 Annual Report, the Group has focussed its efforts in the 2019 financial year on advancing its Kanyika Niobium Project towards production by progressing with its mining licence application, that is only conditional on the finalisation of a Development Agreement and by seeking out and assessing a range of financing options.

Review of Operations

Globe is an Australian registered public company and has been listed on the ASX since December 2005 (ASX: GBE). The Company has an administration and operational centre in Lilongwe, Malawi in support of its on-the-ground Project exploration activities that currently employs 4 staff. The Malawi operations are supported from Globe's corporate head office in Perth, Australia.

Globe's Kanyika Niobium Project, which is located in central Malawi, has contains niobium and tantalum mineralisation commodities that are key additives in steel manufacture and electronics.

Kanyika Niobium Project ("KNP")

Overview

Globe identified niobium and tantalum mineralisation in 2007 at Kanyika. Subsequent drilling confirmed the mineralisation leading to an extensive exploration and metallurgical testwork program. A scoping study in 2008 and further drilling led to a feasibility study in 2012 and the release of a JORC (2004) Mineral Resource Estimate in January 2013 (refer below).

During 2013, Globe commissioned metallurgical optimisation work, and subsequently in 2014 commissioned a pilot plant to demonstrate and further optimise metallurgical processes.

Feasibility Study

In February 2018, Globe commenced work aimed at updating and finalising the technical components of the engineering program in order to support project funding initiatives and in light of the changing outlook for the mining and resources industry, and in particular for niobium.

To facilitate this, the Company advised it had engaged specialists to revise and update the previous engineering study to incorporate the findings and outcomes of the pilot plant work undertaken and other necessary engineering design changes.

In January 2019, Globe advised that it had finalised the revision of all studies and plans, such that the technical programs associated with the mineral resource, mining, metallurgical studies, processing, engineering design and infrastructural support are all done to a technical detail that is satisfactory to engineering classification standards.

In addition, Globe advised that it had obtained updated capital and operating cost estimates through a tender process that was undertaken independent of Globe, and had updated its financial model for revised capital costs, revenues and operating costs in order to determine key metrics including but not limited to project revenue, profitability and payback.

Globe noted that it was not in a position to finalise the financial model and release the key outcomes due to the current status of the mining law in Malawi and the status of negotiations between the Company and the Government on the Development Agreement. That position remains unchanged.

Product Marketing and Off-Take

Globe continues to explore avenues for KNP product off-take to complete the KNP definitive feasibility study. In an effort to satisfy purchasers seeking high-purity niobium products – samples have been prepared and distributed.

Intellectual Property

Intellectual property (IP) developed as part of the KNP feasibility study and subsequent optimisation work has been consolidated into provisional patent applications that were initially filed with IP Australia and subsequently filed with African Regional Intellectual Property Organisation (ARIPO).

Development Agreement

The Kanyika Exclusive Prospecting Licence (EPL0188) was due for expiry at the end of December 2014. In early December 2014, Globe applied for a Mining Licence. Globe received notification in June 2015 from the Malawi Ministry of Natural Resources, Energy & Mining (MMNREM) that its application for a Mining Lease, currently registered as AML0026, has been approved subject to completion of a Development Agreement. The Development Agreement negotiations are continuing in good faith with the Government of Malawi.

Project Development and Financing

During the year, the executive team examined opportunities for project enhancement, including reconfiguration of project arrangements, and had advanced discussion with various regulators, stakeholders and other parties regarding project development and financing.

Statement of Mineral Resources

On 11 July 2018, Globe published an updated Mineral Resource Estimate for the Kanyika Niobium Project (KNP) calculated in accordance with 2012 JORC guidelines.

The resource calculated was unchanged from the previous Mineral Resource Estimate published on 7 January 2011, calculated in accordance with the 2004 JORC guidelines, and is as follows:

Category	Size (Mt)	Nb_2O_5 Grade (ppm)	Ta_2O_5 Grade (ppm)	U_3O_8 Grade (ppm)
Measured	5.3	3,790	180	110
Indicated	47.0	2,860	135	80
Inferred	16.0	2,430	120	70
Total	**68.3**	**2,830**	**135**	**80**

Table 1: Mineral Resource Estimate for Kanyika using a 1,500 ppm Nb_2O_5 cut-off grade

No additions or changes have been made to the Mineral Resource Estimate since it was published.

Exploration Results, Mineral Resource and Ore Reserve Estimation Governance Statement

Globe ensures that exploration results and Mineral Resource estimates are subject to appropriate levels of governance, internal controls and external independent review. The exploration results and Mineral Resource estimation of the Company's projects are subject to appropriate procedural controls and systematic internal and external technical review by competent and qualified professionals on an as needed basis. These reviews have not identified any material issues undertaken as part of a formal risk assessment. The Company periodically reviews the governance framework in line with the business expectations.

Exploration results and Mineral Resource estimates referred to in this report were undertaken in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) 2012 Edition. Competent persons named by the Company are members of the Australian Institute of Mining and Metallurgy and are qualified as competent persons as defined in the JORC Code.

Qualifying Statements

Competent Person: *The contents of this report relating to Exploration Targets, Exploration Results, and Mineral Resources is based on information compiled by Mr Alistair Stephens, Fellow of the Australasian Institute of Mining and Metallurgy, and by Mr Andrew Bewsher, a Member of the Australian Institute of Geoscientists. Mr Stephens is a full-time employee of Globe. Mr Brewsher is a full-time employee of BMGS Pty Ltd. Mr Stephens and Mr Brewsher both have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Stephens and Mr Brewsher have consented to the inclusion of the information in this report in the form and context in which it appears.*

Competent person: *The information in this report relating metallurgical evaluation of Mineral resources is based on information compiled by Dr Marc Steffens. Dr Steffens is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and is a full-time employee of Spectra Project, professional metallurgical consultants. Dr Steffens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Steffens consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

Forward Looking Statements

This report may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Globe Metals & Mining Limited's business plans and other statements that are not historical facts. When used in this report, words such as could-plan-target-estimate-expect-intend-may-potential-should and similar expressions are forward-looking statements. Any forward-looking statements have been prepared on the basis of a number of assumptions which may prove incorrect and the current intentions, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside Globe's control. Important factors that could cause actual results to differ materially from the assumptions or expectations expressed or implied in this report include known and unknown risks. Because actual results could differ materially to the assumptions made and the Company's current intentions, plans, expectations and beliefs about the future, you are urged to view all forward-looking statements with caution. This content should not be relied upon as a recommendation or forecast by Globe. Content within this report should not be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

The directors of Globe Metals & Mining Limited ('Globe' or 'the Company') hereby submit their report of the Company and its controlled entities ('the Group') for the financial year ended 30 June 2019.

DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Alice Wong	Non-Executive Chairperson
Alistair Stephens	Deputy Chairperson, Managing Director and Chief Executive Officer
William Hayden	Non-Executive Director
Bo Tan	Non-Executive Director
Alex Ko	Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Michael Fry was appointed Company Secretary of Globe on 1 February 2015. Michael holds a Bachelor of Commerce degree from the University of Western Australia and has worked in accounting and advisory roles for over 20 years.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were to explore, develop and invest in the resource sector. The Group's major project is the Kanyika Niobium Project in Malawi.

There were no significant changes in the nature of the Group's principal activities during the current year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no significant changes in the state of affairs for the Group since the start of the financial year to the date of this report.

RESULTS

The consolidated loss after providing for income tax of the Group for the year ended 30 June 2019 amounted to $1.441 million (2018: $1.354 million).

