

*Globe Metals & Mining  
Limited*

(ABN 33 114 400 609)  
(formerly Globe Uranium Limited)

*And Controlled Entities*

*Annual Financial Report*

---

*For the year ended  
30 June 2008*

---

## CONTENTS

<i>Corporate Directory</i> .....	1
<i>Directors' Report</i> .....	2
<i>Auditor's Independence Declaration</i> .....	12
<i>Income Statement</i> .....	13
<i>Balance Sheet</i> .....	14
<i>Statement Of Changes In Equity</i> .....	15
<i>Cash Flow Statement</i> .....	16
<i>Notes To The Financial Statements</i> .....	17
<i>Directors' Declaration</i> .....	47
<i>Independent Audit Report</i> .....	48
<i>Additional Shareholder Information</i> .....	50
<i>Corporate Governance</i> .....	52
<i>Schedule Of Mineral Tenements</i> .....	58

---

**CORPORATE DIRECTORY**

**NON-EXECUTIVE CHAIRMAN**

David Sumich

**MANAGING DIRECTOR**

Mark Sumich

**TECHNICAL DIRECTOR**

Peter van der Borgh

**COMPANY SECRETARY**

Bruce Franzen

**PRINCIPAL & REGISTERED OFFICE**

Level 3

1060 Hay Street

WEST PERTH WA 6005

Telephone: (08) 9486 1779

Facsimile: (08) 9486 1718

**AUDITORS**

Mack & Co. Chartered Accountants

2nd Floor, 35 Havelock Street

WEST PERTH WA 6005

**SHARE REGISTRAR**

Security Transfers Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Telephone: (08) 9315 2333

Facsimile: (08) 9315 2233

**STOCK EXCHANGE LISTING**

Australian Stock Exchange

(Home Exchange: Perth, Western Australia)

Code: GBE

**BANKERS**

ANZ Bank

1275 Hay Street

WEST PERTH WA 6005

**LAWYERS**

Price Sierakowski

Level 24, 44 St George's Terrace

PERTH WA 6000

## **DIRECTORS' REPORT**

The directors of Globe Metals & Mining Limited submit herewith the financial report of the Company and its controlled entities for the financial year ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### **1. DIRECTORS**

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

David Sumich	Chairman (non-executive)
Mark Sumich	Managing Director
Peter van der Borgh	Technical Director (non-executive)

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

**David Sumich** Chairman (non-executive)

Qualifications B.Bus (Hons)

Experience David brings to Globe Metals & Mining over 10 years experience in the investment banking and corporate finance fields. He worked for Merrill Lynch during the early 90's where he worked in the International Private Banking division and assisted many small companies through the seed capital stage to ASX listing. More recently, David has worked in the Middle East including HSBC, advising many resource and energy corporations throughout Middle East and Africa on project finance, mergers & acquisitions and financing solutions. David has also worked in Hong Kong for a venture capitalist and asset management firm and became a member of the Hong Kong Securities and Futures Commission.

Currently, David works for CK Locke & Partners as Head of the Corporate Finance division in Perth. CK Locke provides a broad range of financial and investment banking services. He is also Executive Director of DMC Mining Limited, an ASX listed exploration company.

Interest in Shares 1,237,500 Fully paid Ordinary Shares

Interest in Options 600,000 30 cent options exercisable on or before 31/10/08  
500,000 100 cent options exercisable on or before 30/06/10

Directorship of Listed Companies ASX DMC Mining Limited from 18 July 2007.

**DIRECTORS' REPORT**

<b>Mark Sumich</b>	Managing Director	
Qualifications	LLB (UWA); MBA (Lon)	
Experience	<p>Mark brings a wealth of managerial, financial and legal expertise to Globe Metals &amp; Mining, and he has also been a director and senior executive of a number of public and/or ASX-listed companies.</p> <p>Professional advisory experience includes corporate and securities law in the Perth office of Clayton Utz, one of Australia's largest law firms, corporate finance with PricewaterhouseCoopers and more recently financial consulting to some of Australia's largest financial services organisations.</p>	
Interest in Shares	6,327,500	Fully Paid Ordinary Shares
Interest in Options	1,200,000	30 cent options exercisable on or before 31/10/08
	1,000,000	100 cent options exercisable on or before 30/06/10
Directorship of Listed Companies	ASX Nil	
<b>Peter van der Borgh</b>	Technical Director (non-executive)	
Qualifications	BSc (Hons); FGS	
Experience	<p>Peter has been involved in the exploration and mining sectors for 20 years, targeting a range of commodities including gold, base-metals and gemstones both nationally and internationally. From mid 1998, as a Research Geologist at the University of Western Australia, Peter spent three years in a team studying the formation and siting of giant ore deposits as part of AMIRA P511. In July 2005 Peter established Cortona Resources Ltd, where he currently holds the position of Managing Director, and brings a range of conceptual and practical exploration skills to the board of Globe Metals &amp; Mining.</p>	
Interest in Shares	400,000	Fully Paid Ordinary Shares
Interest in Options	200,000	30 cent options exercisable on or before 31/10/08
	500,000	100 cent options exercisable on or before 30/06/10
Directorship of Listed Companies	ASX Cortona Resources Limited from 12 January 2006.	

## **DIRECTORS' REPORT**

### **COMPANY SECRETARY**

The following persons have held the position of Company Secretary during or at the end of the financial year:

Bruce Franzen B.Bus CPA FFin.

Bruce is a certified practising accountant with over seventeen year's local and international experience in the resources industry. An oil & gas specialist with broad skill sets based around commercial and financial administration, ERP systems, team leadership, project & JV management, contracts & procurement, taxation, corporate governance, and financial reporting. Bruce has substantial experience in financial control related to offshore oil & gas drilling, exploration, and development of large scale capital resource projects. He has worked for large companies such as Woodside Energy, Inpex and Origin Energy. Bruce is currently a Director and Company Secretary of ASX listed DMC Mining Limited.

### **2. PRINCIPAL ACTIVITIES**

The principal activity of the Consolidated Entity during the financial year was mineral exploration.

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

### **3. RESULTS**

The consolidated loss of the economic entity after providing for income tax amounted to \$1,169,667 (2007: \$1,702,464).

### **4. REVIEW OF OPERATIONS**

This financial year has been extremely busy, and successful, for the Company with substantial progress being made on a number of issues.

#### **Corporate/Financial**

During the year, the Company raised funds of \$2.76 million through the exercise of 13,802,810 options expiry 31 October 2007. A total of 261,458 options were not exercised and subsequently expired. This class of securities ceased trading at 31 October 2007.

#### **Exploration Results**

The 2008 financial year has been very successful for the Company, with activity primarily focused on the Kanyika Project in central Malawi and, to a lesser extent, the Livingstonia Uranium Project in northern Malawi. From a strategic perspective, with the efforts of the Company focused on Malawi and Africa, the Company has had limited opportunity to progress its ground in Argentina.

#### **Kanyika Project - Malawi**

The primary focus of the Company during the financial year has been advancing the Kanyika Project, which is a multi-commodity (niobium, uranium, tantalum and zircon) deposit. The first major achievement in relation to this project was the announcement of a 56Mt inferred JORC resource in March 2008:

	<b>56.4 Mt Inferred Resource</b> <i>(1,500ppm Nb<sub>2</sub>O<sub>5</sub> cut-off)</i>			<b>(incl.) 14.1 Mt High-Grade Component</b> <i>(3,000ppm Nb<sub>2</sub>O<sub>5</sub> 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>
<b>Nb<sub>2</sub>O<sub>5</sub></b>	320.7	<b>145,500</b>	2,600	115.7	<b>52,500</b>	3,700
<b>U<sub>3</sub>O<sub>8</sub></b>	8.9	<b>4,000</b>	70	3.0	<b>1,400</b>	100
<b>Ta<sub>2</sub>O<sub>5</sub></b>	14.5	<b>6,600</b>	120	5.1	<b>2,300</b>	160
<b>ZrSiO<sub>4</sub></b>	600.5	<b>272,400</b>	4,800	177.6	<b>80,600</b>	5,700

## ***DIRECTORS' REPORT***

- Kanyika the largest reported JORC metals deposit in Malawi.
- High-grade component of resource – majority at or near-surface.
- Niobium the primary commodity at Kanyika – steel the key driver for niobium consumption (20% p.a. growth last 5 years).
- Kanyika resource discovered at a cost of A\$3m over 2 years; 80 holes drilled, total of 8,869m.
- Resource drilled to average depth of ~120m and extends over 2,050m; open at depth and to north and south.

Subsequent to the announcement of the resource, the Company commissioned and reported the results of a Scoping Study on the Kanyika Project, which was carried out by Coffey Mining. The key finding was that the Kanyika Project has the potential to become a very profitable operation with at least a 20 year mine life:

- \$3B revenue and \$1.1B free cash flow over 20 year period (based on 4,000t/year Nb metal production).
- High operating margins – \$93M in yr 1, averaging \$77M for the life of mine.
- Modest upfront capex. – \$177M.
- Short capital payback period < 2 years.
- Financial returns have potential to improve significantly with further work.

### **Livingstonia Project – Malawi**

Over the course of the financial year, the Company has carried out two drilling campaigns on this sandstone “roll-front” uranium target. Approximately 11,000m in total have been drilled.

The drilling has identified a broad area, more than 600m x 500m, of shallowly-dipping uranium mineralisation hosted in Karoo sedimentary rocks at the Chombe prospect. Two distinct NW-SE trends of thicker and higher grade uranium have been identified within this broader envelope. Best results include:

- 8.1m @ 644ppm eU<sub>3</sub>O<sub>8</sub> incl. 3.1m @ 806ppm eU<sub>3</sub>O<sub>8</sub>
- 11.7m @ 283ppm eU<sub>3</sub>O<sub>8</sub> incl. 2.2m @ 677ppm eU<sub>3</sub>O<sub>8</sub>
- 15m @ 402ppm U<sub>3</sub>O<sub>8</sub> incl. 9m @ 562ppm U<sub>3</sub>O<sub>8</sub>
- 5m @ 576ppm U<sub>3</sub>O<sub>8</sub> incl. 3m @ 836ppm U<sub>3</sub>O<sub>8</sub>

Not all results from the 11,000m have been reported to date.

