



ASX RELEASE

22 January 2020

About Globe

- Globe Metals & Mining Limited is a Perth based company listed on Australian Stock Exchange (ASX Code: GBE)

Investment Summary

- 100% interest held in Kanyika Niobium Project in Malawi (Africa)

Directors and Management

Ms Alice Wong - Non-Executive Chairperson

Mr Alistair Stephens - Managing Director

Mr William Hayden - Non-executive Director

Mr Bo Tan - Non-executive Director

Mr Alex Ko - Non-executive Director

Capital Structure

Shares on Issue: 465,922,373

Options on Issue: 1,000,000 (exercise price of \$0.25 per option; expiry of 30 June 2020)

Substantial Shareholders

Apollo Metals : 52.79%

Ao-Zhong International Minerals: 25.36%

Contact

Alistair Stephens

Managing Director

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T: +61 (0)8 9328 9368

December Quarter 2019 Review of Operations

Summary

Kanyika Niobium Project

- Company continues to work with government, stakeholders, specialist consultants and advisory parties to advance the Project.
- Work during the quarter was focussed on execution of the Development Agreement.
- Work during the quarter also included consideration of project financing and partnership options, and potential for involvement in areas of latest development in the niobium industry.

Development Agreement

- The Company is hopeful that following the enactment of Malawi's new Mines and Minerals Act (2018) that execution of the Development Agreement is close to finalisation. The Company remains ready, willing and able to execute the Development Agreement which is a precursor to financing and development.

Niobium Industry News

- Recent news reports indicate that the outlook for niobium remains positive with the continued growth of intensity of use of niobium in steel and the usage of niobium in long products (rebar) expected to drive growth.
- In addition, the outlook for use of niobium in EV batteries continues to strengthen with industry leader CBMM investing heavily in research and development in order to bring this to fruition.

Corporate & Finance

- Cash at bank and in term deposits at 31 December 2019 of \$6.311 million.

Globe Metals & Mining Limited (ASX Code: GBE) (“Globe” or “the Company”) provides its activities report for the quarter ended 31 December 2019.

1. Kanyika Niobium Project

1.1 Mining Development Process

Negotiations with various regulators, stakeholders and other parties are ongoing in regard to developing the Kanyika Niobium Project.

Advancement of the Kanyika Niobium Project is dependent on finalisation and execution of the Development Agreement (refer status at 1.5) which rests with the Government of Malawi.

1.2 Exploration Activities

No exploration activities were undertaken this quarter.

1.3 Engineering Studies

The engineering study remains dominantly complete until the development agreement is finalised in the event there are material issues in the agreement that necessitates alteration of these designs.

1.4 Mineral Resource Estimate

A Mineral Resource Estimate for the Kanyika Niobium Project under the 2012 JORC guidelines was reported to ASX on 11 July 2018, as follows:

Table 1: Mineral Resource Estimate for Kanyika using a 1,500 ppm Nb₂O₅ lower cut

Category	Million Tonnes	Nb ₂ O ₅ ppm	Ta ₂ O ₅ ppm
Measured	5.3	3,790	180
Indicated	47.0	2,860	135
Inferred	16.0	2,430	120
Total	68.3	2,830	135

Table 2: Mineral Resource Estimate for Kanyika using a 3,000 ppm Nb₂O₅ lower cut

Category	Million Tonnes	Nb ₂ O ₅ ppm	Ta ₂ O ₅ ppm
Measured	3.4	4,790	220
Indicated	16.6	4,120	190
Inferred	2.8	4,110	190
Total	22.8	4,220	190

1.5 Feasibility Study

On 25 January 2019, Globe provided an update on progress of its Kanyika Feasibility Study.

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 had all been completed to a level of technical detail that is satisfactory to engineering classification standards; and provided information with respect to the optimised site layout, mine operations, mine scheduling, and processing.

In addition, Globe noted that it 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 but was not yet in a position to finalise the financial model and release the key outcomes due to:

- (a) the current status of the mining law in Malawi (*now enacted – refer below*); and
- (b) the status of negotiations between Globe and the Malawi Government on the Development Agreement (*the Development Agreement has been amended to comply with the new Mines and Minerals Act 2018 and remains ready for execution pending Malawi Government internal approval processes – refer commentary below*).