DIVIDENDS

No amounts have been paid or declared by way of dividend during or since the end of the financial year (2018: Nil).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group proposes to continue its exploration program and investment activities across its mineral industry interests.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

INFORMATION ON DIRECTORS

Alice Wong	**Non-Executive Chairperson**
Special Responsibilities	Member of Nomination and Remuneration Committee
Qualifications	B.Bus in Accounting and Finance
	Ms Alice Wong is an entrepreneur with business interests spanning a broad range of industries including mining, healthcare, luxury goods and health products, and is highly experienced in the areas of business formation, business development, operation, finance and management. Ms Wong commenced her career with Price Waterhouse as an auditor for leading international companies. Ms Wong subsequently worked in the investment banking industry in Hong Kong in the equity capital markets divisions of leading investment banks BNP Paribas Peregrine, ABN AMRO Rothschild, and Morgan Stanley.
	Ms Wong holds a Bachelor of Business Administration in Accounting and Finance from the University of Hong Kong and is a member of the American Institute of Certified Public Accountants (AICPA).
Interest in Shares and Options	245,983,611[(1)]
Directorships of other ASX Listed Companies	Nil

[(1)] Ms Wong is the sole shareholder and Director of Apollo Metals Investment Co. Ltd which holds 245,983,611 shares in the Company

Alistair Stephens	**Deputy Chairperson, Managing Director and Chief Executive Officer**
Qualifications	Masters of Business Administration Bachelor of Science (Honours) Graduate of the Australian Institute of Company Directors (GAICD) Fellow of the Australasian Institute of Mining and Metallurgy
Experience	Mr Stephens is a qualified geologist with more than 30 years' experience in the resources industry, in a broad range of technical and corporate management, including corporate governance, strategic development and delivery, technical program development, marketing, shareholder communications and capital funding.
	Mr Stephens held the position of Managing Director and Chief Executive Officer of Arafura Resources Limited (ASX: ARU) between 2004 and 2009.
	Mr. Stephens commenced his career in gold and copper exploration and development with Newmont but orientated most of his career in mining, planning and processing operations in gold with Normandy Poseidon and KCGM Pty Ltd and nickel with WMC Resources. He also has marketing and commercial experience with Orica Ltd in explosives.
Interest in Shares and Options	1,000,000 20 cent options exercisable on or before 30 June 2019 1,000,000 25 cent options exercisable on or before 30 June 2020
Directorships of other ASX Listed Companies	Nil

William Hayden	**Non-Executive Director**
Special Responsibilities	Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Qualifications	B Sc (Hons)
Experience	Mr Hayden is a geologist with over 37 years' experience in the mineral exploration industry, much of which has been in Africa, South America and the Asia-Pacific region. Mr Hayden was the co-founder and President of Ivanhoe Nickel and Platinum Ltd (now Ivanhoe Mines Ltd), a Canadian company which has assembled extensive mineral holdings in South Africa, and the Democratic Republic of Congo. Since 1983 Mr Hayden has worked in a management capacity with several exploration and mining companies both in Australia and overseas. Mr Hayden was President of Ivanhoe Philippines Inc and GovEx Uranium Inc, and a former director of Sunward Resources Ltd (TSX listed) and China Polymetallic Mining Ltd (HKSE listed). He is currently a director of Asia Pacific Mining Limited and Trilogy Metals Inc (TSX listed).
Interest in Shares and Options	476,923 Fully Paid Ordinary Shares
Directorships of other ASX Listed Companies	Ivanhoe Mines Limited (TSX listed) (since March 2007) Trilogy Metals Inc. (TSX listed) (since September 2010)

Bo Tan	**Non-Executive Director**
Special Responsibilities	Chairperson of Audit and Risk Committee
Qualification	BEcon - Renmin China, MBA - Thunderbird USA, M.A University of Connecticut
Experience	Mr Bo Tan, a Canadian national, has over 15 years' experience as a senior manager and director in financial planning, reporting, investment, capital structure and industrial research. Mr Tan has worked for companies such as Bohai Industrial Investment Fund, Lehman Brothers Asia and Macquarie Securities Asia, and across international markets in China, Hong Kong, Canada and USA.
Interest in Shares and Options	Nil
Directorships of other ASX Listed Companies	Nil

Alex Ko	**Non-Executive Director**
Special Responsibilities	Chairperson of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Qualifications	Bachelor of Business Administration
Experience	Mr Ko has over 30 years' experience in finance and investment banking. He has been a pioneer in the listing of Chinese equity offers through the Hong Kong exchange including many high-profile government and private Chinese companies. He has held many independent non-executive director roles with Hong Kong listed companies in the transportation, electronics and environmental protection industries. He has strengths in finance and corporate governance. Mr Ko is currently the Chairman and Chief Executive Officer of HKSE listed company Mason Group Holdings Limited, an independent non-executive director of HKSE listed company Minshang Creative Technology Holdings Limited, and a trustee of a not for profit schooling academy in the USA.
Interest in Shares and Options	Nil
Directorships of other ASX Listed Companies	Nil

REMUNERATION REPORT - AUDITED

This remuneration report for the year ended 30 June 2019 outlines the remuneration arrangements of the Group in accordance with the requirements of Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

For the purposes of this report, the term "executive" includes the Managing Director (MD), executive directors (where applicable) and senior executives of the Group.

A. Remuneration Governance

The Board of Directors has established a Committee for the purpose of reviewing and making recommendations with respect to the remuneration practices of the Company.

The Committee comprises Mr Alex Ko (Chairperson), Mr Bill Hayden and Ms Alice Wong; all of whom are non-executive directors.

The Board of Directors has prepared and approved a charter as the basis on which the Committee will be constituted and operated. The role of the Committee is to provide a mechanism for the determination, implementation and assessment of the remuneration practices of the Company, including remuneration packages and incentive schemes for executive Directors and senior management, and fees payable to Non-Executive Directors.

The Committee is primarily responsible for making recommendations to the Board on:

- the overarching executive remuneration framework;
- the operation of incentive plans (if any) which apply to the executive team, including key performance indicators and performance hurdles;
- the remuneration levels of executive directors and other KMP; and
- the fees payable to non-executive directors.

The Committee's objective is to ensure that remuneration policies and structures are fair and competitive, and aligned with the long-term interests of the Group.

The Corporate Governance Statement provides further information on the role of the Remuneration Committee.

B. Remuneration Policy

The remuneration policy of Globe and its Controlled Entities has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific incentives, from time to time, that are based on share price and key performance areas affecting the Group's financial results.

The Board of Directors of Globe believes the remuneration policy is appropriate and effective in its ability to attract, retain and motivate suitably qualified and experienced Directors and executives to run and manage the Group, as well as create goal congruence between the Directors, executives and the Company's shareholders.

C. Remuneration Arrangements

All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation (in accordance with relevant legislation). Executive remuneration may also incorporate a component of performance-based remuneration.

The Board reviews executive packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Non-executive directors are remunerated at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $600,000).

The Board of Directors may exercise discretion in relation to approving incentives, bonuses and options.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are independently valued by corporate advisers using the Black-Scholes method and Monte Carlo Model. Shares are valued at Market Value.

D. Performance Based Remuneration

The Company believes that linking the remuneration of Directors and executives with performance will be effective in increasing shareholder wealth.

From time to time, the Board of Directors may establish performance targets and a bonus system for the purposes of providing directors and executives with short-term and long-term performance incentives. Such incentives are offered to increase goal congruence between shareholders and directors and executives.

There are currently no incentive programs in place, apart from options which have previously been granted to the Managing Director and CEO. The options were not based on a percentage of salary. The Board of Directors issued the options to the Managing Director and CEO as an incentive.

E. Performance Summary

The tables below set out summary information about Globe's earnings and movements in shareholder wealth for the five years to 30 June 2019:

	30 June 2019	**30 June 2018**	**30 June 2017**	**30 June 2016**	**30 June 2015**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Income	206	239	203	336	540
Comprehensive loss after tax	(1,441)	(1,354)	(1,651)	(6,883)	(3,280)

	30 June 2018	**30 June 2018**	**30 June 2017**	**30 June 2016**	**30 June 2015**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Share price at start of year	$0.014	$0.016	$0.022	$0.022	$0.035
Share price at end of year	$0.015	$0.014	$0.016	$0.022	$0.022
Dividend	-	-	-	-	-
Basic loss per share	($0.003)	($0.003)	($0.004)	($0.015)	($0.007)
Diluted loss per share	($0.003)	($0.003)	($0.004)	($0.015)	($0.007)

F. No Hedging Contracts

The Company does not permit executives to enter into contracts to hedge their exposure to options or performance rights to shares granted as part of their remuneration package.