**Competent Persons:** *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 Exploration Manager for Globe Metals & Mining Limited. 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 & 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.*

## **5. FINANCIAL POSITION**

During the year, the Company raised funds of \$2.76 million through the exercise of 13,802,810 options expiry 31 October 2007. The consolidated entity has Cash and Cash Equivalents at 30 June 2008 of approximately \$7.7 million.

The Directors believe that the Company currently has sufficient capital to effectively explore its current landholdings.

## ***DIRECTORS' REPORT***

### **6. BUSINESS STRATEGIES AND PROSPECTS FOR THE FORTHCOMING YEAR**

Globe Metals & Mining Limited is an Australian-based uranium and specialty metals company whose strategy is to become a leading metals producer through global exploration and acquisition of advanced-stage projects.

The Consolidated Entity is confident that the combination of its management team's expertise, the existing portfolio of projects, management's ability to source and review new projects and the continued buoyant commodity prices all bode well for the Consolidated Entity in the forthcoming year.

### **7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

The following significant changes in the state of affairs of the Consolidated Entity occurred during the financial period:

At 31 October 2007, 13,802,810 listed options (GBEO) were exercised at 20 cents each to raise \$2.76m and 261,458 options expired. This class of security has now expired.

In May 2008, the Consolidated Entity advised that it had been granted a 100% interest in a new Exclusive Prospecting Licence (EPL) in Malawi – Belele Dambo (653 sqkm), central western Malawi. The EPL includes U, Nb, Ta, Zr, and all rare earth elements and is for a term of 3 years.

### **8. SUBSEQUENT EVENTS**

The Board has resolved to issue deferred equity entitlements of 2,125,000 fully paid ordinary shares to Senior Manager's of the Company, to vest upon satisfaction of continuity of employment, being 50% at 30 June 2009, and 50% on 30 June 2010. Shares will be allotted upon achieving vesting conditions.

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

### **9. FUTURE DEVELOPMENTS**

The Consolidated Entity will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

### **10. ENVIRONMENTAL ISSUES**

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

### **11. DIVIDENDS PAID OR RECOMMENDED**

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### **12. REMUNERATION REPORT - AUDITED**

#### *Remuneration policy*

The remuneration policy of Globe Metals & Mining Limited 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 long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Globe Metals & Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the economic entity.

## ***DIRECTORS' REPORT***

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

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.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the 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 \$150,000). Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

### *Performance based remuneration*

The Company has no performance based remuneration component built into director and executive remuneration packages.

### *Company performance, shareholder wealth and director's and executive's remuneration*

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end, refer note 4 of the financial statements.

### *Employment contracts of key management personnel*

For details of service agreements between key management personnel and Globe Metals & Mining Limited, refer note 4 of the financial statements.

**DIRECTORS' REPORT****Compensation of key management personnel for the period ended 30 June 2008**

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL \$
	Salary & Fees	Cash Bonus	Non Monetary	Super-annuation	Retirement Benefits	Equity	Options	
<b>Directors</b>								
David Sumich Chairman (non executive)								
2008	42,500	-	-	3,825	-	-	-	46,325
2007	47,500	-	-	5,437	-	-	165,500	218,437
Mark Sumich Managing Director								
2008	192,661	-	-	17,340	-	-	-	210,001
2007	(i) 110,400	-	-	-	-	-	331,000	441,400
Peter van der Borgh Technical Director (non executive)								
2008	36,500	-	-	3,285	-	62,500	-	102,285
2007	40,400	-	-	3,006	-	-	165,500	208,906
<b>Total remuneration directors</b>								
2008	271,661	-	-	24,450	-	62,500	-	358,611
2007	198,300	-	-	8,443	-	-	662,000	868,743
	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL \$
	Salary & Fees	Cash Bonus	Non Monetary	Super-annuation	Retirement Benefits	Equity	Options	
<b>Specified Executives</b>								
George Lazarou Company Secretary (appointed 9 August 2006 resigned 29 June 2007)								
2008	(ii) 2,367	-	-	-	-	-	-	2,367
2007	(ii) 78,468	-	-	-	-	-	-	78,468
Bruce Franzen Company Secretary (appointed 29 June 2007)								
2008	(iii) 154,448	-	-	-	-	-	47,375	201,823
2007	(iii) 4,854	-	-	-	-	-	-	4,854
<b>Total remuneration specified executives</b>								
2008	156,815	-	-	-	-	-	47,375	204,190
2007	83,322	-	-	-	-	-	-	83,322

## **DIRECTORS' REPORT**

- (i) The amount was paid to Ragusa Investments, a company controlled by Mr Mark Sumich.
- (ii) An aggregate amount in 2007 of \$78,468, and in 2008 \$2,367 was paid, or was due and payable to Mining Corporate Pty Ltd, a company of which Mr George Lazarou is a director, for the provision of company secretarial and accounting services to the Company.
- (iii) An aggregate amount in 2007 of \$4,854, and in 2008 \$154,448 was paid, or was due and payable to Zen Magnolia Pty Ltd, a company of which Mr Bruce Franzen is a director, for the provision of company secretarial and accounting services to the Company.

### **Compensation shares granted during the year ended 30 June 2008**

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date \$	Terms & Conditions for Each Grant Vesting Date
Peter van der Borgh	-	250,000	18/06/08	0.25	18/6/08
	<u>-</u>	<u>250,000</u>			

Value per share is approximately the market price at date of the grant.

All shares were granted for nil consideration, but are subject to attainment of performance and/or employment continuity criteria.

### **Compensation shares granted during the year ended 30 June 2007**

No compensation shares were granted to key management personnel during the year ended 30 June 2007.

### **Compensation options granted during the year ended 30 June 2008**

No compensation Options were granted to key management personnel during the year ended 30 June 2008.

### **Compensation options granted during the year ended 30 June 2007**

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date \$	Exercise Price \$	Terms & Conditions for Each Grant First Exercise Date	Last Exercise Date
Directors							
Mark Sumich	1,000,000	1,000,000	25/06/07	0.331	1.00	25/06/07	30/06/10
David Sumich	500,000	500,000	25/06/07	0.331	1.00	25/06/07	30/06/10
Peter van der Borgh	500,000	500,000	25/06/07	0.331	1.00	25/06/07	30/06/10
	<u>2,000,000</u>	<u>2,000,000</u>					

Exercise price is approximately at 10 – 20% premium to the market price at date of grant. All options were granted for nil consideration.

The value per option at grant date is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model.

### **Performance income as a proportion of total income**

No performance based bonuses have been paid to key management personnel during the year ended 30 June 2008.

Deferred equity entitlements resolved by the Board to incentivise Senior Manager's are consistent with the Company's executive remuneration and retention policies.

## ***DIRECTORS' REPORT***

### **13. MEETINGS OF DIRECTORS**

	Board of Directors	
Directors	Held	Attended
David Sumich	10	10
Mark Sumich	10	10
Peter van der Borgh	10	10

### **14. INDEMNIFYING OFFICERS**

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

### **15. OPTIONS**

At the date of this report, 5,850,000 unissued ordinary shares of the Company under option are as follows:

Expiry Date	Exercise Price	Number of Options
31 October 2008	30 cents	2,000,000
14 August 2009	30 cents	250,000
14 August 2009	50 cents	250,000
24 March 2010	75 cents	200,000
4 June 2010	75 cents	50,000
30 June 2010	100 cents	2,000,000
30 June 2010	88 cents	500,000
4 June 2010	75 cents	50,000
25 June 2010	100 cents	150,000
30 November 2010	50 cents	250,000
5 May 2011	35 cents	150,000

During the year ended 30 June 2008 there have been 13,802,810 issues of ordinary shares as a result of the exercise of the 20 cent options expiring 31 October 2007.

### **16. PROCEEDINGS ON BEHALF OF COMPANY**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

### **17. AUDITORS INDEPENDENCE DECLARATION**

The auditor's independence declaration is included on page 12 of the financial report.

### **18. NON AUDIT SERVICES**

The auditor did not provide any non audit services during the year and hence Directors are satisfied that the general standard of independence for auditors imposed by the Corporations Act 2001 has been met.

Details of amounts paid or payable to the auditor for audit services provided during the year are outlined in note 8 to the financial statements.

## ***DIRECTORS' REPORT***

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




Mark Sumich  
Managing Director

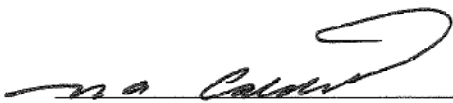
Dated this 26th day of September 2008

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF GLOBE METALS & MINING LIMITED**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2008, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

  
Mack & Co  
Chartered Accountants  
2nd Floor, 35 Havelock Street  
West Perth WA 6005

  
N.A Calder, Partner

SEPTEMBER 26 2008  
Date

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Consolidated		Company	
		2008 \$	2007 \$	2008 \$	2007 \$
Other revenue	2	1,064,238	262,094	1,064,105	262,089
Administrative expense		(925,454)	(300,675)	(797,411)	(266,887)
Share based payments	18,19	(320,874)	(930,673)	(320,874)	(930,673)
Employee benefits expense	3	(94,434)	(38,314)	(94,434)	(38,314)
Finance costs	3	(59,859)	(32,700)	(10,065)	(20,814)
Communications		(53,957)	(46,031)	(36,670)	(46,031)
Compliance and regulatory expenses		(372,703)	(124,584)	(295,155)	(114,998)
Occupancy expenses		(84,316)	(88,572)	(34,039)	(88,572)
Directors fees		(96,761)	(131,923)	(79,000)	(131,923)
Insurance expenses		(36,900)	(24,667)	(16,328)	(24,667)
Depreciation expense	3	(64,631)	(9,517)	(22,222)	(9,517)
Exploration expenditure written off	3	(124,016)	(236,902)	(121,616)	(233,994)
Provision for impairment of loans	3	-	-	(405,958)	(58,163)
Operating loss before income tax expense	3	(1,169,667)	(1,702,464)	(1,169,667)	(1,702,464)
Income tax expense		-	-	-	-
Operating loss after income tax expense		<u>(1,169,667)</u>	<u>(1,702,464)</u>	<u>(1,169,667)</u>	<u>(1,702,464)</u>
Basic loss per share (cents per share)	23	(1.75)	(4.20)		
Diluted loss per share (cents per share)	23	(1.75)	(4.20)		

The accompanying notes form part of these financial statements.

