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ASX/Media Announcement

March Quarter 2009 Activities Report

Globe Metals & Mining is pleased to present its March Quarter 2009 Activities Report.

Highlights

- **\$3.7m cash at bank**
- **Commencement of formal discussions with Government of Malawi**
- **Upgraded JORC resource estimate announced for Kanyika Niobium Project:**
 - **70% increase in high-grade resources (Indicated and Inferred) to 24 Mt @ 3,800ppm Nb₂O₅ (up from 14.1 Mt @ 3,700ppm Nb₂O₅)**
 - **High-grade material available for at least the first 10 years of mining**
- **First customer supply deal for 500tpa Nb₂O₅ raw material**
- **Mini-pilot metallurgical program commenced to produce steel-grade ferro-niobium (FeNb)**
- **Outlook for niobium demand and prices very positive**

Summary & Outlook

The March Quarter was extremely busy for the Company, as it advanced the Kanyika Niobium Project on a number of fronts. In addition to the upgraded JORC resource estimate, a major metallurgical program and initial formal discussions with the Government of Malawi were commenced, as well as the Company's first niobium supply deal being entered into.

The Board remains very positive about the prospects for the Kanyika Niobium Project, and is focused on bringing it into production in 2012. A recently released "*Niobium Market Update*", sourcing data from a leading market commentator, has substantiated this view.

The Company continues to be in solid cash position, with \$3.7m cash at bank at the end of the Quarter.



1. Kanyika Project

1.1. Government Discussions

Globe Metals & Mining has commenced formal discussions with the Government of Malawi (GoM) in relation to formalising a Development Agreement for its 100% owned Kanyika Niobium Project.

In late March 2009, in the capital of Malawi, Lilongwe, the Company made presentations to senior representatives of relevant GoM Ministries, including Finance, Environmental Affairs, Mines & Energy, Health, Water, Labour & Social Development, Justice, Economic Planning & Development and the Malawi Revenue Authority, as well as the Reserve Bank of Malawi. The meeting was attended and opened by the Hon. Ted Kalebe, Minister for Mines & Energy.

Formal discussions and negotiations will recommence in June 2009, with a GoM committee made up of representatives of the relevant GoM Ministries, after the conclusion of the Presidential and National Assembly election to take place on 19 May 2009. The GoM has informed the Company that this committee will be made up primarily of GoM representatives that were involved in negotiating Paladin's Development Agreement for the Kayelekera Uranium Mine.

The discussions will encompass all aspects of the Kanyika Niobium Project relevant to Globe's future application for a Mining Licence. These include mining, engineering, legal, revenue/fiscal, operating, social and environmental issues. The discussions form part of Globe's Pre-Feasibility Study into the Kanyika Niobium Project, which was announced in September 2008, and is ongoing.

1.2. Upgraded JORC Resource Estimate

The Company's main focus at Kanyika during 2008 was on infill drilling, to upgrade a significant portion of the near surface, high-grade mineralisation to the JORC Indicated Resource category. A secondary objective was to test for extensions to the northern high-grade Milenje Zone. The Company was successful in both respects.

	55.3 Mt Indicated & Inferred Resource <i>(1,500ppm Nb₂O₅ cut-off)</i>			(incl.) 24.0 Mt Indicated & Inferred High-Grade Component <i>(3,000ppm Nb₂O₅ cut-off)</i>		
	<u>Metal (Mlbs)</u>	<u>Metal (tonnes)</u>	<u>Grade (ppm)</u>	<u>Metal (Mlbs)</u>	<u>Metal (tonnes)</u>	<u>Grade (ppm)</u>
Nb₂O₅	366	165,980	3,000	201	91,170	3,800
U₃O₈	10	4,430	80	5	2,400	100
Ta₂O₅	17	7,750	140	9	4,080	174
ZrSiO₄	610	276,640	5,000	296	134,350	5,600

Commentary

The resource area covers 2.3km strike length of mineralisation that was drilled over the 2007 and 2008 programs, in 176 holes for 15,899m. A further ~1.5km of known, outcropping mineralised alkalic granitoid, south of the resource area, remains to be drilled out in future.