G. Securities Trading Policy

The Board has in place a Securities Trading Policy to ensure that:

- any dealings in securities by the Directors, employees and contractors comply with legal and regulatory obligations (including the prohibition against insider trading); and
- the Company maintains market confidence in the integrity of dealings in its securities.

H. Details of Remuneration

Compensation of key management personnel for the year ended 30 June 2019

2019	**SHORT-TERM BENEFITS**		**POST EMPLOY-MENT**	**LONG-TERM BENEFITS**	**SHARE-BASED PAYMENT**	**TOTAL**	**SHARE-BASED PAYMENT**
	Salary & Fees	**Annual Leave**	**Super-annuation**	**Employee Entitlements**	**Options**	**$**	**as a % of TOTAL**
Directors							
Alice Wong – Chairperson	80,000	-	-	-	-	80,000	0%
Alistair Stephens - Managing Director & CEO	385,000	19,250	20,531	32,060	-	456,841	0%
William Hayden - Non-Executive Director	52,968	-	5,032	-	-	58,000	0%
Bo Tan - Non-Executive Director	58,000	-	-	-	-	58,000	0%
Alex Ko - Non-Executive Director	57,000	-	-	-	-	57,000	0%
Total remuneration directors 2019	**632,968**	**19,250**	**25,563**	**32,060**	**-**	**709,841**	**0%**
Specified Executives							
Michael Fry – Finance Manager	264,000	- -	-	- -	- -	264,000	0%
Total remuneration specified executives 2019	**264,000**	**-**	**-**	**-**	**-**	**264,000**	**0%**
Total key management personnel 2019	**896,968**	**19,250**	**25,563**	**32,060**	**-**	**973,841**	**-**

Compensation of key management personnel for the year ended 30 June 2018

2018	**SHORT-TERM BENEFITS**		**POST EMPLOY-MENT**	**LONG-TERM BENEFITS**	**SHARE-BASED PAYMENT**	**TOTAL**	**SHARE-BASED PAYMENT**
	Salary & Fees	**Annual Leave**	**Super-annuation**	**Employee Entitlements**	**Options**	**$**	**as a % of TOTAL**
Directors							
Alice Wong – Chairperson	80,000	-	-	-	-	80,000	0%
Alistair Stephens - Managing Director & CEO	385,000	4,442	20,049	14,628	-	424,119	0%
William Hayden - Non-Executive Director	52,968	-	5,032	-	-	58,000	0%
Bo Tan - Non-Executive Director	58,000	-	-	-	-	58,000	0%
Alex Ko - Non-Executive Director	57,000	-	-	-	-	57,000	0%
Total remuneration directors 2018	**632,968**	**4,442**	**25,081**	**14,628**	**-**	**677,119**	**0%**
Specified Executives							
Michael Fry – Finance Manager	264,000	- -	-	- -	- -	264,000	0%
Total remuneration specified executives 2018	**264,000**	**-**	**-**	**-**	**-**	**264,000**	**0%**
Total key management personnel 2018	**896,968**	**4,442**	**25,081**	**14,628**	**-**	**941,119**	**-**

No remuneration consultants have been engaged during the year ended 30 June 2019.

Compensation options granted to key management personnel during the year ended 30 June 2019

There were no options granted to key management personnel during the year ended 30 June 2019.

Compensation options granted to key management personnel during the year ended 30 June 2018

There were no options granted to key management personnel during the year ended 30 June 2018.

Options awarded, vested, lapsed during the year

The table below discloses the number of options granted, vested or lapsed during the year. Share options do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

2018	**Financial year awarded**	**Number of options**	**Award date**	**Fair value per option at award date**	**Vesting date**	**Exercise price**	**Expiry date**	**Number lapsed during the year**	**Number vested during the year**
A.Stephens	2014	1,000,000	1 July 2013	-	1 July 2014	$0.15	30 June 2018	-	-
	2014	1,000,000	1 July 2013	-	1 July 2016	$0.20	30 June 2019	1,000,000	-
	2014	1,000,000	1 July 2013	-	1 July 2017	$0.25	30 June 2020	-	1,000,000

Option Holdings of Directors and Key Management Personnel ("KMP")

The numbers of options over ordinary shares in the company granted under the executive short-term incentive scheme that were held during the financial year by each director and the KMP of the group, including their personally related parties, are set out below:

2019	Balance at beginning	Granted as Remuneration	Exercised	(Lapsed)	Balance at 30 June 2019	Exercisable	Not Exercisable
Alice Wong	-	-	-	-	-	-	-
Alistair Stephens	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000	-
William Hayden	-	-	-	-	-	-	-
Bo Tan	-	-	-	-	-	-	-
Alex Ko	-	-	-	-	-	-	-
Michael Fry	-	-	-	-	-	-	-
	2,000,000	**-**	**-**	**(1,000,000)**	**1,000,000**	**1,000,000**	**-**

2018	Balance at beginning	Granted as Remuneration	Exercised	(Lapsed)	Balance at 30 June 2018	Exercisable	Not Exercisable
Alice Wong	-	-	-	-	-	-	-
Alistair Stephens	3,000,000	-	-	(1,000,000)	2,000,000	2,000,000	-
William Hayden	-	-	-	-	-	-	-
Bo Tan	-	-	-	-	-	-	-
Alex Ko	-	-	-	-	-	-	-
Michael Fry	-	-	-	-	-	-	-
	3,000,000	**-**	**-**	**(1,000,000)**	**2,000,000**	**2,000,000**	**-**

Shareholdings of Director and Key Management Personnel in Listed Fully Paid Ordinary Shares

The number of shares in the Company that were held during the financial year by each Director and the KMP of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2019	Balance at beginning	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2018
Alice Wong	245,983,611	-	-	-	245,983,611
Alistair Stephens	-	-	-	-	-
William Hayden	76,923	-	-	-	76,923
Bo Tan	-	-	-	-	-
Alex Ko	-	-	-	-	-
Michael Fry	-	-	-	-	-
	246,060,534	**-**	**-**	**-**	**246,060,534**

2018	Balance at beginning	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2017
Alice Wong	245,983,611	-	-	-	245,983,611
Alistair Stephens	-	-	-	-	-
William Hayden	76,923	-	-	-	76,923
Bo Tan	-	-	-	-	-
Alex Ko	-	-	-	-	-
Michael Fry	-	-	-	-	-
	246,060,534	**-**	**-**	**-**	**246,060,534**

I. Voting and comments made at the Company's 2018 Annual General Meeting (AGM)

At the Company's 2018 AGM, a resolution to adopt the prior year remuneration report was put to a shareholder vote pursuant to the requirements of Section 250R92) of the Corporations Act 2001. KMP and their Closely Related Party(s), were excluded from voting on the resolution. 85.14% of votes were cast against adoption of the resolution reflecting a first strike. Since that time, the Remuneration Committee has continued to review the approach taken to the Company's overall remuneration, and its appropriateness to the Company's circumstances.

If 25% or more votes are cast against adoption of the remuneration report at the 2019 AGM, that will represent a second successive strike, and the Company will be required to put to Shareholders at the 2019 AGM a resolution proposing the calling of an extraordinary general meeting to consider the appointment of director of the Company (Spill Resolution).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (Spill Meeting) within 90 days of the Company's 2019 AGM. All Directors, other than the Company's managing director will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the directors of the Company.

J. Contractual Arrangements

Non-Executive Directors

Non-executive directors' fees at the date of this report are as follows:

Alice Wong	Chairperson of the Board $80,000 per annum
William Hayden	Non-Executive Director $50,000 per annum Member of the Nomination and Remuneration Committee $4,000 per annum Member of the Audit and Risk Committee $4,000 per annum
Bo Tan	Non-Executive Director $50,000 per annum Chairperson of the Audit and Risk Committee $8,000 per annum
Alex Ko	Non-Executive Director $50,000 per annum Chairperson of the Nomination and Remuneration Committee $7,000 per annum

Executive Management

Remuneration and other terms of employment for executive management are formalised in services agreements as set out below:

Name	Alistair Stephens
Title	Deputy Chairperson, Managing Director and CEO
Start date	1 May 2013
Current Agreement Commenced	1 August 2013
Term of Agreement	Agreement continues until terminated in accordance with employment contract
Details:	Base salary of $385,000 p.a. exclusive of superannuation Termination requires 5 weeks' notice or the payment of 5 weeks 'salary in lieu of such notice. Eligible to participate in performance-based remuneration.