**BALANCE SHEET**  
**AS AT 30 JUNE 2008**

	Note	Consolidated		Company	
		2008 \$	2007 \$	2008 \$	2007 \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	10	7,735,647	10,220,668	7,649,929	10,180,289
Trade and other receivables	11	72,577	87,071	50,355	23,370
Other assets	12	93,000	73,508	68,268	73,508
<b>TOTAL CURRENT ASSETS</b>		<u>7,901,224</u>	<u>10,381,247</u>	<u>7,768,552</u>	<u>10,277,167</u>
<b>NON CURRENT ASSETS</b>					
Trade and other receivables	11	94,649	-	5,552,968	438,018
Exploration assets	16	6,250,208	1,782,512	688,626	1,210,786
Other financial assets	14	140,000	-	343,123	203,044
Plant and equipment	13	375,745	145,796	83,098	145,796
<b>TOTAL NON CURRENT ASSETS</b>		<u>6,860,602</u>	<u>1,928,308</u>	<u>6,667,815</u>	<u>1,997,644</u>
<b>TOTAL ASSETS</b>		<u>14,761,826</u>	<u>12,309,555</u>	<u>14,436,367</u>	<u>12,274,811</u>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	17	1,472,197	656,082	714,506	605,757
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,472,197</u>	<u>656,082</u>	<u>714,506</u>	<u>605,757</u>
<b>TOTAL LIABILITIES</b>		<u>1,472,197</u>	<u>656,082</u>	<u>714,506</u>	<u>605,757</u>
<b>NET ASSETS</b>		<u>13,289,629</u>	<u>11,653,473</u>	<u>13,721,861</u>	<u>11,669,054</u>
<b>EQUITY</b>					
Issued capital	18	15,861,319	12,819,605	15,861,319	12,819,605
Reserves	19	665,620	901,511	1,097,852	917,092
Accumulated losses	19	(3,237,310)	(2,067,643)	(3,237,310)	(2,067,643)
<b>TOTAL EQUITY</b>		<u>13,289,629</u>	<u>11,653,473</u>	<u>13,721,861</u>	<u>11,669,054</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2008**

	Ordinary shares	Retained earnings	Option reserve	Foreign exchange reserve	Total
	\$	\$	\$	\$	\$
<b>Consolidated Group</b>					
Balance at 1 July 2006		4,211,166			4,211,166
Shares issued during the year	8,000,001				8,000,001
Options Exercised during the year	749,012				749,012
Transaction costs	(519,335)				(519,335)
Loss attributable to members of consolidated entity		(1,702,464)			(1,702,464)
Share Based Payments	13,581				13,581
Transfers to and from reserve					
- foreign currency translation				(15,581)	(15,581)
- option reserve			917,092		917,092
Balance at 30 June 2007	8,243,259	2,508,702	917,092	(15,581)	11,653,473
Shares issued during the year	123,500				123,500
Options Exercised during the year	2,760,563				2,760,563
Transaction costs	17,539				17,539
Loss attributable to members of consolidated entity		(1,169,667)			(1,169,667)
Share Based Payments	140,113				140,113
Transfers to and from reserve					
- foreign currency translation				(416,653)	(416,653)
- option reserve			180,761		180,761
Balance at 30 June 2008	11,284,974	1,339,035	1,097,853	(432,234)	13,289,629
<b>The Company</b>					
Balance at 1 July 2006		4,211,166			4,211,166
Shares issued during the year	8,000,001				8,000,001
Options Exercised during the year	749,012				749,012
Transaction costs	(519,335)				(519,335)
Loss attributable to members of parent entity		(1,702,464)			(1,702,464)
Share Based Payments	13,581				13,581
Transfers to and from reserve					
- option reserve			917,092		917,092
Balance at 30 June 2007	8,243,259	2,508,702	917,092	-	11,669,054
Shares issued during the year	123,500				123,500
Options Exercised during the year	2,760,563				2,760,563
Transaction costs	17,539				17,539
Loss attributable to members of parent entity		(1,169,667)			(1,169,667)
Share Based Payments	140,113				140,113
Transfers to and from reserve					
- option reserve			180,761		180,761
Balance at 30 June 2008	11,284,974	1,339,035	1,097,853	-	13,721,861

The accompanying notes form part of these financial statement

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Consolidated		Company	
		2008 \$	2007 \$	2008 \$	2007 \$
<b>Cash Flows from Operating Activities</b>					
- Payments to suppliers and employees		(1,519,236)	(592,866)	(1,185,580)	(505,818)
- Interest received		659,551	207,277	659,416	207,272
- Payments for exploration and evaluation		(3,768,788)	(1,544,426)	579,221	(1,097,719)
<i>Net cash provided/(used) in operating activities</i>	24(a)	<u>(4,628,473)</u>	<u>(1,930,015)</u>	<u>53,056</u>	<u>(1,396,265)</u>
<b>Cash Flows From Investing Activities</b>					
- Loan to subsidiary		-	-	(5,520,908)	(412,872)
- Loan to related parties		-	2,679	-	2,679
- Proceeds from sale of tenements		-	50,000	-	50,000
- Purchase of exploration assets		-	(20,241)	-	-
- Purchase of plant & equipment		(302,279)	(153,849)	(78,193)	(153,849)
- Proceeds from sale of plant & equipment		-	-	118,669	-
- Deposits paid		(9,708)	(10,000)	-	(10,000)
- Investment in subsidiary		-	-	(79)	(197,649)
<i>Net cash used in investing activities</i>		<u>(311,986)</u>	<u>(131,411)</u>	<u>(5,480,511)</u>	<u>(721,691)</u>
<b>Cash Flows from Financing Activities</b>					
- Proceeds from issue of shares and options		3,024,175	8,750,095	3,024,175	8,750,095
- Capital raising costs of shares and options		(123,096)	(520,546)	(123,096)	(520,546)
<i>Net cash provided by financing activities</i>		<u>2,901,079</u>	<u>8,229,549</u>	<u>2,901,079</u>	<u>8,229,549</u>
<b>Net increase in cash held</b>		(2,039,381)	6,168,123	(2,526,375)	6,111,593
<b>Cash and cash equivalents at beginning of financial year</b>		10,220,668	4,068,681	10,180,289	4,067,360
<b>Effects of exchange rate changes on cash</b>		<u>(445,641)</u>	<u>(16,136)</u>	<u>(3,984)</u>	<u>1,336</u>
<b>Cash and cash equivalents at end of financial year</b>	24(b)	<u><u>7,735,647</u></u>	<u><u>10,220,668</u></u>	<u><u>7,649,929</u></u>	<u><u>10,180,289</u></u>

The accompanying notes form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, and other Authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Globe Metals & Mining Limited and controlled entities, and Globe Metals & Mining Limited as an individual parent entity. Globe Metals & Mining Limited is a listed public company, incorporated and domiciled in Australia, limited by shares.

#### **Statement of compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

#### **Basis of preparation**

The financial information has been prepared on the accruals basis and is based on historical costs and does not take into account changing money values. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial report has been prepared on a historical cost basis, except for available for-sale financial assets that have been measured at fair value.

The financial report is presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **(a) Principles of Consolidation**

A controlled entity is any entity Globe Metals & Mining Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 15 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

## NOTES TO THE FINANCIAL STATEMENTS

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Subsidiary acquisitions are accounted for using the purchase method of accounting.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Globe Metals & Mining Limited.

### (b) **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 comprehensive balance sheet 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. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

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 Income Statement, 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 the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### (c) **Exploration and evaluation expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- (i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- (ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

## NOTES TO THE FINANCIAL STATEMENTS

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.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

### (d) Plant and Equipment

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

#### *Impairment*

The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement in the cost of sales line item.

#### *Depreciation*

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets vary from 20% to 40%.

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

### (e) Financial Instruments

#### *Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### *Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### *Classification and Subsequent Measurement*

##### i. *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

## NOTES TO THE FINANCIAL STATEMENTS

### ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

### iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

### iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

### v. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

### **Impairment**

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

### *Financial Guarantees*

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

### (f) **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 Company 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.

## NOTES TO THE FINANCIAL STATEMENTS

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Company 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.

**(g) Earnings Per Share**

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

**(h) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues.

**(i) Cash and cash equivalents**

Cash and short-term deposits in the balance sheet 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 Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(j) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is 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 balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(k) Impairment**

At each reporting date the Company assesses whether there is any indication whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Company makes a formal estimate of recoverable amount. Where carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or Company assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(l) Investments**

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

## NOTES TO THE FINANCIAL STATEMENTS

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

### (m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 Company 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 income statement 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

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

### (o) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

### (p) 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 an independent valuation by corporate advisers 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

## NOTES TO THE FINANCIAL STATEMENTS

balance 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.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

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.

### (q) Issued capital

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### (r) 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. The consolidated financial statements are presented in Australian dollars which is the parent entity'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 the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

#### *Group companies*

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained profits are translated at the exchange rate prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed

### (s) Trade and other receivables

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.

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

**NOTES TO THE FINANCIAL STATEMENTS****(t) Presentation Currency**

The presentation currency is Australian dollars.

**(u) Critical accounting judgements, estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. 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 annual reporting period are:

*Share based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model.

*Exploration and evaluation costs*

Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet 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 relating to, the area of interest are continuing.

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>2. REVENUE FROM CONTINUING ACTIVITIES</b>				
Other revenue				
- Interest received from other persons	664,238	225,094	664,105	225,089
- Gain on disposal of tenements	400,000	35,000	400,000	35,000
- Other income	-	2,000	-	2,000
	<u>1,064,238</u>	<u>262,094</u>	<u>1,064,105</u>	<u>262,089</u>
<b>3. EXPENSES</b>				
Loss from operations before income tax has been determined after the following specific expenses:				
Capitalised exploration expenditure written off	124,016	236,902	121,616	233,994
Depreciation	64,631	9,517	22,222	9,517
Employee benefits expense				
- Annual Leave Entitlement	39,287	15,028	39,287	15,028
- Superannuation	55,147	23,286	55,147	23,286
	<u>94,434</u>	<u>38,314</u>	<u>94,434</u>	<u>38,314</u>
Finance costs				
- Bank charges	10,078	6,867	8,632	6,867
- Interest Expense	49,642	12,051	1,294	165
- Stamp Duty	139	800	139	800
- Insurance Loss	-	12,982	-	12,982
	<u>59,859</u>	<u>32,700</u>	<u>10,065</u>	<u>20,814</u>
Impairment of non-current assets for loan writedown	-	-	405,958	58,163

## NOTES TO THE FINANCIAL STATEMENTS

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES

#### *Remuneration policy*

The remuneration policy of Globe Metals & Mining Limited 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 long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Globe Metals & Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the economic entity.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

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.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the 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 \$150,000). Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

#### *Performance based remuneration*

The Company has no performance based remuneration component built into director and executive remuneration packages.