A complete listing of the all drill results was released to ASX by the Company on 6 April 2009.

Important points to note:

- Increase in High-Grade Material** – The total high-grade resource component (Indicated and Inferred), being material in excess of 3,000ppm Nb₂O₅, has increased 70% to 24.0 Mt @ 3,800ppm Nb₂O₅ from 14.1 Mt @ 3,700ppm Nb₂O₅ (the initial Inferred JORC resource was announced to the market on 31 March 2008).
- Increase in Overall Grade and Contained Metal** – Overall grades and contained metal have increased significantly: the average grade for the total resource has increased to 3,000ppm Nb₂O₅ from 2,600ppm Nb₂O₅, resulting in a 14% increase in contained metal.

3. **Resource Upgrade** – A substantial part of the resource previously classified as Inferred has been upgraded to Indicated.

	13.2 Mt Indicated Resource (1,500ppm Nb ₂ O ₅ cut-off)			(incl.) 8.5 Mt Indicated High-Grade Component (3,000ppm Nb ₂ O ₅ cut-off)		
	Metal (Mlbs)	Metal (tonnes)	Grade (ppm)	Metal (Mlbs)	Metal (tonnes)	Grade (ppm)
Nb₂O₅	105	48,590	3,600	79	35,7300	4,200
U₃O₈	3	1,320	100	2	940	110
Ta₂O₅	5	2,120	160	4	1,620	190
ZrSiO₄	146	66,090	5,000	105	47,650	5,600

4. **High-Grade Inferred Resource** – Significant additional, mostly high-grade tonnage has been added by extensional drilling in the Milenje Zone in the Northern Area, both along strike and at depth. That is, in addition to the 8.5 Mt of high-grade material (defined as >3,000ppm Nb₂O₅) within the 13.2 Mt Indicated resource, there is a further 15.5 Mt of high-grade material within the new Inferred resource, which will be upgraded through additional drilling in due course.

	42.1 Mt Inferred Resource (1,500ppm Nb ₂ O ₅ cut-off)			(incl.) 15.5 Mt Inferred High-Grade Component (3,000ppm Nb ₂ O ₅ cut-off)		
	Metal (Mlbs)	Metal (tonnes)	Grade (ppm)	Metal (Mlbs)	Metal (tonnes)	Grade (ppm)
Nb₂O₅	259	117,900	2,800	121	55,740	3,600
U₃O₈	7	3,370	80	3	1,390	90
Ta₂O₅	12	5,470	130	6	2,630	170
ZrSiO₄	464	210,540	5,000	191	86,710	5,600

5. **Central Area** (Pangano, Uzambazi, Etandweni and Chikoka Zones) – Resource tonnage has been decreased in the Central Area due to an increased drill density, better geological understanding and tighter modelling of the mineralised envelopes. The grades in the Central Area however, have been significantly increased.
6. **Strip Ratio** – A large percentage of the overall high grade Indicated and Inferred material occurs near surface and will be available for early mining at low strip ratios. The Scoping Study prepared by the Company and released to the market in June 2008 contemplated a waste:ore strip ratio in the early years of mining of 0.5:1.
7. **Tantalum Resource** – the Kanyika Niobium Deposit contains a significant tantalum resource of 17Mlb. Metallurgical work currently underway is designed in part to assess the economic and metallurgical viability of separating this metal.