Name	Michael Fry
Title	Finance Manager and Company Secretary
Start date	2 February 2015
Current Agreement Commenced	1 November 2016
Term of Agreement	Agreement continues until terminated in accordance with employment contract
Details:	Fees of $264,000 p.a. Termination requires three months' notice

This is the end of the audited remuneration report.

MEETINGS OF DIRECTORS

	Directors Meetings		Audit and Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
Directors	**Number Eligible to Attend**	**Number Attended**	**Number Eligible to Attend**	**Number Attended**	**Number Eligible to Attend**	**Number Attended**
Alice Wong	2	2	-	-	-	-
Alistair Stephens	2	2	-	-	-	-
William Hayden	2	2	-	-	-	-
Bo Tan	2	-	-	-	-	-
Alex Ko	2	2	-	-	-	-

INDEMNIFYING OFFICERS OR AUDITOR

The Group has agreed to indemnify all the directors and executive officers for any costs or expenses that may be incurred in defending civil and criminal proceedings that may be brought against them in their capacity as directors and officers for which they may be held personally liable.

The Group agreed to pay an annual insurance premium of $26,000 (2018: $26,000) in respect of directors' and officers' liability and legal expenses, for directors, officers and employees of the Company.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young as part of the terms of its engagement letter against any claims by third parties arising from the audit (for an unspecified amount). No payments were made to Ernst & Young during the year ended 30 June 2019 or subsequently.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR

Non-Audit Services
No non-audit services were provided by Ernst & Young during the year or the prior year.

Details of the amounts paid or payable to the Ernst & Young for the provision of audit services are set out in note 20 to the financial Statements.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in financial/Directors' report) Instrument 2016/191. Therefore, amounts in the directors' report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 14.

Signed in accordance with a resolution of the Board of Directors.

Alistair Stephens

ALISTAIR STEPHENS
MANAGING DIRECTOR

Dated this 26th day of September 2019

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Auditor's Independence Declaration to the Directors of Globe Metals & Mining Limited

As lead auditor for the audit of the financial report of Globe Metals & Mining Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Globe Metals & Mining Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

T G Dachs
Partner
26 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2019

	Notes	**30 June 2019 $'000**	**30 June 2018 $'000**
Interest income	5	206	239
Foreign exchange loss		(15)	(30)
Employee benefits expenses		(619)	(642)
Compliance and regulatory expenses		(85)	(103)
Occupancy expenses		(56)	(57)
Directors fees		(265)	(262)
Depreciation expense		(12)	(17)
Travel expenses		(42)	(35)
Administrative expenses		(517)	(351)
Other expenses		(38)	(96)
Loss before income tax		**(1,441)**	**(1,354)**
Income tax expense	7	-	-
Loss for the period		**(1,441)**	**(1,354)**
Other comprehensive loss after tax			
Items that may be reclassified to profit or loss			
Changes in the fair value of investments at fair value through other comprehensive income		(24)	22
Other comprehensive loss for the period, net of tax		**(24)**	**22**
Total comprehensive loss for the period		**(1,465)**	**(1,332)**
Loss per share attributable to ordinary equity holders of the company		**Cents**	**Cents**
Basic and diluted loss per share	26	(0.31)	(0.29)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with accompanying notes.

	Note	30 June 2019 $'000	30 June 2018 $'000
CURRENT ASSETS			
Cash and cash equivalents	8	7,387	9,339
Trade and other receivables	9	70	69
Other assets	10	108	119
TOTAL CURRENT ASSETS		7,565	9,527
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	12	27,956	27,660
Investments at fair value through other comprehensive income		32	56
Plant and equipment	11	178	188
TOTAL NON-CURRENT ASSETS		28,166	27,904
TOTAL ASSETS		35,731	37,431
CURRENT LIABILITIES			
Trade and other payables	13	237	245
Provisions	14	411	638
TOTAL CURRENT LIABILITIES		648	883
TOTAL LIABILITIES		648	883
NET ASSETS		35,083	36,548
EQUITY			
Contributed equity	15	80,753	80,753
Financial Assets Reserve		(2)	22
Accumulated losses	16	(45,668)	(44,227)
TOTAL EQUITY		35,083	36,548

The above consolidated statement of financial position should be read in conjunction with accompanying notes.

	Contributed equity $'000	Accumulated losses $'000	Financial Assets Reserve $'000	Total $'000
Consolidated				
Balance at 30 June 2017	**80,825**	**(42,873)**	**-**	**37,952**
Loss for period	-	(1,354)	-	(1,354)
Other comprehensive income for the period	-	-	22	22
Total comprehensive loss for the period	**-**	**(1,354)**	**22**	**(1,322)**
Share Buy-back	(72)	-	-	(72)
Balance at 30 June 2018	**80,753**	**(44,227)**	**22**	**36,548**
Balance at 30 June 2018	**80,753**	**(44,227)**	**22**	**36,548**
Loss for period	-	(1,441)	-	(1,441)
Other comprehensive loss for the period	-	-	(24)	(24)
Total comprehensive loss for the period	**-**	**(1,441)**	**(24)**	**(1,465)**
Balance at 30 June 2019	**80,753**	**(45,668)**	**(2)**	**35,083**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	30 June 2019 $'000	30 June 2018 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees (inclusive of value added taxes)		(1,834)	(1,598)
Interest received		206	239
Net cash used in operating activities	25(a)	(1,628)	(1,359)
Cash Flows From Investing Activities			
Purchase of plant & equipment		-	(2)
Payments for exploration and evaluation		(309)	(545)
Net cash used in investing activities		(309)	(547)
Cash Flows From Financing activities			
Payments for share buy-back		-	(72)
Net cash used in financing activities		-	(72)
Net decrease in cash held		(1,937)	(1,978)
Cash and cash equivalents at beginning of financial year		9,339	11,347
Effects of exchange rate changes on cash		(15)	(30)
Cash and cash equivalents at end of financial year	8	**7,387**	**9,339**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Globe Metals & Mining Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of directors on 26 September 2019.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. This financial report includes the consolidated financial statements and notes of Globe Metals & Mining Limited ('Globe' or 'the Company') and its controlled entities ('Consolidated Entity' or 'Group'). Globe is a for-profit entity.

a. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for profit-oriented entities.

(i) Compliance with IFRS
The financial report of Globe complies with Australian Accounting Standards ('AAS'). Compliance with AAS ensures that the financial report, comprising the financial statements and notes thereto, also complies with International Financial Reporting Standards ('IFRS') as issued by International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the group
None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2018 affected any of the amounts recognised in the current period or any prior period.

(iii) Historical Cost Convention
The financial report has been prepared under the historical cost convention, with the exception of investments at fair value through other comprehensive income which is measured at fair value.

(iv) Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

b. Principles of Consolidation

The consolidated financial statements comprise the financial statements of Globe and its subsidiaries as at 30 June 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:
► Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
► Exposure, or rights, to variable returns from its involvement with the investee
► The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
► The contractual arrangement(s) with the other vote holders of the investee
► Rights arising from other contractual arrangements
► The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Foreign Currency Translation

Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates, currently being the Australian Dollar for each of the entities. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined. Exchange differences arising on the translation of monetary items are recognised in profit and loss for the period, except where deferred in equity as a qualifying cash flow or net investment hedge.

e. Revenue Recognition

Revenue is recognised in accordance with AASB 15, which establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Interest income is recognised as the interest accrues at an effective interest rate.

f. Reserves

The reserve represents the gains and losses of investments at fair value through other comprehensive income.

g. Income Tax

Current Tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax
Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Taxation
Current and deferred tax is recognised as an expense or income in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that Globe will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

h. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a diminishing value basis over the shorter of their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j. Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Impairment
Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exists:

- the term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area of interest have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area of interest; or
- sufficient data exists to indicate that, although a development in the specific area of interest is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit ("CGU") which is no larger than the area of interest. An impairment loss is recognised if the carrying amount of the CGU exceeds its estimated recoverable amount.

k. Financial instruments – initial recognition and subsequent measurement

Policy prior to 1 July 2018 (Before adoption of AASB 9)

Financial Assets

Classification
The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 9) in the statement of financial position. Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for impairment is raised when there is objective evidence that the Group will not be able to collect the debt.