#### *Company performance, shareholder wealth and director's and executive's remuneration*

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end, refer note 4 of the financial statements.

#### *Employment contracts of key management personnel*

For details of service agreements between key management personnel and Globe Metals & Mining Limited, refer note 4 of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

#### Compensation of key management personnel for the period ended 30 June 2008

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL \$
	Salary & Fees	Cash Bonus	Non Monetary	Super-annuation	Retirement Benefits	Equity	Options	
<b>Directors</b>								
David Sumich Chairman (non executive)								
2008	42,500	-	-	3,825	-	-	-	46,325
2007	47,500	-	-	5,437	-	-	165,500	218,437
Mark Sumich Managing Director								
2008	192,661	-	-	17,340	-	-	-	210,001
2007	(i) 110,400	-	-	-	-	-	331,000	441,400
Peter van der Borgh Technical Director (non executive)								
2008	36,500	-	-	3,285	-	62,500	-	102,285
2007	40,400	-	-	3,006	-	-	165,500	208,906
<b>Total remuneration directors</b>								
2008	271,661	-	-	24,450	-	62,500	-	358,611
2007	198,300	-	-	8,443	-	-	662,000	868,743
	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL \$
	Salary & Fees	Cash Bonus	Non Monetary	Super-annuation	Retirement Benefits	Equity	Options	
<b>Specified Executives</b>								
George Lazarou Company Secretary (appointed 9 August 2006 resigned 29 June 2007)								
2008	(ii) 2,367	-	-	-	-	-	-	2,367
2007	(ii) 78,468	-	-	-	-	-	-	78,468
Bruce Franzen Company Secretary (appointed 29 June 2007)								
2008	(iii) 154,448	-	-	-	-	-	47,375	201,823
2007	(iii) 4,854	-	-	-	-	-	-	4,854
<b>Total remuneration specified executives</b>								
2008	156,815	-	-	-	-	-	47,375	204,190
2007	83,322	-	-	-	-	-	-	83,322

## NOTES TO THE FINANCIAL STATEMENTS

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

- (i) The amount was paid to Ragusa Investments, a company controlled by Mr Mark Sumich.
- (ii) An aggregate amount in 2007 of \$78,468, and in 2008 \$2,367 was paid, or was due and payable to Mining Corporate Pty Ltd, a company of which Mr George Lazarou is a director, for the provision of company secretarial and accounting services to the Company.
- (iii) An aggregate amount in 2007 of \$4,854, and in 2008 \$154,448 was paid, or was due and payable to Zen Magnolia Pty Ltd, a company of which Mr Bruce Franzen is a director, for the provision of company secretarial and accounting services to the Company.

#### Compensation shares granted during the year ended 30 June 2008

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date \$	Terms & Conditions for Each Grant Vesting Date
Peter van der Borgh	-	250,000	18/06/08	0.25	18/6/08
	-	250,000			

Value per share is approximately the market price at date of the grant.

All shares were granted for nil consideration, but are subject to attainment of performance and/or employment continuity criteria.

#### Compensation shares granted during the year ended 30 June 2007

No compensation shares were granted to key management personnel during the year ended 30 June 2007.

#### Compensation options granted during the year ended 30 June 2008

No compensation Options were granted to key management personnel during the year ended 30 June 2008.

#### Compensation options granted during the year ended 30 June 2007

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date \$	Exercise Price \$	Terms & Conditions for Each Grant First Exercise Date	Last Exercise Date
Directors							
Mark Sumich	1,000,000	1,000,000	25/06/07	0.331	1.00	25/06/07	30/06/10
David Sumich	500,000	500,000	25/06/07	0.331	1.00	25/06/07	30/06/10
Peter van der Borgh	500,000	500,000	25/06/07	0.331	1.00	25/06/07	30/06/10
	2,000,000	2,000,000					

Exercise price is approximately at 10 – 20% premium to the market price at date of grant. All options were granted for nil consideration.

The value per option at grant date is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model.

#### Performance income as a proportion of total income

No performance based bonuses have been paid to key management personnel during the year ended 30 June 2008.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

#### (a) Details of key management personnel

The following persons were specified directors of Globe Metals & Mining Limited during the financial year:-

David Sumich	Chairman (non-executive)
Mark Sumich	Managing Director
Peter van der Borgh	Technical Director (non-executive)

#### (b) Remuneration policy of key management personnel

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

#### Non Executive Directors

The constitution of the Company provides that the non-executive directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in a general meeting (currently \$150,000). The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The remuneration policy has been tailored to increase goal congruence between shareholders and directors. Currently, this is facilitated through the issue of free options to directors to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing wealth.

#### Directors fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

#### Service agreements

Mr Sumich became an employee of the Company from 1 July 2007 and entitled to receive a fixed remuneration arrangement. This is to be reviewed on an annual basis.

The employment may be terminated by the Company or Mr Mark Sumich by giving the other 4 weeks notice in writing. Alternatively, the employment may be terminated by the Company providing compensation instead of the period of notice required. Termination payments due are four weeks lieu of notice if the termination period is not worked out. Termination payments are not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time. Any options issued as remuneration not exercised before or on the date of termination will lapse.

#### Retirement benefits

Other retirement benefits may be provided directly by the Company if approved by shareholders.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short term	271,661	198,300	271,661	198,300
Post employment	24,450	8,443	24,450	8,443
Share-based payment	62,500	662,000	62,500	662,000
	358,611	868,743	358,611	868,743

## NOTES TO THE FINANCIAL STATEMENTS

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

#### (c) Option holdings of key management personnel

	Balance at beginning period	Granted as Remuneration	Exercised	Bought & (Sold)	Balance at 30.06.08	Total Vested at 30.06.08	Total Exercisable at 30.06.08
David Sumich	1,512,500	-	412,500	-	1,100,000	1,100,000	1,100,000
Mark Sumich	3,792,500	-	1,592,500	-	2,200,000	2,200,000	2,200,000
Peter van der Borgh	750,000	-	50,000	-	700,000	700,000	700,000
	6,055,000	-	2,055,000	-	4,000,000	4,000,000	4,000,000

	Balance at beginning period	Granted as Remuneration	Exercised	Bought & (Sold)	Balance at 30.06.07	Total Vested at 30.06.07	Total Exercisable at 30.06.07
David Sumich	1,012,500	500,000	-	-	1,512,500	1,512,500	1,512,500
Mark Sumich	3,292,500	1,000,000	500,000	-	3,792,500	3,792,500	3,792,500
Peter van der Borgh	250,000	500,000	-	-	750,000	750,000	750,000
	4,555,000	2,000,000	-	-	6,055,000	6,055,000	6,055,000

#### (d) Shareholdings of key management personnel

2008	Balance at beginning period	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30.06.08
David Sumich	825,000	-	412,500	-	1,237,500
Mark Sumich	4,685,000	-	1,592,500	50,000	6,327,500
Peter van der Borgh	100,000	250,000	50,000	-	400,000
	5,610,000	250,000	2,055,000	50,000	7,965,000

2007	Balance at beginning period	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30.06.07
David Sumich	825,000	-	-	-	825,000
Mark Sumich	4,185,000	-	500,000	-	4,685,000
Peter van der Borgh	100,000	-	-	-	100,000
	5,110,000	-	500,000	-	5,610,000

## NOTES TO THE FINANCIAL STATEMENTS

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

#### (e) Loans to key management personnel

	Balance 01.07.07	Interest Charged	Interest Not Charged	Provision for Impairment	Balance 30.06.2008	Highest Balance during Period
David Sumich	-	-	-	-	-	-
Mark Sumich	-	-	-	-	-	-
	-	-	-	-	-	-

	Balance 01.07.06	Interest Charged	Interest Not Charged	Provision for Impairment	Balance 30.06.2007	Highest Balance during Period
David Sumich	1,528	-	-	-	-	1,528
Mark Sumich	1,151	-	-	-	-	1,151
	2,679	-	-	-	-	2,679

These unsecured loans to key management personnel are payable within twelve months and are not interest bearing. There are no unsecured loans to key management personnel outstanding at 30 June 2008.

#### (f) Other transactions and balances with key management personnel

##### Services

DMC Mining Limited, a company of which Mr David Sumich and Mr Bruce Franzen is a director, was charged \$75,039 for the provision of office facilities at arm's length by Globe Metals & Mining Limited during the year.

DMC Mining Limited, a company of which Mr David Sumich and Mr Bruce Franzen is a director, charged \$29,674 for the provision of office facilities at arm's length to Globe Metals & Mining Limited during the year.

### 5. SHARE BASED PAYMENTS

There are shares and options issued to employees as part of their compensation under the company's Employee Share Option Plan. Options are independently valued by corporate advisers using the Black-Scholes method

#### Compensation shares granted during the year ended 30 June 2008

Personnel	Vested No.	Granted No.	Grant Date	Value per Share at Grant Date \$	Terms & Conditions for Each Grant
					Vesting Date
Employees	50,000	50,000	14/11/07	0.57	14/11/07
Employees	20,000	20,000	21/01/08	0.32	21/01/08
Employees	10,000	10,000	21/01/08	0.32	21/01/08
Employees	7,500	7,500	21/01/08	0.32	21/01/08
Employees	7,500	7,500	21/01/08	0.32	21/01/08
	95,000	95,000			

Value per share is approximately the market price at date of the grant.

All shares were granted for nil consideration, but are subject to attainment of performance and/or employment continuity criteria.