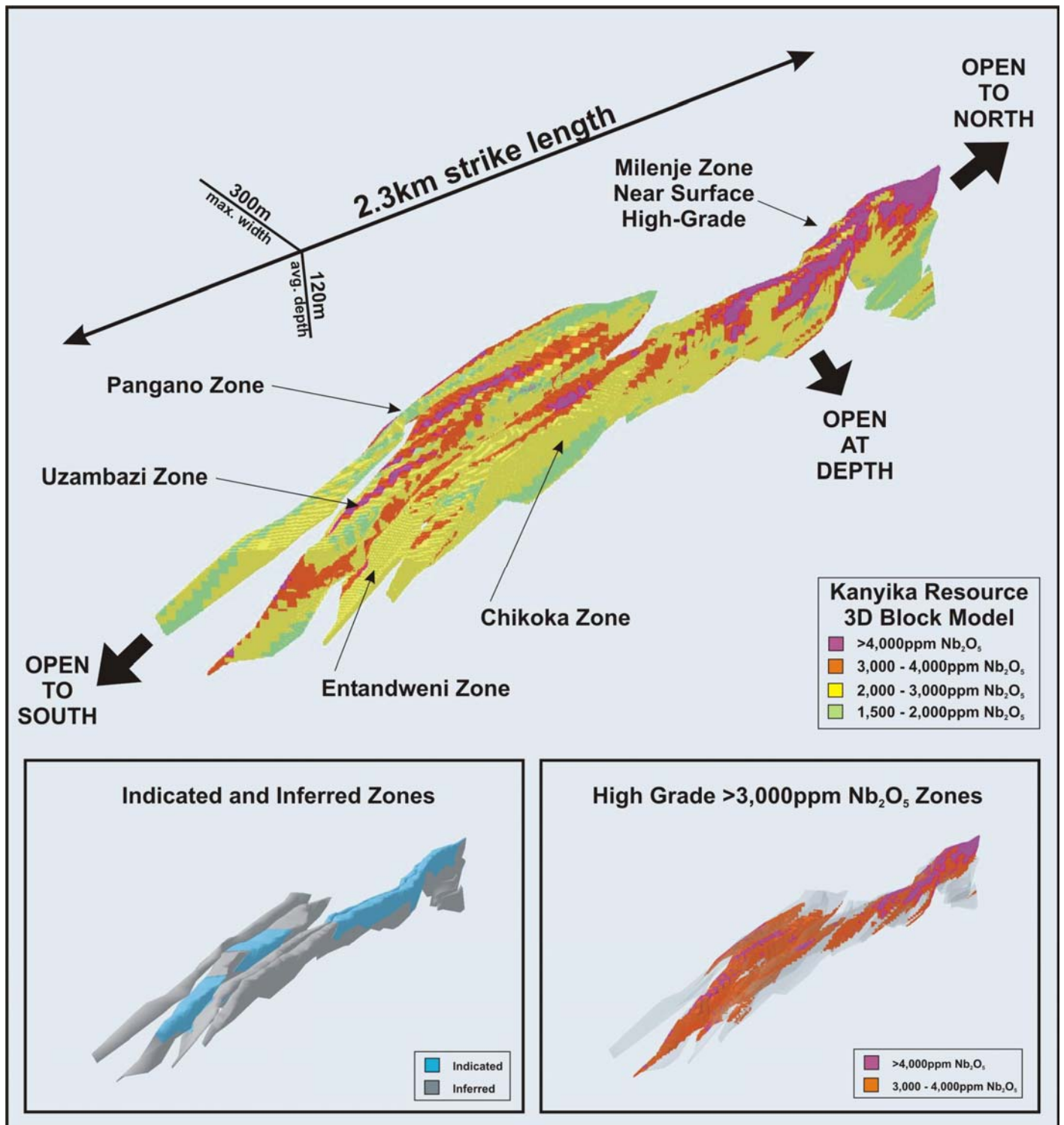


Figure 1: Kanyika Indicated and Inferred Resource 3D Block Model.

1.3. MOU for Supply of Niobium

Globe has entered into its first Memorandum of Understanding for the supply of niobium raw materials from Kanyika, Malawi, being “*an in-principle desire to purchase from Globe Metals & Mining on a long-term contract basis 500t/year Nb₂O₅*”.

The 500t of Nb₂O₅ equates to 350t of niobium metal, being ~12% of Globe’s planned annual production from Kanyika of 3,000t niobium metal. Further supply agreements are expected as Globe progresses the development of the Kanyika Niobium Project; first production is planned for late 2012.