Mining Act

On 14 December 2018, the National Parliament of Malawi passed a new bill – Mines and Minerals Bill No 8 of 2019 (New Act) with the new legislation to replace the previous Mines and Minerals Act (Cap. 61:01) which had been in place since 1981.

On 14 February 2019, the Malawi Parliament confirmed that Malawi's President, Mr Peter Mutharika, had assented to the New Act.

President Mutharika is on record to the Malawi Parliament that government hopes to enhance the development of the mining sector and increase its benefits to the people. President Mutharika said: "In recognition of the huge potential the mining sector has on the country's economic growth and development, government is implementing a number of activities aimed at increasing investments in the sector."

On 15 August 2019, Malawi's Minister of Natural Resources and Mining, the Honourable Mr Bintony Kutsaira, completed the final administrative process for Malawi's new Mining Act to take effect by filing a Notice of Commencement (reference D61:01) which stated:

In exercise of the powers conferred by section 1 of the Mines and Minerals Act, 2019, Bintony Kutsaira, Minister of Natural Resources and Mining, appoint the 1st day of September 2019, as the date on which the Act shall come into operation.

The adoption and commencement of the new Mining Act represents completion of what is considered a necessary step to allow execution of the Development Agreement to now take place.

The published Act makes reference in Part 1 Section 1 that the New Act is to be formally referenced as the Mines and Minerals Act (2018).

Development Agreement

The execution of a Development Agreement with the Government of Malawi is a condition on the conversion of the Application for Mining Licence into a granted Mining Licence; and will allow the Company to move forward with project funding and marketing arrangements.

It is hoped that in light of the Malawi Government's stated desire to attract investment into the Malawi mining sector and the formal commencement of Malawi's new Mines and Minerals Act 2018 from 1 September 2019, that the Malawi Government will soon finalise its internal processes to allow

for execution of the Kanyika Development Agreement. A process which both parties both acknowledge has been extensive in timeframe.

An Application for Mining Licence grants the Company security of tenure only, and grants no rights to the Company to market, sell or commit products or commodities, and prevents any development or operational activities, and therefore, grants no rights to relocate or disrupt communities. In reference to JORC guidelines, the conversion of mineral resources to ore reserves can only be undertaken once modifying factors, specifically (section 29 JORC Reporting or Ore Reserves) *"once there are reasonable grounds that Government approvals will be received"*.

For the reasons above, the Company is not yet in a position to publish the Feasibility Study outcomes but will do so upon the Kanyika Development Agreement being executed and the Company's Application for Mining Licence having been converted into a granted Mining Lease.

1.6 Malawi Government Elections

On 21 May 2019, Malawi held a federal election. However, release of the results of the election was initially suspended whilst Malawi's High Court considered an injunction placed on the Malawian Electoral Commission, claiming electoral irregularities.

The matter remains unresolved at the date of this report. It is unclear whether this matter has or will cause delay in execution of the Development Agreement or other matters related to the progression of the Kanyika Niobium Project.

1.7 Kanyika Community Court Action

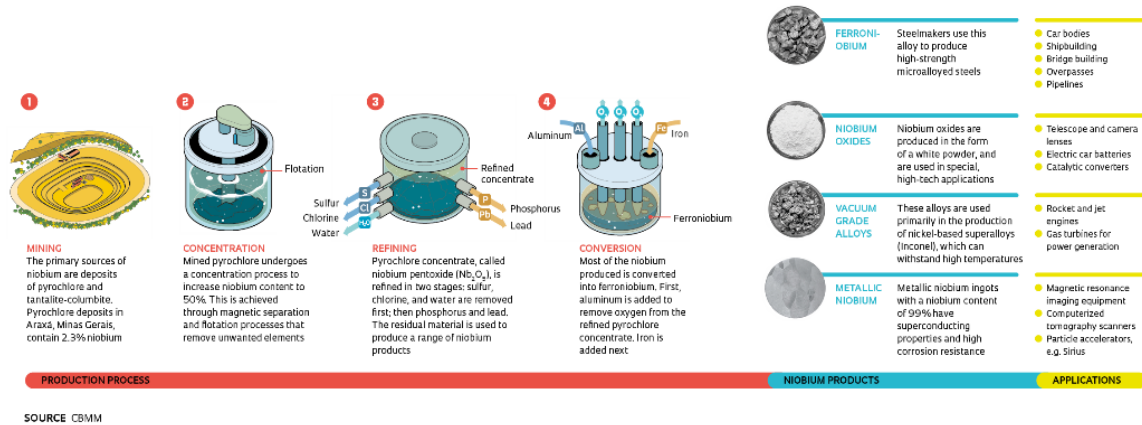
A mediation hearing for the court action by selected Kanyika residents against the Government of Malawi and Globe Metals and Mining (Africa) Limited proceeded as scheduled (from notice to both parties dated May and September 2019) on 17th of December 2019.

