

Machinga REE Project, Malawi

Investor Update



11 July 2011

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Competent Person: The contents of this report relating to geology and exploration results are based on information reviewed by Dr. Julian Stephens, Member of the Australian Institute of Geoscientists and Non-Executive Director 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 and Ore Reserves and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.



Project and Investment Highlights

- ✓ Project highly prospective for high-grade heavy rare earth oxides (HREOs) and Nb-Ta-Zr.
- ✓ Machinga North drilling highlights to date include:
 - MARC005: 11m @ 1.0% total rare earth oxide (TREO) with 330ppm Dy₂O₃ (from 12m)
Inc.: 4m @ 1.4% TREO with 492ppm Dy₂O₃ (from 19m)
 - MARC015: 5m @ 1.5% TREO with 596ppm Dy₂O₃ (from 26m)
Inc.: 1m @ 2.5% TREO with 971ppm Dy₂O₃ (from 27m).
- ✓ Very high ratio of HREO:TREO, peak 39%, average 32%.
- ✓ 7km radiometric anomaly registering a 2.7 by 0.3km main target zone.
- ✓ Machinga North is just one of seven targets within the EPL; enormous potential to confirm a significant economic REE deposit.
- ✓ Southern Malawi is a proven region for hosting economic REE deposits.
- ✓ Dysprosium a highly sought after metal – price rise of 5x in 2011!

Machinga is in the right location, and initial results confirm the potential of the Project.



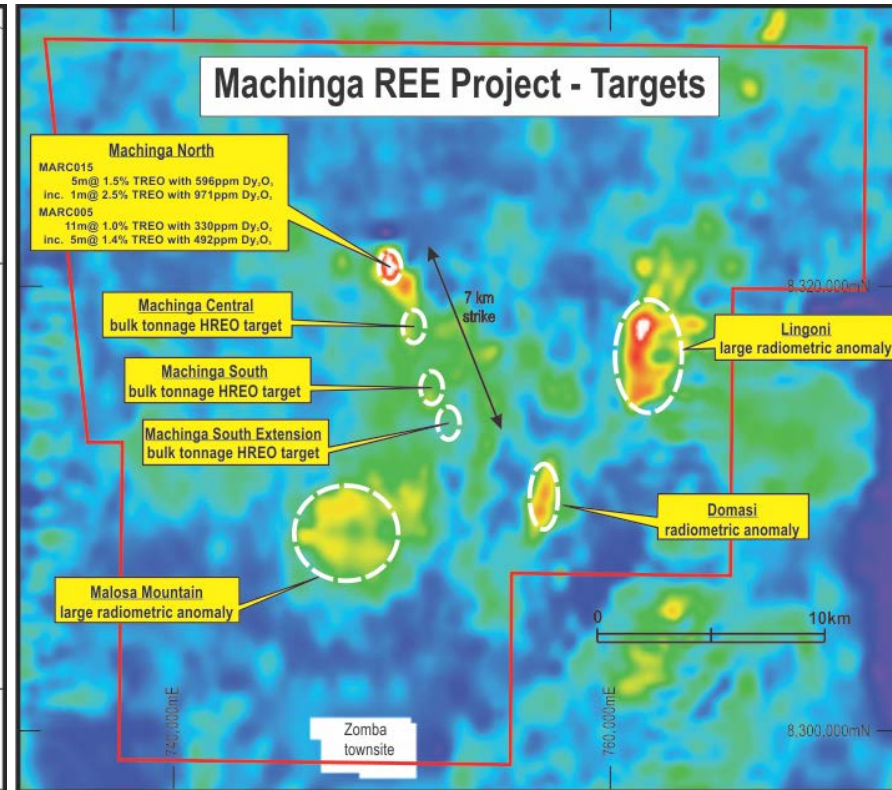
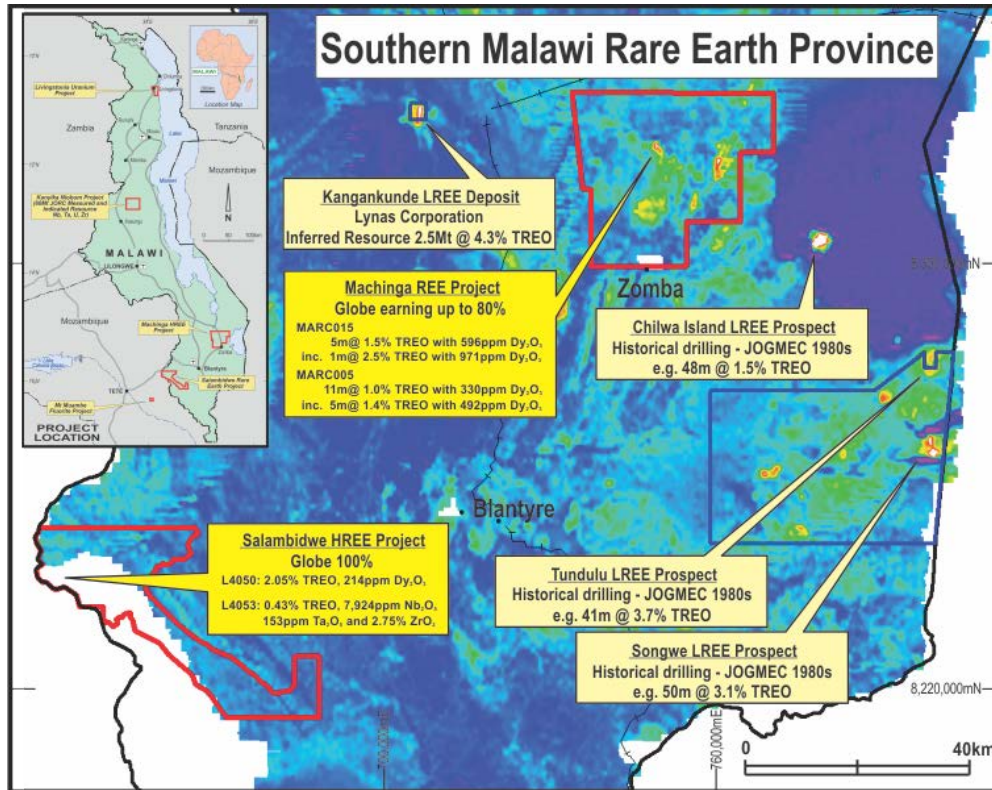
Project and Investment Highlights