Globe intends to produce two products from Kanyika – ferro-niobium for the steel industry and niobium raw materials for the non-steel industry, used for downstream processing into high-purity metals, oxides and alloys. The raw material may be in the form of either an alloy or a clean (i.e. non-radioactive) Nb₂O₅ concentrate. The MOU contemplates the supply of raw material in either form.

Globe considers the identity of the customer to be highly commercially sensitive, and therefore to be treated as confidential. The pricing mechanism, duration of contract and product specification, among other things, are yet to be determined.

1.4. FeNb Metallurgical Program

Globe has commenced a small scale metallurgical pilot program, designed to demonstrate the Company’s ability to produce steel-grade FeNb from Kanyika.

The program will treat 6 tonnes of Kanyika run-of-mine grade material, to produce approximately 60kg of a niobium-rich concentrate, and ultimately 5 to 10kg of FeNb. In addition to demonstrating that steel-grade FeNb can be produced from Kanyika, the final product will be made available to potential off-take partners for assessment. Results are due toward the end of September 2009.

A secondary objective of the program will be to assess the viability of economically recovering and producing tantalum and uranium by-products.

Approximately 90% of niobium is consumed by the steel industry, predominantly in high-strength low alloy (HSLA) steel products for major civil engineering and construction projects, oil and gas pipelines and the automobile and shipping industries.

Globe’s planned level of niobium production from Kanyika is 3,000tpa (Nb metal content), primarily in the form of steel-grade FeNb. This will represent no more than 3% of global niobium production per annum.

The mini-pilot metallurgical program just commenced is a key component of the Pre-Feasibility Study (PFS) currently underway in relation to the Kanyika Niobium Project. It is also a precursor to a much larger (~500t to 1,000t run-of-mine material) pilot program to be conducted during the Bankable Feasibility Study, to commence after completion of the PFS.

Metallurgical Consultants

The mini-pilot metallurgical program is being managed by Globe’s metallurgical consultant Mr John MacIntyre, of MacIntyre & Associates.

Crushing, grinding and gravity separation work is being conducted by Nagrom in Perth, Western Australia.

Flotation work to produce a final concentrate will be conducted by AMMTEC laboratories in Perth and SGS (Lakefield) in Canada. Final concentrate cleanup, acid leach and solvent extraction will also be carried out by SGS (Lakefield).

Smelting work to produce the final FeNb product will be conducted by Keech Furnace Technologies in Johannesburg, South Africa.

1.5. Niobium Market Update

The Company has obtained and reported information on the niobium market sourced from Roskill Information Services Ltd (www.roskill.co.uk), which portrays a very optimistic outlook for the niobium industry.

In addition, given the lack of readily available detailed information on the niobium industry (which can be typical for private/off-take traded commodities), this third party validation from a reputable source is critical for building investor awareness and confidence in both the niobium industry, and the Company's Kanyika Niobium Project in central Malawi.

Emphasis by bolding selected quotes has been added by Globe.

Demand

"Niobium is used in a variety of forms...but by far the most important in tonnage terms is HSLA [high strength low alloy] ferro-niobium that has applications in the production of certain types of steel. This market now accounts for about 90% of niobium usage and has been responsible for most of the increase in overall consumption..."

*"HSLA steels are the main market for niobium, although such steels form only a small part of the overall steel sector; **currently about 10% of total output but likely to grow significantly.**"*

"... the niobium industry remained confident of the industry's future prospects. Demand for natural gas linepipe, the main application for HSLA steel, is healthy and will remain so. The automobile industry, another major consumer of HSLA steel, was in a major downturn in 2008, and one that will continue into 2009 and 2010. There too, however, the long-term prospects for niobium remained good, given the general trend towards greater use of HSLA steel. The construction industry, the third major user of HSLA steel is set to recover in 2010."