**NOTES TO THE FINANCIAL STATEMENTS****Compensation shares granted during the year ended 30 June 2007**

	Vested No.	Granted No.	Grant Date	Value per Share at Grant Date \$	Terms & Conditions for Each Grant Vesting Date
Personnel					
Employees	-	25,000	14/02/07	0.78	18/01/08
Employees	-	25,000	14/02/07	0.78	18/01/09
Employees	-	10,000	10/05/07	0.95	14/05/08
Employees	-	10,000	10/05/07	0.95	14/05/09
	-	<u>70,000</u>			

**Compensation options granted during the year ended 30 June 2008**

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date \$	Exercise Price \$	Terms & Conditions for Each Grant First Exercise Date	Last Exercise Date
Employees & Consultants							
Employees	-	50,000	12/07/07	0.2689	0.75	04/06/10	04/06/10
Employees	-	37,500	12/07/07	0.2404	1.00	25/06/08	25/06/10
Employees	-	37,500	12/07/07	0.2404	1.00	25/06/09	25/06/10
Employees	-	75,000	12/07/07	0.2404	1.00	25/06/10	25/06/10
Consultants	250,000	250,000	04/12/07	0.1895	0.50	04/12/07	30/11/10
Employees	-	75,000	14/05/08	0.2240	0.35	4/05/09	05/05/11
Employees	-	75,000	14/05/08	0.2440	0.35	4/05/10	05/05/11
	-						
	-						
		<u>600,000</u>					
	<u>250,000</u>						

Exercise price equals the approximate market price at date of the grant.

All options were granted for nil consideration.

The value per option at grant date is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model.

## NOTES TO THE FINANCIAL STATEMENTS

### Compensation options granted during the year ended 30 June 2007

	Vested No.	Granted No.	Grant Date	Value per Option at Date \$	Exercise Price \$	Terms & Conditions for Each Grant	
						First Exercise Date	Last Exercise Date
Employees & Consultants							
Employees	-	125,000	21/08/06	0.30	0.30	20/08/07	14/08/09
Employees	-	125,000	21/08/06	0.30	0.30	20/08/08	14/08/09
Employees	-	250,000	21/08/06	0.26	0.50	14/08/09	14/08/09
Employees	-	50,000	13/03/07	0.32	0.75	23/03/08	24/03/10
Employees	-	50,000	13/03/07	0.32	0.75	23/03/09	24/03/10
Employees	-	100,000	13/03/07	0.32	0.75	24/03/10	24/03/10
Employees	-	25,000	10/05/07	0.3925	0.75	04/06/08	04/06/10
Employees	-	25,000	10/05/07	0.3925	0.75	04/06/09	04/06/10
Consultants	-	500,000	29/06/07	0.352	0.88	29/06/07	30/06/10
	-	<u>1,250,000</u>					

### Options Exercised

No compensation options were exercised during the reporting period ended 30 June 2008.

### 6. RELATED PARTY DISCLOSURES

(a) Parent entity

The ultimate parent entity within the Group is Globe Metals & Mining Limited.

(b) Wholly-owned group transactions

Loans

Globe Metals & Mining Limited has provided an unsecured, interest bearing loan to its wholly owned subsidiary, Globe Uranium (Argentina) S.A totalling \$880,769 at balance date. A provision of \$181,036 has been offset against this loan leaving a net amount owing of \$699,733. There were no repayments made during the year.

Globe Metals & Mining Limited has provided an unsecured, interest bearing loan to its wholly owned subsidiary, Globe Uranium (Africa) Limited totalling \$5,210,228 at balance date. A provision of \$356,993 has been offset against this loan leaving a net amount owing of \$4,853,235. There were no repayments made during the year.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 4 and the Directors' Report.

### 7. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid during the year. No recommendation for payment of dividends has been made.

**NOTES TO THE FINANCIAL STATEMENTS**

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>8. AUDITORS' REMUNERATION</b>				
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	57,000	12,808	57,000	12,808
- Other services	-	-	-	-
Remuneration of other auditors of subsidiaries for:				
- Auditing or reviewing the financial report	24,350	9,586	-	-
- Other services	-	-	-	-
	<b>81,350</b>	<b>22,394</b>	<b>57,000</b>	<b>12,808</b>
<b>9. INCOME TAX EXPENSE</b>				
a. The components of tax expense comprise:				
Current tax		-		-
Deferred tax		-		-
		-		-
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2007: 30%)				
	(350,900)	(510,739)	(350,900)	(510,739)
Add:				
Tax effect of:				
- Revenue losses not recognised	38,606	187,994	38,606	187,994
- Foreign losses not recognised	-	416,054	-	416,054
- Overseas losses not recognised	124,236	20,357	-	-
- Provision against group borrowings	-	-	121,788	17,449
- Share based payments	96,261	279,201	96,261	279,201
- Other deferred tax balances not recognised	39,162	-	39,162	-
- Recoupment of exploration and evaluation expenditure deductible for income tax purposes previously not recognised	156,648	-	156,648	-
- Other non-allowable items	1,033	956	1,033	956
	<b>105,046</b>	<b>393,823</b>	<b>102,598</b>	<b>390,915</b>
Less:				
Tax effect of:				
- Effect of higher rate of tax on overseas loss	2,448	2,908	-	-
- Prior year foreign losses recouped not recognised	102,598	-	102,598	-
- Exploration and evaluation expenditure deductible for income tax purposes not recognised	-	340,742	-	340,742
- Other deferred tax balances not recognised	-	49,670	-	49,670
- Prior period tax adjustment	-	503	-	503
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income tax				
The applicable weighted average effective tax rates are as follows:	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
c. The following deferred tax balances have not been recognised:				

## Deferred Tax Assets:

## At 30%:

Carry forward revenue losses	296,934	259,922	296,934	259,922
Carry forward foreign revenue losses	374,332	476,930	374,332	476,930
Capital raising costs	147,139	201,181	147,139	201,181
Financial assets	78,000	-	78,000	-
Property, plant and equipment	8,499	5,660	8,499	5,660
Provisions and accruals	20,860	12,020	20,860	12,020
Other	357	519	357	519
	<u>926,121</u>	<u>956,232</u>	<u>926,121</u>	<u>956,232</u>

## At 35% (Argentina):

Carry forward overseas losses	<u>63,363</u>	<u>46,225</u>	<u>-</u>	<u>-</u>
-------------------------------	---------------	---------------	----------	----------

## At 30% (Malawi):

Carry forward overseas losses	<u>107,098</u>	<u>-</u>	<u>-</u>	<u>-</u>
-------------------------------	----------------	----------	----------	----------

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the company in utilising the benefits.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Deferred Tax Liabilities				
At 30%:				
Exploration Expenditure	206,588	363,236	206,588	363,236
Other	13,564	13,574	13,564	13,574
	<u>220,152</u>	<u>376,810</u>	<u>220,152</u>	<u>376,810</u>

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue and foreign losses for which the Deferred Tax Asset has not been recognised.

The Deferred Tax Liability for exploration expenditure included in the comparative year has been re-stated to correctly reflect deferred tax relating to foreign exploration expenditure.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>10. CASH AND CASH EQUIVALENTS</b>				
Cash at bank	891,350	4,169,668	805,632	4,129,289
Short term bank deposits	6,844,297	6,051,000	6,844,297	6,051,000
	<u>7,735,647</u>	<u>10,220,668</u>	<u>7,649,929</u>	<u>10,180,289</u>

The cash at bank held at the year end is held in cash and short term deposits and paid interest at a rate between 4.5% and 7.5%.

## NOTES TO THE FINANCIAL STATEMENTS

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>11. TRADE AND OTHER RECEIVABLES</b>				
<b>Current</b>				
GST Receivable	54,648	79,148	30,128	17,281
Other debtors	17,929	7,923	20,227	6,089
	<u>72,577</u>	<u>87,071</u>	<u>50,355</u>	<u>23,370</u>
<b>Non current</b>				
VAT Receivable	94,649	-	-	-
Loan – Globe Uranium (Argentina) S.A.	-	-	880,769	570,090
Loan – Globe Uranium (Africa) Limited	-	-	5,210,228	-
Provision for Impairment	-	-	(538,030)	(132,071)
	<u>94,649</u>	<u>-</u>	<u>5,552,968</u>	<u>438,018</u>

Terms and conditions relating to the above financial instruments.

1. Trade debtors are non-interest bearing and generally on 60 days terms.
2. Related party receivables are interest bearing and have no fixed repayment terms.
3. Other receivables are non-interest bearing and have repayment terms between 30 and 90 days.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>12. OTHER ASSETS</b>				
<b>Current</b>				
Prepayments	30,669	25,572	15,645	25,572
Accrued Interest	42,623	37,936	42,623	37,936
Deposits - Bond	19,708	10,000	10,000	10,000
	<u>93,000</u>	<u>73,508</u>	<u>68,268</u>	<u>73,508</u>
<b>13. PLANT AND EQUIPMENT</b>				
Plant and Equipment				
At Cost	443,160	162,532	113,612	162,532
Accumulated depreciation	(67,415)	(16,736)	(30,514)	(16,736)
	<u>375,745</u>	<u>145,796</u>	<u>83,098</u>	<u>145,796</u>

### Movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the period.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Plant and equipment				
Carrying amount at the beginning of the period	145,796	1,464	145,796	1,464
Additions/(Disposals)	294,580	160,532	(40,476)	160,532
Depreciation expense	(64,631)	(16,200)	(22,222)	(16,200)
Carrying amount at end of the period	<u>375,745</u>	<u>145,796</u>	<u>83,098</u>	<u>145,796</u>

### 14. OTHER FINANCIAL ASSETS

<b>Non current</b>				
Investments – shares	140,000	-	140,000	-
Investment in subsidiary	-	-	203,123	203,044
	<u>140,000</u>	<u>-</u>	<u>343,123</u>	<u>203,044</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. INTERESTS IN CONTROLLED ENTITIES

#### (a) Controlled entities consolidated

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

Name	Country of Incorporation	Class of Shares	Equity Holding *
Globe Uranium (Argentina) S.A.	Argentina	Ordinary	100%
Globe Uranium (Africa) Limited	Malawi	Ordinary	100%

\* Percentage of voting power is in proportion to ownership.

#### (b) Acquisition of controlled entities

On 24 July 2007, Globe Metals & Mining Limited purchased 10,000 shares in Globe Uranium (Africa) Limited, for a purchase consideration of \$79.