Unfortunately, the Plaintiffs did not present to the court hearing and their legal representative claimed that they were both unprepared and uninformed of the court date. Irrespective, their legal representative refused any offer of compensation that Globe might be willing to table. The court ruled that without successful mediation the mediation was at an end and that the parties should consider their respective positions.

It is noted that the Company identified and accepts relevant to the matter and pursuant to statute, a liability for uncompensated exploration activities of a total amount less than US\$100. The Company's letter of offer, setting out its acceptance and agreeing to payment of this amount, to the Plaintiff's legal representatives earlier in the year remains without response.

2. Niobium – Uses, Demand and Supply Outlook

2.1 How Niobium is processed and its main applications



2.2 Outlook

On 16 January 2020, Roskill published its latest outlook for niobium. An extract of the relevant parts are as follows:

Uses

Approximately 90% of all niobium used is consumed as ferroniobium in steelmaking. The rest goes into a wide range of smaller-volume but higher-value applications, such as high-performance alloys (which include superalloys), carbides, superconductors, electronic components and functional ceramics.

Although the unit consumption of niobium in steel is very small—fractions of a percent by weight of a tonne of finished steel—the benefits are large. Niobium additions in steel significantly increases strength, so less steel is required overall, which can reduce cost substantially. This has been the basis for the development and growth in its use of steels over the last few decades and should remain the driver in the years to come. Niobium intensity of use is relatively low in several large, steel-producing nations, such as China, but also India and Southeast Asia. The capacity for an increase in niobium intensity of use and a potential increasing usage in long products (rebar) provide an area of potential growth in niobium demand. With Chinese regulations now requiring higher ferroalloy loadings in construction, the outlook for ferroniobium and ferrovanadium demand, looks positive.

Demand

Demand for ferroniobium has increased considerably over the past two years. A tight vanadium market coupled with the introduction of new rebar standards in China caused ferrovanadium prices to spike in 2018. This prompted unexpected levels of substitution. Chinese steel makers started to use ferroniobium in Grade 3 rebar which, coupled with strong demand for ferroniobium in line pipe and automotive applications, meant that imports into China (and exports out of Brazil) reached record highs.

Supply

Almost all ferroniobium supply is from three industrialised producers, two in Brazil and one in Canada. By far the largest is Companhia Brasileira de Metalurgia e Mineração (CBMM), which operates a pyrochlore mine and processing plant near Araxá in east-central Minas Gerais state in Brazil. While historically the company has operated comfortably below operational capacity, recent increases in demand translated into rising operating rates and prompted an increase its ferroniobium capacity by 50% over the period to 2021. The other major producers, Magris Resources in Canada and China Molybdenum in Brazil are thought to be operating at close to capacity.

CBMM will complete the expansion of its production capacity in Q4 2020 to 150ktpy ferro-niobium (90ktpy contained Nb), justified by sustainable demand growth coming from the steel industry. The group may also consider a further expansion to 225ktpy ferro-niobium (135ktpy Nb). No doubt, this incremental investment will

depend on the future development of the steel industry in China, but it will also depend on whether CBMM's expectations for new niobium applications materialise.