- ✓ 5,000m drilling program planned for 2011
- ✓ Major auger and soil-pit sampling program over the Lingoni and Machinga Central/South targets
- ✓ Exploration budget of \$500,000 for 2011
- ✓ Strong cash position will enable the Company to realise the Project's potential – \$45m @ May 2011
- ✓ Project located along the major Lilongwe – Zomba highway
- ✓ Technical and administrative team based in Malawi
- ✓ Globe can earn up to 80% of project; 20% currently held

Globe's strong cash position will ensure that the Project's full potential is realised via well-funded and thorough exploration.



Project Location



Machinga North is just one of seven targets within the concession. Southern Malawi is clearly prospective for REEs, and radiometric anomalism is the known pathfinder.



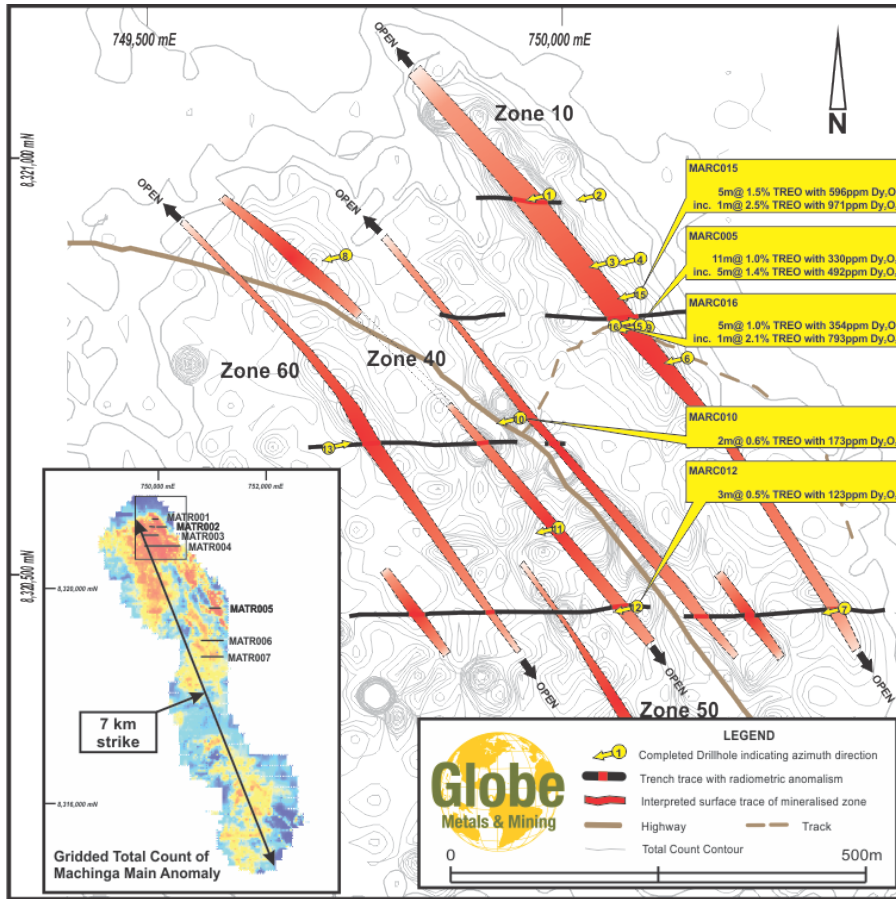
Recent Exploration – Machinga North

- Q1 2010 – initial trenching program show multiple zones of HREO mineralisation:
 - MATR001: 7m @ 1.26% TREO
 - MATR002: 33m @ 0.71% TREO
 - Inc.: 11m @ 1.00% TREO with 0.46% Nb₂O₅
 - Very high ratio of HREO:TREO - average 38%
- Q3 2010 – maiden drill program confirms multiple zones of near surface, high-grade heavy rare earth mineralisation. At least three separate zones of HREO-Nb-Ta-Zr mineralisation with high dysprosium (Dy₂O₃) including:
 - MARC005: 11m @ 1.0% TREO with 330ppm Dy₂O₃ (from 12m)
 - Inc.: 4m @ 1.4% TREO with 492ppm Dy₂O₃ (from 19m)
 - MARC015: 5m @ 1.5% TREO with 596ppm Dy₂O₃ (from 26m)
 - Inc.: 1m @ 2.5% TREO with 971ppm Dy₂O₃ (from 27m)

Globe is excited at the now demonstrated heavy rare earth potential at Machinga, and in particular, the very high grades of dysprosium that have been encountered.