*"The growth in consumption of niobium...has resulted from both the overall growth in total steel consumption and a shift from mild steels to higher quality steels, which often contain niobium. Worldwide, in 2008 the unit consumption of niobium in steel was around 55-60g/t of steel produced. In the most highly developed countries the figure was 100g/t or more, whereas in China only around 40g/t were consumed. There would appear, therefore, to be significant potential for the increased use of niobium in this end-use market. **While, in 2008, about 10% of the steel produced globally contained niobium, that share could rise to as much as 20% in future.**"*

*"Consumption in 2007 was a record 58,200t Nb and there was significant further growth into early 2008. Shipments in the first half of 2008 were 18% higher than during the first half of 2007 and 13% up on the second half of the year. The second half of 2008 almost certainly saw a downturn in demand for niobium and full-year growth was probably below 5%. Little, if any, growth is likely in 2009 but **a return to the underlying trend will very probably be seen from 2010.**"*

Global consumption of ferro-niobium between 2002 to 2007 inclusive exceeded 20% per annum¹.

Substitution

*"Ferro-niobium is not used in all types of steel produced. It is used mainly in HSLA, advanced high strength microalloyed steels, stainless and heat-resisting steels, which have a variety of applications such as gas linepipe, automotive components and construction. It is added to these steels to act as a grain refiner and precipitation hardener to improve simultaneously mechanical strength and toughness and high-temperature strength, and to enhance resistance to corrosion. **In 2008, ferro-niobium was used in about 10% of total steel production. There is good potential for that figure to grow, perhaps to much as 20%, as higher-quality steels continue to replace mild steel in a number of applications.**"*

"In the higher-quality steels, where niobium is finding increasing use, there is little opportunity for substitution by other alloying elements. At the typical addition rate of 0.05%, niobium delivers steel with a ferrite grain size of 20µm². Similar additions of titanium and vanadium result in much larger grain

¹ CBMM, TIC Conference presentation, Shanghai, October 2008

sizes, approximately 60µm² and 100µm², respectively. **Even at much higher rates of addition, titanium and vanadium cannot offer the degree of refinement provided by microalloying with niobium.**

*“As ferro-niobium, like other alloys, is used in very small amounts its impact on the cost per tonne of steel produced is minor. **Ferro-niobium prices are historically also very stable. The same cannot be said of ferro-vanadium and ferro-titanium prices, which show very wide fluctuations. There have been periods when the price of ferro-vanadium was below that of ferro-niobium: there have also been periods when it was several times higher...Roskill considers that there is little real risk of niobium being replaced to any significant extent by other alloys in steelmaking.**”*

Prices

“Ferro-niobium prices increased sharply from mid-2007...By May 2008, spot prices had risen to US\$39.70-41.90/kg (US\$18-19/lb), with producer prices at US\$35.30-36.40/kg (US\$16-16.50/lb). In November 2008 a benchmark contract price of US\$43.00-46.00/kg (US\$19.50-21/lb) was reported. Prices remained at that level in early 2009.”

*“It would be natural to expect such a large increase in prices to be only temporary, particularly during a time of severe global economic downturn. **Roskill does not share that view.** Prior to 2007, niobium prices had been flat for some years and thus falling in real terms. At the same time, demand was increasing and producers were expanding capacity accordingly, probably at considerable expense. An adjustment to the benchmark price at some point was inevitable. Roskill has obtained independent opinion on future pricing from within the steel industry and considers that ferro-niobium prices are likely to stay at about the level seen in late 2008 and early 2009.”*

“It is to be noted that ferro-niobium is consumed in very small quantities and that, even at the new higher price, it forms a very minor component of steel production costs.”

2. Other Projects

2.1. Argentina

The Company has disposed of a majority interest in its Argentina projects for cash consideration, and has no on-going liabilities in relation to those projects.

The Company retains a 15% beneficial interest in the projects on a free-carried basis until a positive bankable feasibility study has been carried out on a deposit within the project area. In that event, the Company is obliged to contribute to the next stage of the project development in order to retain its equity interest.

2.2. Malawi

No work was carried out on the Company's other projects in Malawi during the Quarter.