New Applications

CBMM believes that usage of niobium in EV batteries will provide a new source of growth and the group is investing into new potential applications. In 2019, CBMM's R&D budget for the batteries segment was around US\$10M, representing a considerable proportion on the company's total R&D budget of US\$40-50Mpy, with the battery budget increasing.

Overall

On an overall basis, outlook for niobium remains positive with demand expected to continue to grow.

3. Corporate

3.1 Cash at Bank

Cash at bank for the Company remains robust with A\$6.311 million at bank on call or in term deposit.

3.2 Options

As at 31 December 2019, share options remaining on issue are as follows:

Grant Date	Expiry Date	Number	Exercise Price
2 July 2013	30 June 2020	1,000,000	\$0.25

3.3 Whistle-blower policy

Subsequent to the end of the quarter the Company lodged on the ASX platform its whistle-blower policy, which is a mandatory ASIC requirement for all Australian public companies.

3.4 Change of Share Registry

Subsequent to the end of the quarter, the Company was informed that its share registry service provider "Security Transfer Australia" had been acquired by the Automic Group, and that effective from 20 January 2020 Automic would provide share registry services to the Company.

Shareholders should refer to the ASX release dated 20 January 2020 for the change of contact details for share registry services.

4. Schedule of Mineral Tenements as at 31 December 2019

No tenements (including beneficial interest in tenements) were acquired or disposed of during the quarter.

The Company's interest in mineral tenements as at 31 December 2019 was as follows:

Project	Status	Tenement	Interest held by Globe
Malawi Kanyika	Under application	AML00026	100%
Malawi Kanyika	Granted	EPL0421/15R	100%

AML- Application for Mining Lease. A renewal application was lodged for this tenement and the Company awaits formal feedback on its renewal.

EPL – Exclusive Prospecting Licence (Malawi)

5. Authorisation for Release

This report has been authorised for release by the Company's Managing Director, Alistair Stephens.

APPENDIX

Disclaimer

- This report has been prepared by Globe Metals & Mining Limited (“Company”). The material contained in this report is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company and neither this release nor anything contained in it shall form the basis of any contract or commitment.
- This report may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Globe Metals & Mining Limited’s business plans, intentions, opportunities, expectations, capabilities and other statements that are not historical facts. Forward-looking statements include those containing such words as could-plan-target-estimate-forecast-anticipate-indicate-expect-intend-may-potential-should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results to differ from those expressed in this report. Because actual results might differ materially to the information in this report, the Company does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.
- The report has been prepared by the Company based on information available to it, including information from third parties, and has not independently verified. No representation or warranty, express or implied, is made to the fairness, accuracy or completeness of the information or opinions contained in this report.
- The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral resources and Ore Reserves 2012 Edition (“JORC Code”), which governs such disclosures by companies listed on the Australian Securities Exchange.

Mineral Resource Estimates

- The information in this report that relates to Mineral Resources is extracted from the report titled “Kanyika Niobium Project – Updated JORC Resource Estimate” released to the Australian Securities Exchange (ASX) on 11 July 2018 and available to view at www.globemm.com and for which Competent Persons’ consents were obtained. Each Competent Person’s consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.
- The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 11 July 2018 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original ASX announcement.
- Full details are contained in the ASX announcement released on 11 July 2018 titled “Kanyika Niobium Project – Updated JORC Resource Estimate” available to view at www.globemm.com

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Globe Metals & Mining Limited

ABN

33 114 400 609

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(202)	(391)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(491)	(727)
1.3 Dividends received (see note 3)		
1.4 Interest received	28	63
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(665)	(1,055)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(6)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(5)	(6)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,995	7,387
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(665)	(1,055)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	(14)	(15)
4.6	Cash and cash equivalents at end of period	6,311	6,311

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	6,311	6,995
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,311	6,995

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	224
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The payments made to directors of the entity and their associates reported at 6.1 were comprised as follows:

	\$A'000
Non-executive Directors' Fees	62
Managing Director Fees	96
Superannuation	6
Annual leave	59
Total	<u>224</u>

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	122
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	328
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	450

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.
- 3 This report has been authorised for release by the Company's Managing Director - Alistair Stephens.

Sign here:  Date: .22 January 2020.....
 (Director/Company secretary)

Print name:Michael Fry.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.