(ii) *Available-for-sale financial assets*
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets – reclassification
The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and de-recognition
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

Impairment
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in profit or loss.

Financial Liabilities

(iii) *Trade and Other Payables*
The Group's financial liabilities only include trade and other payables. They are initially recognised at fair value net of directly attribute transaction costs, and are carried at amortised cost using the effective interest method.

Interest, when charged by the lender, is recognised as an expense on an accrual basis.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Policy applied from 1 July 2018 (Before adoption of AASB 9)

Financial Assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured as amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
This is the category of financial asset that is applicable to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash, short-term deposits and trade and other receivables.

Financial assets designed at fair value through OCI (equity instruments).
This is the category of financial asset that is applicable to the Group. Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group's financial assets designed at fair value through OCI includes its equity investments under this category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:
- the rights to receive cash flows from the asset have expired; or
- the Group has transferred has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities
Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Group's financial liabilities only include trade and other payables.

Subsequent measurement
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category applies to trade and other payables.

l. Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of all Motor vehicle and Leasehold assets are depreciated on a straight-line basis over their useful lives. Plant and equipment, Furniture and fittings and Software assets are depreciated using the diminishing value method. The depreciation rates used for each class of depreciable assets vary from 3% to 40% with the average rate being 30%.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

The carrying amounts of plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal.

m. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outlay of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Employee Benefits

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other long-term employee benefit obligations
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Equity Settled Compensation
The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transaction").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a valuation by using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

o. Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners.

p. Earnings Per Share

Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

q. Goods and Services Tax and other Value Added Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) and other Value Added Taxes (VAT), except where the amount of GST or VAT incurred is not recoverable from the applicable taxation authority. In these circumstances, the GST and VAT are recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST and VAT.

1.STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.
Cash flows are included in the Statement of Cash Flows on a gross basis. The GST and VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

r. Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in financial/Directors' report) Instrument 2016/191. Therefore, amounts in the directors' report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

s. Parent entity financial information

The financial information for the parent entity, Globe Metals and Mining Limited, disclosed in note 28 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Globe Metals and Mining Limited.

t. Changes in accounting policies and disclosure

New and amended standards and interpretations

The Group applied AASB 15 and AASB 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time for the period ended 30 June 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

AASB 9 Financial Instruments Classification and Measurement
Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. The classification and measurement requirements of AASB 9 did not have a significant impact on the Group. The Group continued measuring at fair value all financial assets previously held at fair value under AASB 139. The following are the changes in the classification of the Group's financial assets:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 139 (i.e. prior to 1 June 2018)	New measurement category under AASB 9 (i.e. from 1 July 2018)	Carrying value under AASB139 at 30 June 2018 $'000	Carrying value under AASB 9 at 1 July 2018 $'000
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	9,339	9,339
Trade and other receivables	Loans and receivables	Financial assets at amortised cost	69	69
Other assets	Loans and receivables	Financial assets at amortised cost	119	119
Other financial assets	Available for sale	Financial assets at FVOCI	56	56
Trade and other payables	Financial liability at amortised cost	Financial liability at amortised cost	245	245

The change in classification has not resulted in any re-measurement adjustments at 1 July 2018.

Impairment
The adoption of AASB 9 did not fundamentally change the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

As at 1 July 2018, the Group has reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information. The result of the assessment is as follows:

Items existing at 1 July 2018 that are subject to the impairment provisions of AASB 9	Credit risk attributes	Cumulative additional loss allowance recognised on 1 July 2018 $'000
Cash and cash equivalents	All balances are assessed to have low credit risk as they are either on demand or have short term maturities and held with reputable institutions with high credit ratings	-
Trade and other receivables	The Group applied the simplified approach and concluded that no additional loss allowance was required at 1 July 2019.	-

1.STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 15 Revenue from Contracts with Customers
AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Group adopted AASB 15 using the modified retrospective approach with the date of initial application being 1 July 2018. There was no impact to the Group in adopting AASB 15.

Based on the nature and status of the investments in projects, the Group does not have any direct contracts with customers and accordingly has no revenue impacted by the Standard. In undertaking that assessment, it was noted that the Standard had no impact on the recognition or measurement of revenue earned in the current or comparative periods.

Standards issued but not yet effective
AASB 16 Leases
AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases-Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. AASB 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under AASB 117.

The Group is continuing its work on the final expected impact and plans to adopt AASB 16 using the modified retrospective approach, which means it will apply the standard from 1 July 2019, the cumulative impact of adoption will be recognised at 1 July 2019 and comparatives will not be restated.

AASB Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatment separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rate
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group is in the process of assessing the impact of the new interpretation and will apply the interpretation from its effective date.

2. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise of cash. The Group also has other financial instruments such as trade and other debtors and creditors, which arise directly from its operations, and investments at fair value through other comprehensive income.

Capital Risk Management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends, return capital to shareholders, issue/buy-back shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of investment. The consolidated entity is not currently pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The main risks arising from the Group's financial instruments and the Group's policies for managing these risks are summarised below:

Interest Rate Risk
The Group does not have short or long-term cash deposits or debt, and therefore this risk is minimal. An analysis by maturities is provided in (i) below.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The credit risk on financial assets of the Group is reflected in those assets' carrying amount net of any provisions for impairment.

The Group currently holds majority of its cash and cash equivalents with National Australia Bank with a credit rating of Aa3. The Group believes the credit risk exposure is negligible given the strong credit rating of the counterparty.

Foreign currency risk
The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's functional currency. The majority of expenses incurred are in AUD and therefore risk is not significant. Monetary assets and liabilities of the Group denominated in foreign currencies are not material to the Group.

Concentration risk
The parent entity is exposed to concentration risk due to 94% of its cash and cash equivalents being held within the one financial institution – National Australia Bank. The Group manages this risk through monitoring of the credit rating of the institution.

Liquidity risk
The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate short-term cash facilities are maintained. At the end of the year the group held deposits at call of $7,387,000 (2018: $9,339,000) which are expected to readily generate cash inflows for managing liquidity risk.

(i) Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

		Fixed interest maturing in				
2019	**Floating interest rate $'000**	**1 year or less $'000**	**Over 1 year less than 5 $'000**	**More than 5 years $'000**	**Non-Interest bearing $'000**	**Total $'000**
Financial Assets						
Cash at bank	787	6,600	-	-	-	7,387
Trade & other receivables	-	-	-	-	70	70
investments at fair value through other comprehensive income	-	-	-	-	32	32
Other assets	-	-	-	-	51	51
	787	6,600	-	-	153	7,540
Weighted Average Interest Rate	*1.96%*					
Trade & other creditors	-	-	-	-	(237)	(237)
	-	-	-	-	(237)	(237)
Weighted Average Interest Rate	-	-	-	-		
Net financial assets / (liabilities)	**787**	**6,600**	**-**	**-**	**(84)**	**7,303**

2. FINANCIAL RISK MANAGEMENT (Continued)

2018	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 year less than 5 $'000	More than 5 years $'000	Non-Interest bearing $'000	Total $'000
Financial Assets						
Cash at bank	589	8,750	-	-	-	9,339
Trade & other receivables	-	-	-	-	69	69
investments at fair value through other comprehensive income	-	-	-	-	56	56
Other assets	-	-	-	-	56	56
	589	8,750	-	-	181	9,520
Weighted Average Interest Rate	*2.61%*					
Trade & other creditors	-	-	-	-	(245)	(245)
	-	-	-	-	(245)	(245)
Weighted Average Interest Rate	-	-	-	-		
Net financial assets / (liabilities)	**589**	**8,750**	**-**	**-**	**(64)**	**9,275**

Sensitivity analysis

The Group has performed a sensitivity analysis in relation to interest income and movements in interest rates on financial assets and liabilities. The analysis highlights the effect on the current year's pre-tax loss which would have resulted from movement in interest rates with all other variables remaining constant.