3. Corporate

3.1. Future Issues of Capital

The Board of Globe Metals & Mining has over a period of time implemented measures to preserve its cash position and incentivise its senior employees and contractors by making available to them equity in the Company, in the manner set out below. The Company will continue to do so, especially in light of the current global economic climate.

The Company has adopted the following arrangements in order to pursue these objectives:

- Salary Sacrifice – senior employees sacrifice a portion of their wages, on a periodic basis, in return for the Company issuing shares of an equivalent value based on the prevailing share price (at the time the arrangement is entered into).
- Retention Incentive – senior employees and contractors are issued shares in recognition of their on-going value and contribution to the Company, conditional upon continuity of service to the Company.
- Equity for Services – key contractors are issued shares in lieu of a portion of their fees for services, based on the prevailing share price (at the time the arrangement is entered into).

As at the date of this announcement, the Company has entered into arrangements with several senior employees and contractors, under which the following maximum aggregate number of shares may be issued to them respectively:

Salary Sacrifice	162,500
Retention Incentive	650,000
Equity for Services	292,500
Total	1,105,000

The following terms apply to these arrangements (as applicable):

1. If for any reason the senior employee/contractor (Eligible Person) ceases to be employed or engaged by the Company, the entitlement and obligation to salary sacrifice or exchange equity for service shall cease in the last full month of employment or engagement.
2. The shares will be issued without a disclosure document on the basis that the Eligible Person qualifies as a “senior manager” pursuant to section 708(12) of the Corporations Act 2001.
3. The Company shall endeavour to issue a notice pursuant to section 708A(5) of the Corporations Act 2001, on the date(s) all or any of the above shares are issued, at which point the Eligible Person will be free to immediately trade the shares (if they so choose).
4. In the event of the Company being subject to a takeover bid pursuant to Chapter 6 of the Corporations Act 2001 and a bidder’s statement, the entitlement and obligation to salary sacrifice or the entitlement to exchange equity for services shall cease on and from the announcement of the takeover bid, in relation to all subsequent months and all shares to be issued as a retention incentive will vest and be issued on the announcement of the takeover bid.
5. Other than in the circumstances described in 3 and 4 above, an Eligible Person must not offer any of the shares issued to them for sale to any person within 12 months from the date those shares are issued to them, without the Company’s prior written consent.

The Company will prepare and lodge with ASX an Appendix 3B announcement as and when any shares are issued in relation to the above arrangements. The Company will also update the above table on a quarterly basis.

3.2. Company Secretary

During the Quarter, Mr. Dean Scarparolo resigned as Company Secretary, and Mr. Lloyd Flint was appointed in his place.

Mr. Flint has over 20 years experience in the corporate and financial services industry, including a number of management and senior administrative positions, as well as providing corporate advisory services as a consultant to corporate clients. He graduated with a Bachelor of Accounts in 1984 and later completed a Master of Business Administration from Manchester Business School. He is a member of the Institute of Chartered Accountants in Australia and the Financial Services Institute of Australasia. Previous employers (in capacity as Company Secretary and/or Chief Financial Officer) include Zambezi Resources Limited, AusQuest Limited and Talisman Mining Limited.

About Globe Metals & Mining

Globe Metals & Mining is an African-focused uranium and specialty metals resource company. Its main focus is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Niobium Project in central Malawi, which contains a 55.3Mt Inferred and Indicated JORC resource @ 3,000ppm Nb₂O₅, including a higher grade 24.0Mt component @ 3,800ppm Nb₂O₅. The Indicated JORC resource component is 13.2Mt @ 3,600ppm Nb₂O₅, including a higher grade 8.5Mt component @ 4,200ppm Nb₂O₅. A Pre-Feasibility Study was commissioned in September 2008 and production is planned to commence in 2012 at a rate of 3,000tpa niobium metal, principally in the form of ferro-niobium.

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

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Competent Person: *The contents of this report relating to geology and exploration results are based on information compiled by Dr. Julian Stephens, Member of the Australian Institute of Geoscientists and Executive Director - Exploration for Globe Metals & Mining. Dr Stephens has sufficient experience related to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*