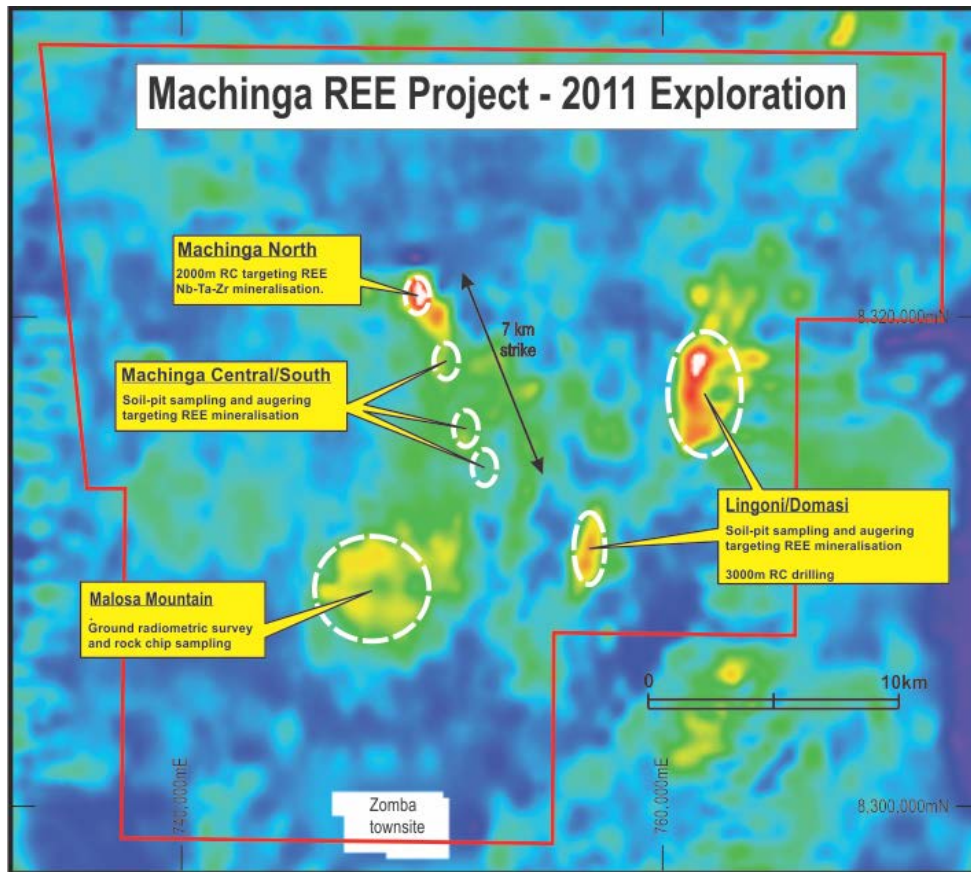
Recent Exploration – Machinga North



- Drilling program comprised 16 RC holes for a total of 1,688m.
- Designed to test four of at least seven parallel zones of surface REO – Nb- Ta – Zr mineralisation identified in Globe’s trenching program.
- Zone 10 has the highest TREO grades and HREO:TREO ratios.
- Very high heavy rare earth ratio (HREO:TREO), averaging 33% with a peak of 39%.
- High-value commodities Dysprosium (Dy), Thulium (Tm), Ytterbium (Yb) and Lutetium (Lu) occur in high grades.
- Ratios (to TREO) of these heaviest three rare earth elements (Tm, Yb and Lu) in Zone 10 are amongst some of the highest reported in the world.
- Reconnaissance exploration on Lingoni and Domasi targets was undertaken.

The majority of drill holes in Zone 10 intersected REO mineralisation near surface at depths between 10m and 50m.

Exploration Targets for 2011



July 2011 – Lingoni:

- Drill targeting using soil sampling and pitting radiometric anomalies focussing on HREO and Nb-Ta-Zr mineralisation.

August 2011 – Machinga North:

- Commence 2000m RC drill program on the 6 known zones – strike and dip extensions to Zone 10 and 60 the main priority.

September 2011 – Machinga Central/South:

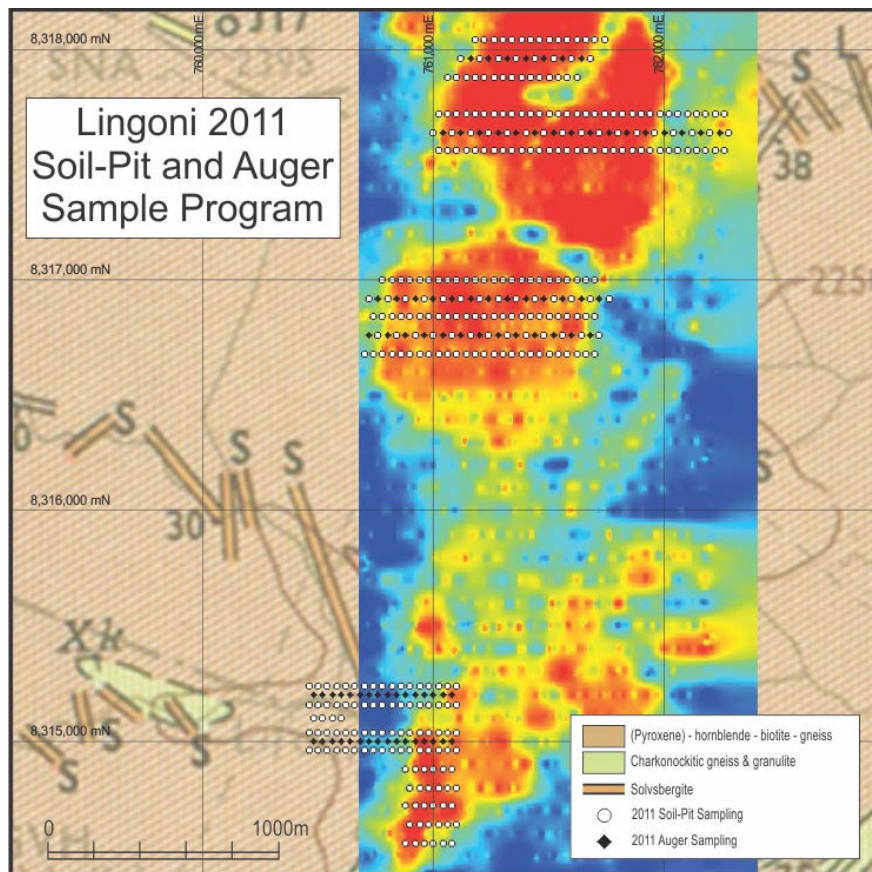
- Drill targeting using soil sampling and pitting radiometric anomalies focussing on HREO and Nb-Ta-Zr mineralisation.

October 2011 – Lingoni:

- Commence 3000m RC drill program on the targets identified in the soil sampling and pitting programs.

The Company is very excited by the 2011 drill program and regional exploration at Machinga. A steady flow of results will be released over the remainder of the year.

Exploration Target - Lingoni



- The shown radiometric signature is from ground surveys carried out in early 2011.
- Lingoni anomaly approx. 3km long by up to 1km wide.
- Figure shows the targeted soil sampling and pitting of radiometric anomalies to be undertaken in July 2011 – focus on HREO and Nb-Ta-Zr mineralisation.
- Subject to results to commence 3000m RC drill program on the targets identified in the soil sampling and pitting of radiometric anomalies.

Lingoni will be the second target to be explored, after Machinga North.