	Consolidated 2019 $'000	Consolidated 2018 $'000
Change in loss		
- increase in interest rate by 0.5%	(144)	(47)
- decrease in interest rate by 0.5%	144	47

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is unobservable

For all asset and liabilities that are recognised at fair value on recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The valuation of investments at fair value through other comprehensive income are based on the equity share price in the listed stock exchange (Level one fair value hierarchy).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) Exploration and evaluation expenditure
The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss. Refer to note 12 for details of the judgement applied in the current period in relation to exploration and evaluation expenditure.

(ii) Income taxes
Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. Refer to note 7 for details of the judgement applied in the current period in relation to income taxes.

(iii) Tax provisions
Judgement is required in calculating tax provisions relating to potential tax obligations in foreign jurisdictions where the legislation and case law is not established. Tax provisions are recognised when it is considered more likely than not that an amount will be payable. Refer to note 14 for details of the judgement applied in the current period in relation to tax provisions.

4. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The consolidated entity has two reportable segments which are based on the stage of development of its projects, which are broadly in either of two groups: those in the exploration phase or those in the evaluation stage. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Prior period information may be restated to reflect the current composition of reportable segments.

Activity by segment

Africa-Kanyika
The Africa-Kanyika segment includes the Kanyika Niobium Project in Malawi, which is host to a 2012 JORC compliant Mineral Resource Estimate of 68.3Mt @ 2,830ppm Nb_2O_5 (niobium pentoxide) and 135ppm Ta_5O_5 (tantalum pentoxide) at a 1,500 ppm Nb_2O_5 cut-off.

Globe received notification in June 2015 from the Malawi Ministry of Natural Resources, Energy & Mining (MMNREM) that its application for a Mining Lease for Kanyika Niobium Project, currently registered as AML0026, has been approved subject to completion of a Development Agreement.

The Kanyika Niobium Project is currently at the evaluation stage.

Africa-Exploration
The Africa-Exploration segment includes the Kanyika Exploration Project, lying adjacent to the Kanyika Niobium Project. The project is covered by Exploration Licence EPL0421/15 and is at the exploration stage:

2019	Africa-Kanyika	Africa-Exploration	Total
(i) Segment performance	**$'000**	**$'000**	**$'000**
year ended 30 June 2019			
Revenue	-	-	-
Segment revenue	-	-	-
Segment loss	(1,442)	(934)	(2,376)
Reconciliation of segment result to group net loss before tax			
Other income			206
Other corporate expenses			729
Net loss before tax from continuing operations			**(1,441)**
(ii) Segment assets			
as at 30 June 2019			
Exploration expenditure	27,956		27,956
Plant and equipment	23	135	158
Other assets	113	37	150
Total Segment Assets	**28,092**	**172**	**28,264**
Reconciliation of segment assets to group assets			
Other corporate assets			7,466
Total group assets			**35,730**
(iii) Segment liabilities			
as at 30 June 2019			
Trade Creditors and Accruals	45	84	129
Provisions	203	83	286
Total Segment liabilities	248	167	415
Reconciliation of segment liabilities to group liabilities			
Trade Creditors and Accruals			125
Provisions			108
Total group liabilities			**648**

4. SEGMENT INFORMATION (CONTINUED)

2018	**Africa-Kanyika**	**Africa-Exploration**	**Total**
(i) Segment performance	**$'000**	**$'000**	**$'000**
year ended 30 June 2018			
Revenue	-	-	-
Segment revenue	-	-	-
Segment loss	(1,015)	(705)	(1,720)
Reconciliation of segment result to group net loss before tax			
Other income			239
Other corporate expenses			127
Net loss before tax from continuing operations			**(1,354)**
(ii) Segment assets			
as at 30 June 2018			
Exploration expenditure	27,660	-	27,660
Plant and equipment	25	136	161
Other assets	103	33	136
Total Segment Assets	**27,788**	**169**	**27,957**
Reconciliation of segment assets to group assets			
Other corporate assets			9,474
Total group assets			**37,431**
(iii) Segment liabilities			
as at 30 June 2018			
Trade Creditors and Accruals	44	81	125
Provisions	413	140	553
Total Segment liabilities	457	221	678
Reconciliation of segment liabilities to group liabilities			
Trade Creditors and Accruals			120
Provisions			85
Total group liabilities			**883**

The Group operated in several geographical segments, being Australia and Africa, and in one industry, minerals mining and exploration.

Geographical Information

	Consolidated	
Total non-current assets of:	**2019**	**2018**
	$'000	
Australia	53	83
Africa	28,113	27,821
Total	**28,166**	**27,904**

	Consolidated	
	2019 $'000	2018 $'000
5. INCOME		
Interest income		
- Interest received and receivable	206	239
	206	239

6. EXPENSES

Loss from operations before income tax has been determined after the following specific expenses:

	2019 $'000	2018 $'000
Operating lease expenses	44	47
Superannuation expenses	39	44
Depreciation	12	17
Foreign exchange loss	15	30
Finance Costs		
- Bank Charges	5	4
	115	142

7. INCOME TAX EXPENSE

		Consolidated	
		2019 $'000	2018 $'000
a.	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
		-	-
b.	*Deferred income tax/(revenue)*		
	Deferred income tax/(revenue) included in tax expense comprises:		
	Increase in deferred tax assets	-	-
	Increase in deferred tax liabilities	-	-
		-	-
c.	The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Loss before income tax	1,441	1,354
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2018: 27.5%)	432	373
	Adjust for tax effect of:		
	- Other non-deductible expenses	-	-
		432	373
	- Deferred tax assets not recognised	(432)	(373)
		-	-

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the Group continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

		2019 $'000	2018 $'000
d.	Deferred tax assets /(liabilities) comprise:		
	Interest receivable		
	Trade & other payables	47	3
	Provision	126	178
	Other assets		
	Tax losses available for offset against future taxable income	9,116	7,923
	Net deferred tax assets	9,289	8,104
	Deferred tax assets not recognised	(9,289)	(8,104)
		-	-

8. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

	Consolidated 2019 $'000	Consolidated 2018 $'000
Cash at bank	7,387	9,339
	7,387	**9,339**

The Group's exposure to interest rate risk and credit risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

9. TRADE AND OTHER RECEIVABLES

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current		
GST Receivable	10	15
VAT Receivable	41	35
Other Tax Receivable	19	19
	70	**69**

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value. The group's impairment and other accounting policies for trade and other receivables are outlined in note 1(h).

Information about the group's exposure to credit risk, foreign exchange and interest rate risk is provided in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset mentioned above.

10. OTHER ASSETS

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current		
Prepayments	57	63
Accrued Interest	7	12
Security Deposits	35	35
Other	9	9
	108	**119**

11. PLANT AND EQUIPMENT

	Consolidated		
	Plant & Equipment $'000	**Other $'000**	**Total $'000**
Year ended 30 June 2019			
Opening net book amount	122	66	**188**
Additions	2	-	**2**
Depreciation charge	(8)	(4)	**(12)**
Closing net book amount	116	62	**178**
At 30 June 2019			
Cost	664	149	
Accumulated depreciation	(548)	(87)	**(635)**
Net book value	116	62	**178**
Year ended 30 June 2018			
Opening net book amount	132	71	**203**
Additions	2	-	**2**
Depreciation charge	(12)	(5)	**(17)**
Closing net book amount	122	66	**188**
At 30 June 2018			
Cost	664	149	**813**
Accumulated depreciation	(542)	(83)	**(625)**
Net book value	122	66	**188**

12. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2019 $'000	2018 $'000
Non-Current		
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases – at cost	27,956	27,660
Exploration and evaluation expenditure total	**27,956**	**27,660**
comprising:		
Kanyika Niobium Project	27,956	27,660
Total exploration and evaluation phases – at cost	**27,956**	**27,660**
Opening balance	27,660	27,103
Exploration expenditure capitalised during the year	296	557
At reporting date	**27,956**	**27,660**

Kanyika Niobium Project

The Directors have considered the requirements of AASB 6: Exploration for and Evaluation of Mineral Resources, and have reviewed the carrying value of exploration and evaluation expenditures that relate to the Kanyika Niobium Project. Based on the review, the directors consider the carrying value of the Kanyika Niobium Project is supported by the anticipated future value. Furthermore, there are no indications that the carrying value of the Kanyika Niobium Project was impaired at 30 June 2019.