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>16. EXPLORATION AND EVALUATION EXPENDITURE</b>				
<b>Non-Current</b>				
Costs carried forward in respect of areas of interest in:				
Exploration and evaluation phases – at cost	6,250,208	1,782,512	688,626	1,210,786
Brought forward	1,782,512	192,374	1,210,786	74,980
Consideration for the exploration assets acquired during the period - at valuation	125,602	-	125,602	-
Consideration for the exploration assets disposed during the period	-	(35,242)	(1,210,786)	(15,000)
Exploration expenditure capitalised during the year	4,344,497	1,630,552	565,427	1,155,978
Exploration expenditure written off	(2,403)	(5,172)	(2,403)	(5,172)
At reporting date	6,250,208	1,782,512	688,626	1,210,786

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

- the continuance of the economic 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.

The economic entity'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, it is not possible to quantify whether such claims exist, or the quantum of such claims.

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>17. TRADE AND OTHER PAYABLES</b>				
<b>Current</b>				
Trade creditors (unsecured)	199,470	137,796	174,632	92,029
Other creditors and accruals	1,233,440	503,258	500,587	498,700
Provision for Annual Leave	39,287	15,028	39,287	15,028
	<u>1,472,197</u>	<u>656,082</u>	<u>714,506</u>	<u>605,757</u>

Terms and conditions relating to the above financial instruments.

1. Trade creditors are non-interest bearing and generally on 60 day terms.
2. Other creditors are non-interest bearing have no fixed repayment terms.
3. Amounts relate to directors fees owing at year end and are payable within 30 days.

## NOTES TO THE FINANCIAL STATEMENTS

### 18. ISSUED CAPITAL

	Consolidated				Company			
	2008		2007		2008		2007	
	\$	Number	\$	Number	\$	Number	\$	Number
Fully paid ordinary shares	15,861,319	67,594,452	12,819,605	53,246,642	15,861,319	67,594,452	12,819,605	53,246,642
Options	1,097,853	5,850,000	917,092	19,314,268	1,097,853	5,850,000	917,092	19,314,268
	16,959,172	-	13,736,697	-	16,959,172	-	13,736,697	-

#### (a) Movements in fully paid ordinary shares on issue:

	Consolidated				Company			
	2008		2007		2008		2007	
	\$	Number	\$	Number	\$	Number	\$	Number
At beginning of reporting period:	12,819,605	53,246,642	4,400,232	40,340,670	12,819,605	53,246,642	4,400,232	40,340,670
Movement during the period:								
Seed shares at \$0.08 each	-	-	-	-	-	-	-	-
Initial public offering at \$0.20	-	-	-	-	-	-	-	-
Issued to consultants at	52,000	100,000	-	-	52,000	100,000	-	-
Issued to consultants at	71,500	100,000	-	-	71,500	100,000	-	-
Placement of shares at \$0.88	-	-	8,000,001	9,090,910	-	-	8,000,001	9,090,910
Share Based Payments (Refer Note 5)	140,113	345,000	13,581	70,000	140,113	345,000	13,581	70,000
Options exercised during the period	2,760,562	13,802,810	925,125	3,745,062	2,760,562	13,802,810	925,125	3,745,062
Less: Capital Raising Expenses	17,539	-	(519,334)	-	17,539	-	(519,334)	-
Balance at end of reporting	15,861,319	67,594,452	12,819,605	53,246,642	15,861,319	67,594,452	12,819,605	53,246,642

#### 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 balance date, the group has no external borrowings.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 18. ISSUED CAPITAL (cont)

#### (b) Movements in options on issue:

	Consolidated				Company			
	2008		2007		2008		2007	
	\$	Number	\$	Number	\$	Number	\$	Number
At beginning of reporting period:	917,092	19,314,268	176,113	19,809,330	917,092	19,314,268	176,113	19,809,330
Movement during the period:								
Option Reserve (Refer Note 4, 5)	180,761	600,000	917,092	3,250,000	180,761	600,000	917,092	3,250,000
Less: Options expired during the	-	(261,458)	-	-	-	(261,458)	-	-
Less: Options exercised during the year	-	(13,802,810)	(176,113)	(3,745,062)	-	(13,802,810)	(176,113)	(3,745,062)
Balance at end of reporting period	1,097,853	5,850,000	917,092	19,314,268	1,097,853	5,850,000	917,092	19,314,268

#### (c) 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.

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 67,594,452 issued shares as follows:

- 67,559,452 listed ordinary shares; and
- 35,000 listed ordinary shares subject to escrow with vesting conditions to employees

#### (d) Terms of Options

At the end of reporting period, there are 5,850,000 options over unissued shares as follows:

- 2,000,000 unlisted options exercisable at 30 cents on or before 31 October 2008; and
- 250,000 unlisted options, exercisable at \$0.30 on or before 14 August 2009; and
- 250,000 unlisted options, exercisable at \$0.50 on or before 14 August 2009; and
- 200,000 unlisted options, exercisable at \$0.75 on or before 24 March 2010; and
- 50,000 unlisted options, exercisable at \$0.75 on or before 4 June 2010; and
- 2,000,000 unlisted options, exercisable at \$1.00 on or before 30 June 2010; and
- 500,000 unlisted options exercisable at \$0.88 on or before 30 June 2010
- 50,000 unlisted options, exercisable at \$0.75 on or before 4 June 2010; and
- 150,000 unlisted options, exercisable at \$1.00 on or before 25 June 2010; and
- 250,000 unlisted options, exercisable at \$0.50 on or before 30 November 2010; and
- 150,000 unlisted options, exercisable at \$0.35 on or before 5 May 2011

**NOTES TO THE FINANCIAL STATEMENTS**

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>19. RESERVES &amp; ACCUMULATED LOSSES</b>				
<b>(a) Reserves</b>				
Option Reserve	1,097,852	917,092	1,097,852	917,092
Foreign Currency Translation Reserve	(432,232)	(15,581)	-	-
	<u>665,620</u>	<u>901,511</u>	<u>1,097,852</u>	<u>917,092</u>
Option Reserve				-
Balance at beginning of financial period	917,092	-	917,092	-
Option expense (Refer Note 4, 5)	180,761	917,092	180,761	917,092
Balance at end of financial period	<u>1,097,852</u>	<u>917,092</u>	<u>1,097,852</u>	<u>917,092</u>
Foreign Currency Translation Reserve				
Balance at beginning of financial period	(15,581)	-	-	-
Exchange difference Loss/(Gain)	(416,651)	(15,581)	-	-
Balance at end of financial period	<u>(432,232)</u>	<u>(15,581)</u>	<u>-</u>	<u>-</u>
<b>(b) Accumulated losses</b>				
Accumulated losses at the beginning of the financial period	(2,067,643)	(365,179)	(2,067,643)	(365,179)
Net loss attributable to members	(1,169,667)	(1,702,464)	(1,169,667)	(1,702,464)
Accumulated losses at the end of the financial period	<u>(3,237,310)</u>	<u>(2,067,643)</u>	<u>(3,237,310)</u>	<u>(2,067,643)</u>

The option reserve records item recognised as expenses on valuation of employee share options.

The foreign currency translation reserve is used to record increments and decrements in the fair value of exchange differences.

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The economic entity's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the economic entity. The economic entity also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the economic entity's policy not to trade in financial instruments

The main risks arising from the economic entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

*Interest Rate Risk*

The economic entity is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The economic entity does not have short or long term debt, and therefore this risk is minimal.

*Credit Risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity 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 economic entity does not have any significant credit risk exposure to any single counterparty or any economic entity of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the economic entity's maximum exposure to credit risk.

## NOTES TO THE FINANCIAL STATEMENTS

### 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 measurement currency. Refer to Note 19 for further details.

### Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate short term cash facilities are maintained.

Trade and other payables are as follows:

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Less than 1 month	1,413,698	641,054	656,007	590,729
Less than 2 months	11,732	-	11,732	-
Less than 3 months	46,767	15,028	46,767	15,028
	1,472,197	656,082	714,506	605,757

## 21. FINANCIAL INSTRUMENTS

### (a) Interest rate risk exposures

The Company'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:

	Floating interest rate	Fixed interest maturing in			Non-Interest bearing	Total
		1 year or less	over 1 year less than 5	more than 5 years		
	\$	\$	\$	\$	\$	\$
<b>2008</b>						
Financial Assets						
Cash at bank	891,350	-	-	-	-	891,350
Term deposit	-	6,844,297	-	-	-	6,844,297
Trade & other receivables	-	-	-	-	72,577	72,577
	891,350	6,844,297	-	-	72,577	7,808,224
Weighted Average Interest Rate	4.5%	7.5%	-	-	-	-
Financial Liabilities						
Trade & other creditors	-	-	-	-	(1,472,197)	(1,472,197)
	-	-	-	-	(1,472,197)	(1,472,197)
Weighted Average Interest Rate	-	-	-	-	-	-
Net financial assets (liabilities)	891,350	6,844,297	-	-	(1,399,620)	6,336,027
<b>2007</b>						
Financial Assets						
Cash at bank	4,169,668	-	-	-	-	4,169,668
Term deposit	-	6,051,000	-	-	-	6,051,000
Trade & other receivables	-	-	-	-	87,071	87,071
	4,169,668	6,051,000	-	-	87,071	10,307,739
Weighted Average Interest Rate	4.35%	6.16%	-	-	-	-
Financial Liabilities						
Trade & other creditors	-	-	-	-	(656,082)	(656,082)
	-	-	-	-	(656,082)	(656,082)

## NOTES TO THE FINANCIAL STATEMENTS

Weighted Average Interest Rate	-	-	-	-	-
Net financial assets (liabilities)	4,169,668	6,051,000	-	(569,011)	9,651,657

### (b) Financial assets

Trade receivables from other entities are carried at nominal amounts less any provision for doubtful debts.

Other receivables are carried at nominal amounts due. Interest is taken up as income on an accruals basis.

### (c) Financial liabilities

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.

### (d) Equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

### (e) Sensitivity analysis

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

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
Change in loss				
- increase in interest rate by 1%	(147,608)	(51,745)	(147,578)	(51,745)
- decrease in interest rate by 1%	147,608	51,745	147,578	51,745
Change in equity				
- increase in interest rate by 1%	(147,608)	(51,745)	(147,578)	(51,745)
- decrease in interest rate by 1%	147,608	51,745	147,578	51,745

### (f) Credit risk exposures

The credit risk on financial assets of the economic entity has been recognised on the statement of financial position and is generally the carrying amount net of any provisions for doubtful debts.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into.