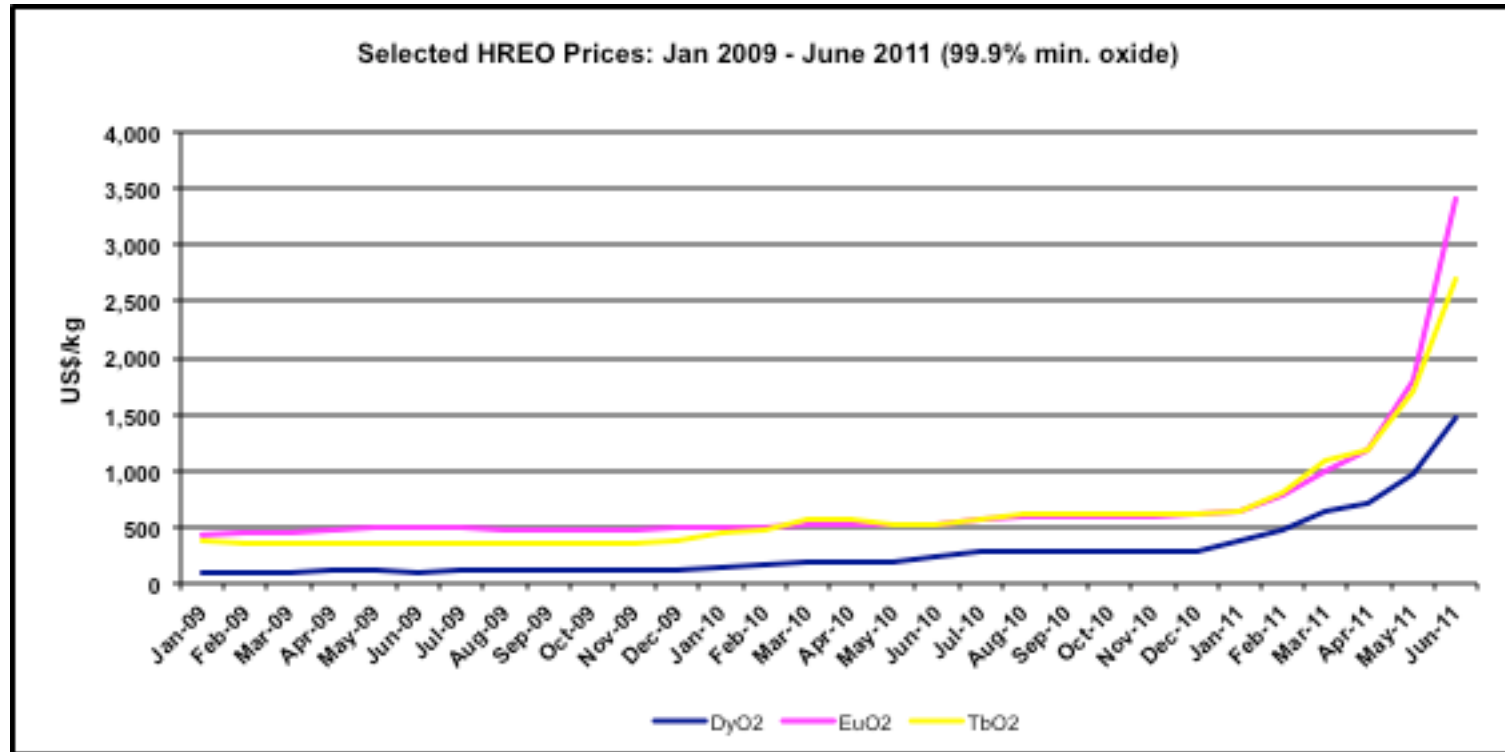
REE Market & Prices – Strong Fundamentals

- Current market size is 115,000tpa TREO production
- Forecast market growth of 60% through to 2015
- Primary demand drivers include growth in advanced and green-related technologies such as hybrid cars, consumer electronics and wind turbines
- Secondary/consequential demand arising from stockpiling by US and China, among others
- Supply currently constrained by structural changes in primary market (China >95% production) – reducing export quotas, environmental clean-up, industry consolidation, stockpiling (especially HREOs) and prevention of illegal production and exports
- Over the medium to long term, key REEs are dysprosium, terbium, europium (HREO) and neodymium and praeodymium (LREO) – based on forecast demand and supply (including likely new production), even China will be an importer of HREOs by 2015, notwithstanding that it is the only current producer

By the end of 2011, Globe will have a better understanding of the REE potential at Machinga. Clearly, the potential is significant.



REE Market & Prices



Prices of these critical HREO's have increased 5x in 2011.



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