Other

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the consolidated entity's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.
- no significant changes in laws and regulations that greatly impact the company's ability to maintain tenure.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, there has not been any material claims made to the Group.

13. TRADE AND OTHER PAYABLES

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current		
Trade creditors	12	10
Other creditors and accruals	225	235
	237	245

Non-interest bearing liabilities are predominantly settled within 30 days.

Due to the fact that trade and other payables are current, their carrying amount approximates fair value.

14. PROVISIONS

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current		
Employee benefit provisions	125	85
Provision for Foreign Tax (i)	286	553
	411	**638**

(i) Movement in Provision for Foreign Tax is comprised as follows

	2019	2018
Opening Balance	553	513
Add: additional provision raised during the year	-	23
Less: Amount previously provided for now reversed	(300)	-
Less: Foreign currency exchange adjustment	33	17
	286	**553**

The Provision for Foreign Tax is based upon assessments received for non-residents tax and fringe benefit tax from the Malawi Revenue Authority. The provision has been estimated by the Company by considering advice from their tax experts and by estimating the expected outcome of the assessments based on the potential success of the claims. The Company is currently defending all of these claims.

15. CONTRIBUTED EQUITY

	Consolidated			
	2019		2018	
	$'000	Number	$'000	Number
Fully paid ordinary shares	80,753	465,922,373	80,753	465,922,373
	80,753	**465,922,373**	**80,753**	**465,922,373**

Movements in fully paid ordinary shares on issue are as follows:

	Consolidated			
	2019		2018	
	$'000	Number	$'000	Number
Fully paid ordinary shares at beginning of reporting period	80,753	465,922,373	80,825	469,729,062
Shares bought back	-	-	(72)	(3,806,689)
Balance at the end of reporting period	**80,753**	**465,922,373**	**80,753**	**465,922,373**

(a) Management of Share Capital

The Directors primary objectivity is to maintain a capital structure that ensures the lowest cost of capital available to the Group. At reporting date, the Group has no external borrowings.

The Group is not subject to any externally imposed capital requirements.

Unmarketable Parcel Share Buy-Back
An unmarketable parcel share buy-back program for holders of parcels of Globe shares with a market value of less than $500 was completed on 27 March 2018. Under the program, the Company bought-back the shareholdings of holders of unmarketable parcels who did not elect to retain their shares, resulting in the Company buying back 3,806,689 shares at a total cost of $72k , representing a Buy-Back price of 1.9 cents per share.

Capital Risk Management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends, return capital to shareholders, issue/buy-back shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of investment. The consolidated entity is not currently pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2017 annual report.

(b) Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. The fully paid ordinary shares have no par value.

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

At the end of reporting period, there are 465,922,373 shares on issue.

(c) Terms of Options

At the end of reporting period, there were 2,000,000 options over unissued shares as follows:

- 1,000,000 unlisted options, exercisable at $0.20 on or before 30 June 2019.
- 1,000,000 unlisted options, exercisable at $0.25 on or before 30 June 2020.

16. ACCUMULATED LOSSES

	Consolidated 2019 $'000	2018 $'000
(a) Accumulated losses		
Accumulated losses at the beginning of the financial period	(44,227)	(42,873
Net loss attributable to shareholders	(1,441)	(1,354)
Accumulated losses at the end of the financial period	**(45,668)**	**(44,227)**

17. INTERESTS IN CONTROLLED ENTITIES

Controlled entities consolidated
The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1(a):

Name	Country of Incorporatior	Principal Activities	Class of Shares	Equity Holding * 2019	2018
Globe Metals & Mining UK Corporation	UK	Dormant	Ordinary	100%	100%
Globe Uranium (Argentina) S.A.	Argentina	Dormant	Ordinary	100%	100%
Globe Metals & Mining (Africa) Limited	Malawi	Holds Kanyika Project	Ordinary	100%	100%
Globe Metals & Mining Mozambique Limitada	Mozambique	Dormant	Ordinary	100%	100%
Globe Metals & Mining (Exploration) Limited	Malawi	Holder of exploration tenements	Ordinary	100%	100%
Globe Metals & Mining Investment	Hong Kong	Dormant	Ordinary	100%	100%
Appium Limited	Hong Kong	Holder of IP patents	Ordinary	100%	100%

* Percentage of voting power is in proportion to ownership.

18. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid during the year (2018: Nil). No recommendation for payment of dividends has been made (2018: None).

19. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

The following persons were key management personnel of Globe Metals & Mining Limited during the financial year:

Alice Wong	Non-Executive Chairperson
Alistair Stephens	Managing Director and CEO
William Hayden	Non-Executive Director
Bo Tan	Non-Executive Director
Alex Ko	Non-Executive Director
Michael Fry	Finance Manager and Company Secretary

	Consolidated 2019	2018
Short term employee benefits	916,218	901,410
Post-employment	25,563	25,081
Long term employee benefits	32,060	14,628
	973,841	**941,119**

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 12.

(b) Loans to key management personnel
There were no outstanding unsecured loans to Key management personnel at 30 June 2019 (2018: Nil).

(c) Other transactions with key management personnel
There were no other transactions with Key Management Personnel as at 30 June 2019 (2018: Nil).

20. AUDITORS' REMUNERATION

	Consolidated	
	2019	**2018**
Ernst & Young		
- Audit and reviewing of financial reports	57,500	55,000
Network firms of Ernst & Young		
- Audit and review of financial reports	30,000	28,000
	87,500	**83,000**

21. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2019 (30 June 2018: nil), and the interval between 30 June 2019 and the date of this report.

22. COMMITMENTS

(a) Exploration commitments
In order to maintain current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	Consolidated	
	2019 $'000	**2018 $'000**
Not longer than one year	122	211
Longer than one year, but not longer than five years	-	194
	122	**405**

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

22. COMMITMENTS (CONTINUED)

(b) Operating lease expenditure commitments

	Consolidated	
	2019 $'000	**2018 $'000**
Not longer than one year	51	71
Longer than one year, but not longer than five years	-	24
Longer than five years	-	
	51	**95**

Operating lease expenses relate to the leases for office and staff accommodation in Malawi and Office accommodation in Perth. The Company's corporate head office relocated in January 2017 at 137 Lake Street in Northbridge. The agreement is for a 3 year lease.

23. RELATED PARTY DISCLOSURES

(a) Parent entity
The ultimate parent entity of the Group is Globe Metals & Mining Limited.

(b) Key management personnel
Disclosures relating to key management personnel are set out in note 19.

(c) Other related party transactions:
Nil.

24. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

	Consolidated	
	2019	**2018**
	$'000	**$'000**
25. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
(a) Reconciliation of cash flow used in operations with loss after tax		
- Loss after income tax	(1,441)	(1,354)
Non-cash flows in loss from operations		
- Depreciation	12	17
Changes in assets and liabilities		
- Increase / (Decrease) in receivables and other current assets	19	(167)
- Increase / (Decrease) in trade and other payables and provisions	(218)	145
Net cash outflows from operating activities	**(1,628)**	**(1,359)**

(b) Non-cash investing and financing activities
There were no non-cash investing and financing activities during the year (2018: Nil).

	Consolidated	
	2019	**2018**
	$'000	**$'000**
26. LOSS PER SHARE		
(a) Loss used in the calculation of basic and diluted loss per share	(1,441)	(1,354)
	Number of Shares	Number of Shares
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share:	465,922,373	468,738,280

Options on issue have not been included in the Earning per Share calculation as they are anti-dilutive.

Note the total number of options as at 30 June 2019 is 2,000,000 (2018: 2,000,000).