### (g) Net fair value of financial assets and liabilities

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

	Consolidated	
	2008 \$	2007 \$
<b>23. EARNINGS PER SHARE</b>		
(a) Loss used in the calculation of basic earnings per share	(1,169,667)	(1,702,464)
	Number of Shares	Number of Shares
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share:	63,246,839	40,579,040

**NOTES TO THE FINANCIAL STATEMENTS**

- (c) Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted earnings per share:

73,049,022	61,403,227
------------	------------

	<b>Consolidated</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	\$	\$	\$	\$
<b>24. CASH FLOW INFORMATION</b>				
<b>(a) Reconciliation of cash flow from operations with loss after tax</b>				
- Loss after income tax	(1,169,667)	(1,702,464)	(1,169,667)	(1,702,464)
Non-cash flows in loss from operations				
- Depreciation	64,631	9,517	22,222	9,517
- Foreign exchange movement	29,512	555	4,507	(1,336)
- Provision for impairment	-	-	405,958	58,163
- Share based payments	320,874	930,673	320,874	930,673
- Asset Fair Value Adjustment	260,000	-	260,000	-
- Net Loss on disposal of fixed assets	7,698	-	-	-
- Net gain on disposal of tenements	(400,000)	(35,000)	(400,000)	(35,000)
Changes in assets and liabilities				
- Increase in receivables and prepayments	(89,940)	(81,449)	(21,745)	(49,121)
- (Increase)/decrease in exploration and evaluation expenditure	(4,467,696)	(1,309,894)	522,160	(866,099)
- Increase in trade and other creditors and accruals	816,115	258,047	108,748	259,400
Net cash outflows from Operating Activities	<u>(4,628,473)</u>	<u>(1,930,015)</u>	<u>53,056</u>	<u>(1,396,267)</u>
<b>(b) Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents comprises:				
- cash at bank in hand	891,350	4,169,668	805,632	4,129,289
- Short-term	6,844,297	6,051,000	6,844,297	6,051,000
	<u>7,735,647</u>	<u>10,220,668</u>	<u>7,649,929</u>	<u>10,180,289</u>

**(c) Acquisition of Entity****2008**

On 24 July 2007, Globe Metals & Mining Limited purchased 10,000 shares in Globe Uranium (Africa) Limited, for a purchase consideration of \$79.:-

Purchase consideration	<u>79</u>
Cash consideration	<u>79</u>
Assets and liabilities held at acquisition date:	
Trade and other receivables	
Globe Uranium Argentina SA	203,044
Globe Uranium (Africa) Limited	79
	<u>203,123</u>
Goodwill on consolidation	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS****2007**

Purchase consideration		<u>197,649</u>
Cash consideration		<u>197,649</u>
	Book Value	Fair Value
Assets and liabilities held at acquisition date:		
Trade and other receivables		
Globe Uranium Argentina SA	203,044	203,044
Goodwill on consolidation	<u>-</u>	

**(d) Non-cash financing and investing activities**

In July 2007, the Company issued 200,000 shares to vendors and consultants as consideration for participation in the Central Energy Joint Venture whereby Globe can earn up to 90% of uranium rights by expending a prescribed level of funds over a 3 year period on exploration tenements in Tanzania and Zambia.

**(e) Credit Standby Arrangements with Banks**

There was no bank overdraft facility as at 30 June 2008.

The Company issued a Bank Guarantee for \$25,000 in favour of DMC Mining Limited as security for leased premises Level 3, 1060 Hay St West Perth WA

**25. COMMITMENTS****(a) Exploration commitments**

In order to maintain current rights of tenure to mining tenements, the economic entity has the following discretionary 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:

	<b>Consolidated</b>	
	<b>2008</b>	<b>2007</b>
	\$	\$
Not longer than one year	228,222	431,600
Longer than one year, but not longer than five years	912,889	1,476,400
	<u>1,141,111</u>	<u>1,908,000</u>

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet 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.

**(b) Lease expenditure commitments**

	<b>Consolidated</b>	
	<b>2008</b>	<b>2007</b>
	\$	\$
Not longer than one year	107,247	84,915
Longer than one year, but not longer than five years	205,256	50,160
	<u>312,502</u>	<u>135,075</u>

There are two operating leases, The Company entered into an exclusive licence arrangement on commercial terms with DMC Mining Limited which expires on 12 May 2011 for provision of up to 50% of office accommodation at Level 3,

## NOTES TO THE FINANCIAL STATEMENTS

1060 Hay St West Perth WA. The Company assigned its lease of premises at Suite 2, 16 Ord Street West Perth on commercial terms to Advance Energy Limited effective 1 June 2008.

The Company and DMC Mining Limited also utilise on commercial terms shared office facilities on a periodic basis at its shared offices in West Perth.

The rental lease in Malawi commenced in February 2008 for 12 months.

### 26. SEGMENT INFORMATION

The economic entity operates predominantly in three geographical segments, being Australia, Argentina and Africa, and in one business segment, mineral mining and exploration and substantially all of the entity's resources are deployed for this purpose.

#### 2008

Primary Reporting - Geographical Segments	Australia	Argentina	Africa	Eliminations	Consolidated
	\$	\$	\$	\$	\$
Revenues from activities	1,064,105	-	133	-	1,064,238
Segment results (loss)	(1,169,667)	(48,965)	(356,994)	405,959	(1,169,667)
Segment assets	8,326,556	815,711	5,954,465	(334,906)	14,761,826
Segment liabilities	(714,505)	(12,492)	(745,199)	-	(1,472,196)
Acquisitions of plant and equipment, exploration and evaluation, and other non-current segment assets.	223,099	815,338	5,822,165	-	6,860,602
Depreciation	22,222	-	42,409	-	64,631
Non-cash expenses other than depreciation and amortisation	986,832	-	7,698	(405,958)	588,572

#### 2007

Primary Reporting - Geographical Segments	Australia	Argentina	Africa	Eliminations	Consolidated
	\$	\$	\$	\$	\$
Revenues from activities	262,089	4	-	-	262,093
Segment results (loss)	(1,657,880)	(58,163)	(44,584)	58,163	(1,702,464)
Segment assets	10,325,119	675,806	1,379,603	(70,973)	12,309,555
Segment liabilities	(395,777)	(620,415)	(209,980)	570,090	(656,082)
Acquisitions of plant and equipment, exploration and evaluation, and other non-current segment assets.	36,248	571,727	1,320,333	-	1,928,308
Depreciation	1,603	-	7,914	-	9,517
Non-cash expenses other than depreciation and amortisation	988,836	-	-	(58,163)	930,673

The Company operated in several geographical segments, being Western Australia, Argentina and Malawi Africa, and in one industry, minerals mining and exploration.

### 27. EVENTS SUBSEQUENT TO REPORTING DATE

The Board has resolved to issue deferred equity entitlements of 2,125,000 fully paid ordinary shares to Senior Manager's of the Company, to vest upon satisfaction of continuity of employment, being 50% at 30 June 2009, and 50% on 30 June 2010. Shares will be allotted upon achieving vesting conditions.

## NOTES TO THE FINANCIAL STATEMENTS

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

### 28. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2008, and the interval between 30 June 2008 and the date of this report.

### 29. CHANGES IN ACCOUNTING POLICIES

The following are Australian Accounting Standards issued or amended which are applicable to the Company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group	
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 5	Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009	1.7.2009
	AASB 6	Exploration for and Evaluation of Mineral			
	AASB 102	Inventories			
	AASB 107	Cash Flow Statements			
	AASB 119	Employee Benefits			
	AASB 127	Consolidated and Separate Financial Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
	AASB 1023	General Insurance Contracts			
	AASB 1038	Life Insurance Contracts			
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above	1.1.2009	1.7.2009
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 111	Construction Contracts			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	1.1.2009	1.7.2009

<b>AASB Amendment</b>	<b>Standards Affected</b>	<b>Outline of Amendment</b>	<b>Application Date of Standard</b>	<b>Application Date for Group</b>
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009  1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009  1.7.2009

## ***DIRECTORS' DECLARATION***

The directors of Globe Metals & Mining Limited declare that:

1. the financial statements including the notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company and economic entity;
2. the Chief Executive Officer has declared that:
  - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view;
3. in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



---

Mark Sumich  
Managing Director

Dated 26th day of September 2008

**INDEPENDENT AUDIT REPORT  
TO MEMBERS OF GLOBE METALS & MINING LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Globe Metals & Mining Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Globe Metals & Mining Limited would be on the same terms if provided to the directors as at the date of this auditor's report.

*Audit Opinion*

In our opinion:

- a. the financial report of Globe Metals & Mining Limited is in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report under the heading "Remuneration Report – Audited" for the year ended 30 June 2008.

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.

*Audit Opinion*

In our opinion the remuneration report of Globe Metals & Mining Limited for the year ended 30 June 2008 complies with section 300A of the Corporations Act 2001.