27. SHARE BASED PAYMENTS

	Consolidated 2019 $'000	Consolidated 2018 $'000
Options [a]	-	-
	-	-

There are options issued to employees as part of their compensation under the company's employee share option policies. Options are independently valued by corporate advisers using the Black-Scholes method. Options were granted subject to the attainment of performance and/or employment continuity criteria. All options vested two years before expiry.

(a) Movements in options on issue 2019:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at 30 June 2019	Vested and exercisable at end of the year Number
2/07/2013	30/06/2019	$0.200	1,000,000	-	-	(1,000,000)		-
2/07/2013	30/06/2020	$0.250	1,000,000	-	-	-	1,000,000	1,000,000
			2,000,000	-	-	(1,000,000)	1,000,000	1,000,000
Weighted average exercise price			$0.200	-	-	$0.20	$0.25	$0.25

(b) Movements in options on issue 2018:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at 30 June 2018	Vested and exercisable at end of the year Number
2/07/2013	30/06/2018	$0.150	1,000,000	-	-	(1,000,000)	-	-
2/07/2013	30/06/2019	$0.200	1,000,000	-	-	-	1,000,000	1,000,000
2/07/2013	30/06/2020	$0.250	1,000,000	-	-	-	1,000,000	1,000,000
			3,000,000	-	-	(1,000,000)	2,000,000	2,000,000
Weighted average exercise price			$0.200	-	-	$0.150	$0.225	$0.225

27. SHARE BASED PAYMENTS (CONTINUED)

Compensation options granted during the year ended 30 June 2019
There were no compensation options granted during the year ended 30 June 2019.

Compensation options granted during the year ended 30 June 2018
There were no compensation options granted during the year ended 30 June 2018.

Options Cancelled/Lapsed
1,000,000 options lapsed during the reporting period ended 30 June 2019 (2018: 1,000,000).

Options Exercised
No options were exercised during the reporting period ended 30 June 2019 (2018: Nil).

28. PARENT ENTITY INFORMATION

	Parent	
	2019	2018
	$'000	$'000
Statement of comprehensive income		
Profit after income tax	1,644	987
Other comprehensive income	24	22
Total comprehensive income	1,668	1,009
Statement of financial position		
Total current assets	7,245	9,230
Total assets	7,311	5,664
Total current liabilities	210	182
Total liabilities	210	182
Net assets	7,101	5,482
Equity		
Contributed equity	80,752	80,753
Financial assets reserve	(2)	22
Accumulated losses	(73,649)	(75,293)
Total equity	7,101	5,482

Guarantees entered into by the parent entity

The parent entity had no guarantees as of 30 June 2019 or 30 June 2018.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2019 or 30 June 2018.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 or 30 June 2018.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 15 to 46 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards and the Corporations Regulations 2001, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date, and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

ALISTAIR STEPHENS
MANAGING DIRECTOR

Dated 26th day of September 2019

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Independent auditor's report to the members of Globe Metals & Mining Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Globe Metals & Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of capitalised exploration and evaluation

Why significant	How our audit addressed the key audit matter
The carrying value of exploration and evaluation assets is significant and subjective as it is based on the Group's ability and intention, to continue to explore the asset. The carrying value is also impacted by the results of exploration work. This creates a risk that the amounts stated in the consolidated financial statements may not be recoverable. Refer to Note 12 *Exploration and evaluation assets* to the consolidated financial statements for the amounts held on the consolidated statement of financial position by the Group as at 30 June 2019 and related disclosure.	We evaluated the Group's assessment of the carrying value of exploration and evaluation assets. Our audit procedures included the following: ▶ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements ▶ Considered the Group's intention to carry out exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models, as well as enquiries with senior management and Directors as to the intentions and strategy of the Group ▶ Examined the Group's analysis of the commercial viability of results relating to exploration and evaluation activities carried out in the relevant licensed area to determine if anything has come to our attention that indicates they are not viable ▶ Assessed the ability to finance any planned future exploration and evaluation activity.

2. Provision for foreign tax

Why significant	How our audit addressed the key audit matter
The Group is subject to the tax laws of both Australia and Malawi. As disclosed in Note 14 to the consolidated financial statements, the Group recognised a provision for foreign tax based upon assessments received, which the Group is currently disputing. In determining the amount of the provision recognised, the Group has taken into account legal precedent and the advice of external experts. This is an area of significant judgment as detailed in Note 3(iii) of the consolidated financial statements.	We evaluated the provision for foreign tax and assessed correspondence from tax authorities and external tax advisors. We assessed the adequacy of the taxation provisions by considering factors such as the risk profile of each matter. We evaluated the judgments made in relation to the likelihood of litigation from tax authorities by comparing the Group's assessment against our own independent views.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Globe Metals & Mining Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

T G Dachs
Partner
Perth
26 September 2019

Additional information required by the ASX and not shown elsewhere in this report is as follows.

Shareholding as at 20 September 2019

Total fully paid ordinary shares on issue	465,922,373

The distribution of members and their holdings of fully paid ordinary shares in the Company were as follows:

No. Securities Held	Fully Paid Shares No. Holders
1 – 1,000	56
1,001 – 5,000	21
5,001 – 10,000	25
10,001 – 100,000	267
> 100,001	149
Total no. holders	518
No. holders of less than a marketable parcel	199
Percentage of the 20 largest holders	89.69%

Substantial shareholders as at 20 September 2019

	No. Shares	%
APOLLO METALS INVESTMENT CO. LTD	245,983,611	52.80
AO-ZHONG INTERNATIONAL MINERALS PTY LTD	118,143,062	25.36

20 Largest holders of securities at 20 September 2019

The names of the twenty largest ordinary fully paid shareholders as at 26 September 2018 are as follows:

Names	No. Shares	%
1) APOLLO METALS INVESTMENT CO. LTD	245,983,611	52.80
2) AO-ZHONG INTERNATIONAL MINERALS PTY LTD	118,143,062	25.36
3) CITICORP NOMINEES PTY LIMITED	14,230,634	3.06
4) JP MORGAN NOMINEES AUSTRALIA	9,437,765	2.03
5) BOONYN INVESTMENTS	4,760,000	1.02
6) HSBC CUSTODY NOMINEES	3,460,000	0.74
7) M&K KORKIDAS PTY LTD	3,040,600	0.65
8) BALLARD, ANDREW CHARLES	2,873,882	0.62
9) GOENG INVESTMENTS PTY LTD	2,358,697	0.51
10) OTTA, PETER HUBERT	2,000,000	0.43
11) NATIONAL NOMINEES LIMITED	1,674,700	0.36
12) LUCAS, JACQUES HUGHES	1,500,000	0.32
13) ULRICH, RICHARD & ULRICH, WENDY	1,263,000	0.27
14) SHULTZ, MICHAEL	1,200,000	0.26
15) BURTON, PAUL	1,176,470	0.25
16) ZDUNIC, NIKOLA	1,088,133	0.23
17) MILLER, ROSS JAMES	1,000,000	0.21
18) SEARL, COLIN ROBERT & SEARL, CYNDA	927,586	0.20
19) HSBC CUSTODY NOMINEES	908,000	0.19
20) TKOCZ, MARK ANDREW	844,000	0.18
	417,870,140	89.69

Unlisted options as at 20 September 2019

Details of unlisted option holders are as follows:

Class of unlisted options	No. Options
Options exercisable at $0.25 on or before 30 June 2020	1,000,000
Holders of more than 20% of this class	
Alistair James Stephens	1,000,000

Voting rights

The Constitution of the company makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder, but in respect of partly paid shares, shall only have a fraction of a vote for each partly paid share. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

Restricted securities

There are no restricted securities or securities subject to voluntary escrow.

Mineral Tenement Schedule as at 20 September 2019

Project	Location	Status	Tenement	Globe's interest
Kanyika Niobium (i)	Malawi	Granted	AML0026	100%
Kanyika Exploration	Malawi	Granted	EPL0421/15	100%

(i) AML = Application for Mining Lease; lodged with Malawi Ministry of Natural Resources, Energy & Mining on 5 December 2014 covering in part the area previously covered by EPL0188/05 has been approved subject to the completion of a Development Agreement.

Note: EPL: Exclusive Prospecting Licence (Malawi)