Mack & Co  
Chartered Accountants  
2nd Floor, 35 Havelock Street  
West Perth WA 6005



N.A Calder, Partner

SEPTEMBER 26 2008  
Date

## ADDITIONAL SHAREHOLDER INFORMATION

### Shareholding

The distribution of members and their holdings of equity securities in the company as at 16 September 2008 was as follows:

	<b>Class of Equity Securities</b>
<b>Number Held as at 21 September 2008</b>	<b>Fully Paid Ordinary Shares</b>
1-1,000	102
1,001 - 5,000	375
5,001 – 10,000	244
10,001 - 100,000	505
100,001 and over	72
	1298
<b>TOTALS</b>	<b>1298</b>

Holders of less than a marketable parcel: - fully paid shares 233

### Substantial Shareholders

The names of the substantial shareholders listed in the Company's register as at 16 September 2008

<b>Shareholder</b>	<b>Number</b>
Ragusa Investments Pty Ltd	6,277,500
HSBC Custody Nom Aust Limited	6,013,665
National Nominees Pty Ltd	3,760,277

### Unquoted Securities

The Company has issued the following unquoted securities:

<b>Class of Equity Security</b>	<b>Number</b>	<b>Number of Security Holders</b>
31 October 2008 Options - \$0.30	2,000,000	3
14 August 2009 Options - \$0.30	250,000	1
14 August 2009 Options - \$0.50	250,000	1
24 March 2010 Options - \$0.75	200,000	1
4 June 2010 Options - \$0.75	100,000	1
25 June 2010 Options - \$1.00	150,000	1
30 June 2010 Options - \$1.00	2,000,000	3
30 June 2010 Options - \$0.88	500,000	1
30 November 2011 Options - \$0.50	250,000	1

## ADDITIONAL SHAREHOLDER INFORMATION

### Restricted Securities

The Company has issued the following restricted securities:

Class of Equity Security	Number	Date Ceasing To Be Restricted Securities
Ordinary Fully paid	25,000	18 January 2009
Ordinary Fully paid	10,000	14 May 2009
31 October 2008 Options \$0.30	1,200,000	31 October 2008
31 October 2008 Options \$0.30	600,000	31 October 2008
31 October 2008 Options \$0.30	200,000	31 October 2008
14 August 2009 Options \$0.30	125,000	20 August 2008
14 August 2009 Options \$0.30	125,000	20 August 2008
14 August 2009 Options \$0.50	250,000	14 August 2009
24 March 2010 Options \$0.75	50,000	23 March 2008
24 March 2010 Options \$0.75	50,000	23 March 2009
24 March 2010 Options \$0.75	100,000	24 March 2010
4 June 2010 Options \$0.75	25,000	4 June 2008
4 June 2010 Options \$0.75	25,000	4 June 2009
4 June 2010 Options \$0.75	50,000	4 June 2010
25 June 2010 Options \$1.00	37,500	25 June 2008
25 June 2010 Options \$1.00	37,500	25 June 2009
25 June 2010 Options \$1.00	75,000	25 June 2010
30 June 2010 Options \$1.00	2,000,000	25 June 2008
30 June 2010 Options \$0.88	500,000	29 June 2008
30 November 2011 Options - \$0.50	250,000	4 December 2007

### Voting Rights

#### Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

#### Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid as at 16 September 2008 are as follows:

Name	Number of Ordinary Fully Paid Shares Held	Held of Issued Ordinary Capital
Ragusa Investments Pty Ltd	6,277,500	9.29
HSBC Custody Nominees Australia Limited	6,013,665	8.90
National Nominees Limited	3,760,277	5.56
Citicorp Nominees Pty Ltd	2,900,500	4.29
Gene Research Pty Ltd	2,732,778	4.04
ANZ Nominees Limited	2,524,731	3.74
Ambrose John Clarke	2,006,948	2.97
MPC Corp Pty Ltd	1,725,000	2.55
Shaun Waters	1,591,804	2.35
Tantalo Pty Ltd	1,371,836	2.03
Monicone Investments Pty Ltd	847,500	1.25
David Sumich	837,500	1.24
Iana Pty Ltd	751,111	1.11
Sutterby Investments Pty Ltd	547,500	0.81
Merrill Lynch Australia Nominees Pty Ltd	540,000	0.80
Jean-Claude Desille	535,000	0.79
Yew-Kang Ng	475,000	0.70
Reseda Holdings Pty Ltd	468,894	0.69
Farfalla Pty Ltd	427,500	0.63
David Sumich	400,000	0.59
<b>TOTAL</b>	<b>36,735,044</b>	<b>54.33</b>

## **CORPORATE GOVERNANCE**

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at <http://www.asx.com.au/supervision/governance/index.htm>

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 2.1 Independent Directors	1.2
Recommendation 2.2 Independent Chairman	1.2
Recommendation 2.3 Role of the Chairman and CEO	1.2
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Reporting on Principle 2	1.2, 1.4.6, 2.3.2
Recommendation 3.1 Directors' and Key Executives' Code of Conduct	1.1
Recommendation 3.2 Company Security Trading Policy	1.4.9
Recommendation 3.3 Reporting on Principle 3	1.1 and 1.4.9
Recommendation 4.1 Attestations by CEO and CFO	1.4.11
Recommendation 4.2 Establishment of Audit Committee	2.1
Recommendation 4.3 Structure of Audit Committee	2.1.2
Recommendation 4.4 Audit Committee Charter	2.1
Recommendation 4.5 Reporting on Principle 4	2.1
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Attendance of Auditor at General Meetings	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1.3
Recommendation 7.2 Attestations by CEO and CFO	1.4.11
Recommendation 7.3 Reporting on Principle 7	2.1.3
Recommendation 8.1 Evaluation of Board, Directors and Key Executives	1.4.10
Recommendation 9.1 Remuneration Policies	2.2.4
Recommendation 9.2 Establishment of Remuneration Committee	2.2
Recommendation 9.3 Executive and Non-Executive Director Remuneration	2.2.4.1 and 2.2.4.2
Recommendation 9.4 Equity-Based Executive Remuneration	2.2.4.1
Recommendation 9.5 Reporting on Principle 9	2.2.2 and 2.2.4
Recommendation 10.1 Company Code of Conduct	3

1. Board of Directors
- 1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

## **CORPORATE GOVERNANCE**

### 1.2 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr David Sumich and Mr Peter van der Borgh are Non-Executive Directors and are both independent directors as they meet the following criteria for independence adopted by the Company:

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Mr Mark Sumich is the Managing Director of the Company and does not meet the Company's criteria for independence.

### 1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: the development of the Company's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Human Resources: appointing, and, where appropriate, removing the Chief Executive Officer or Managing Director (CEO / MD) and Chief Financial Officer (CFO) as well as reviewing the performance of the CEO and monitoring the performance of senior management in their implementation of the Company's strategy.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at the Company's registered office.

## **CORPORATE GOVERNANCE**

### 1.4 Board Policies

#### 1.4.1 Conflicts of Interest

Directors must:

disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

#### 1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

#### 1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

#### 1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information when it becomes aware:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

#### 1.4.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

#### 1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

#### 1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

## **CORPORATE GOVERNANCE**

### 1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

### 1.4.9 Trading in Company Shares

Due to the size of the Company, the Board does not consider it appropriate to implement a Share Trading Policy. Rather, it reminds directors, officers and employees of the prohibition in the Corporations Act 2001 concerning trading in the Company's securities when in possession of "inside information".

### 1.4.10 Performance Review/Evaluation

It is the policy of the Board to conduct evaluation of its performance. The evaluation process was introduced via the Board Charter adopted on 30 September 2005 and will be implemented for the financial year ended 30 June 2008. The objective of this evaluation will be to provide best practice corporate governance to the Company.

### 1.4.11 Attestations by CEO and CFO

It is the Board's policy, that the CEO and the CFO make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report. However, as at the date of this report the Company does not have a designated CEO or CFO. These roles are performed by the Managing Director and Company Secretary.

## 2. Board Committees

### 2.1 Audit Committee

Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit Committee. Below is a summary of the role and responsibilities of an Audit Committee.

#### 2.1.1 Role

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of three (3) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. However, in accordance with the ASX Listing Rules, the Company is moving towards establishing an audit committee consisting primarily of Independent Directors.

In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

#### 2.1.2 Responsibilities

The Audit Committee or as at the date of this report the full Board of the Company reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Company each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

## **CORPORATE GOVERNANCE**

### 2.1.3 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of three (3) members, the Company does not have a Risk Management Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

### 2.2 Remuneration Committee

#### 2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

#### 2.2.2 Responsibilities

The responsibilities of a Remuneration Committee, or the full Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Chief Executive Officer, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors and making recommendations on any proposed changes and undertaking reviews of the Chief Executive Officer's performance, including, setting with the Chief Executive Officer goals and reviewing progress in achieving those goals.

#### 2.2.3 Remuneration Policy

Directors' Remuneration for the majority of directors was approved at a Board meeting held on 30 January 2008.

##### 2.2.3.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

##### 2.2.3.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount (\$150,000) approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

#### 2.2.4 Current Director Remuneration

Full details regarding the remuneration of Directors, is included in the Directors' Report.

## **CORPORATE GOVERNANCE**

### 2.3 Nomination Committee

#### 2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole Board only consists of three (3) members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

#### 2.3.2 Responsibilities

The responsibilities of a Nomination Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee would also oversee management succession plans including the CEO/ MD and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.

#### 2.3.3 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least two Directors with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

### 3. Company Code Of Conduct

The Board has decided against the implementation of a code of conduct as it does not believe that it is in the best interests of its employees or other stakeholders to have what purports to be an exhaustive code of conduct. The Board feels that such a code may be too prescriptive and not allow the employees the discretion they need to best serve the Company's stakeholders.

**SCHEDULE OF MINERAL TENEMENTS  
AS AT 16 SEPTEMBER 2008**

Project	Tenement	Interest held by Globe Metals & Mining Limited
Kanyika (Malawi – granted)	EPL0188	100%
Livingstonia (Malawi – granted)	EPL0187	100%
Nthalire (Malawi – granted)	EPL0206	100%
Belele Dambo (Malawi – granted)	EPL 0239	100%
Kaoma (Zambia – granted)	Kaoma	0% (1)
Lungwebungu (Zambia – application)	-	0% (1)
Mazanga (Zambia – application)	-	0% (1)
Mhukuru (Tanzania – granted)	3596, 3600 - 3603	0% (1)
Canguro (Argentina – granted)	E18322-18324	100%
Cerro Tin Tin (Argentina – granted)	E18325	100%
Puesto Orozco (Argentina – granted)	E18390	100%
La Poma (Argentina – granted)	E18562	100%
Cerro Tin Tin West (Argentina – application)	E18563	100%
Cerro Tin Tin South West (Argentina – granted)	E18564	100%
Los Cardones (Argentina – granted)	E18565	100%
Cerro Tin Tin North West (Argentina – granted)	E18566	100%
Quebrada de Caipe (Argentina – granted)	E18567	100%
Las Casitas (Argentina – granted)	E18633	100%

P Prospecting Licence  
E Exploration Licence  
M Mining Licence  
Mining Licence

Note:

1) Globe Metals & Mining is able to earn up to 90% of the uranium rights in the projects by spending the following amounts on exploration over a 3 year period:

Project	Min. Year 1	40%	90%
Mhukuru, Tanzania	A\$100,000	A\$300,000	A\$750,000
Mazanga, Kariba Valley Zambia	A\$100,000	A\$300,000	A\$750,000
Barotse Basin Kaoma and Lungwebungu, Zambia	A\$50,000	A\$150,000	A\$375,000
<b>Total</b>	<b>A\$250,000</b>	<b>A\$750,000</b>	<b>A\$1,875,000</b>