



September Quarter 2011 Activities Report

Globe Metals & Mining Limited ("**Globe**" or "**the Company**"; ASX: GBE) is pleased to present its September Quarter 2011 Activities Report:

Highlights

- **Kanyika Niobium Project**

- Preparation of an Environmental Impact and Social Assessment (EISA) study underway – due for submission in Q1 2012
- Intensive optimisation program continues as part of Definitive Feasibility Study (DFS) focused on design of processing flow sheet, enhancing recoveries and reducing costs

- **Mount Muambe REE – Fluorite Project**

- 40 RC drill holes completed, totalling 3,464m; results from initial 8 holes show wide, high-grade, near surface fluorite zones:

MURC020: 21m @ 26.7% fluorite

Inc: 9m @ 41.1% fluorite

MURC021: 30m @ 28.4% fluorite

Inc: 15m @ 38.0% fluorite

- Substantial REE mineralisation associated with high-grade fluorite including:

MURC021: 44m @ 1.0% TREO

Inc: 10m @ 2.0% TREO

- HREO/TREO ratios between 10% - 40%; high-grades of dysprosium including 235ppm Dy₂O₃ over 10m
- Further results from fluorite-rare earth element (REE) zones and other pure REE targets will flow over next four months

- **Salambidwe REE Project**

- Commencement of 2011 exploration program targeting potential extensions of REE and Nb mineralisation encountered in 2010 rock-chip and soil sampling program
- Crater-wide 284 soil-pit and 38 auger sample program, to be conducted in conjunction with rock-chip sampling, ground radiometric surveying and regional geological mapping

- **Cash at end of quarter of \$42m**



1. Board changes

On 9 August 2011, Mr David Sumich (Co-founder), Mr Youyu Zhang and Mr Jianrong Xu tendered their resignation as Non-Executive Directors of Globe. This change was in line with the Company's strategy of reducing board size, and objectives driven by the new strategic partnership with ECE. In the case of Mr David Sumich, it was also the result of other board commitments.

At this time, Globe announced that Mr Zhang was to be replaced on the Board by incoming Director, Ms Shasha Lu. Ms Lu is Executive Director and CEO of Hong Kong East China Non-Ferrous Mineral Resources Co Ltd., a wholly owned subsidiary of Eastern China Exploration & Development Bureau (ECE). In July 2009, Ms Lu was appointed as an Executive Director of Arafura Resources Limited (ASX: ARU). Ms Lu holds a Degree in Medicine and a Masters Degree from Nanjing University.

2. Unmarketable parcel facility

On 22 August 2011, Globe announced the commencement of an unmarketable parcel facility for shareholders that held less than \$500 worth of shares in the Company.

This facility was designed to help reduce some of the administrative costs associated with having a large shareholder base. In many cases, the facility will benefit impacted shareholders who may otherwise find it difficult to sell such a small shareholding.

3. High risk of supply disruption to niobium

On 20 October 2011, the Australian Newspaper reported that the British Geological Survey had compiled what it calls *Risk List 2011* - a rating of the 52 mineral elements needed to maintain the economies and lifestyles in developed nations. The report identified those minerals which may experience some serious price escalation. Included in the category of 'high risk of supply disruption' were niobium, platinum and tungsten. The metals were rated on scarcity, reserve base distribution, governance and production concentration.

To put this into context, in March 2011, a consortium of 6 Korean and Japanese steel mills purchased a 15% stake in the Brazilian company CBMM, the leading FeNb producer, for US\$1.95b, being at an implied enterprise value of US\$17.3b¹. CBMM produces ~75% of all FeNb. An identical transaction took place for a further 15% of CBMM in August 2011 with a consortium of 5 Chinese steel mills and industrial conglomerates.

In addition, the Canadian listed gold producer IAMGOLD (TSX: IMG) recently announced that it is considering divesting or spinning-off its FeNb business, Niobec, as well as announcing plans to expand its production. The future valuation of Niobec has been loosely estimated at US\$1.5-2b by IAMGOLD (Reuters, 24 May 2011). Production from Niobec in 2010 was 4,400tpa of niobium metal.

Both of these examples set Globe's Kanyika Project in strong stead, with planned annual production commencing in 2014 estimated at 3,000t of niobium metal.

¹ This takes into account the State of Minas Gerais' 25% net profit interest in CBMM

4. Kanyika Niobium Project

4.1. Environment and community

Globe is preparing an Environmental Impact and Social Assessment (EISA) study – due for submission to the Government of Malawi in Q1 2012. The EISA is being prepared by South African and Malawian consultants under the direction of lead consultant Synergistics of Johannesburg. Outcomes to date have been favourable and Globe has commenced negotiations with the local authorities to plan for the site resettlement; approximately 125 homesteads will be relocated in preparation for the project construction. Globe is working closely with the District Commissioner and Traditional Authority to ensure the interests of all stakeholders are protected.

In addition, Globe's Stakeholder Participation Program continues to facilitate community consultation and education in relation to the Project. The Globe team is working closely with all stakeholders to ensure the project implementation phase proceeds smoothly, whilst Globe directors and consultants are working with the Government of Malawi to advance the Project Development Agreement.

4.2. Metallurgy and optimisation programs

Globe is conducting an intensive laboratory test program aimed at optimising earlier test work results and scaling outcomes to the production plant level before proceeding to pilot testing. Metallurgical test laboratories in Australia and China are working with Globe to finalise the processing flowsheet before the process plant design is completed.

Globe has experienced delays in completing metallurgical test work and obtaining analytical services, due mainly to the large demand being placed on testing infrastructure in Australia. As a consequence, some delays may be encountered in preparation of the final optimised flowsheet.

Preliminary plant and infrastructure design is progressing using a number of dedicated consultants before handing over to a suitable EPCM organisation. Negotiations have also commenced with third-party processors to evaluate possible toll-treatment options for Kanyika concentrates.



Figure 1: Optimisation flotation test work.

4.3. Infrastructure and project site works

The site arrangement plan is now at an advanced stage with all major features located. Hydrology, hydrogeology and geotechnical studies are also progressing well.

South African company, Jones & Wagener, have prepared a preliminary tailings storage facility design and conducted site investigations to confirm the deposition strategy and embankment location. Tailings will be managed using a relatively conservative deposition strategy and minimal environmental concerns are anticipated.

Other elements of the project infrastructure are being developed using a range of Malawian and international engineers. Additional work is being conducted to evaluate other Project areas including logistics, human relations and overall Project risk mitigation.

5. Mount Muambe REE - Fluorite Project

During the quarter, a total of 3,464m of RC extensional and infill drilling was completed across 40 holes on the Main Fluorite (+REE) Zone. The aim of the first phase program was to confirm and extend multiple areas of high-grade fluorite and associated rare earth mineralisation identified in the 2010 drilling program.

Results from the initial 8 RC holes showed multiple zones of high-grade fluorite mineralisation (Figure 2). In addition, significant grades and widths of REE mineralisation were intersected, with many zones having high HREO/TREO ratios.

A program of 460 soil samples was also initiated on the western margin of the crater covering the area between the Main Fluorite Zone and Zone DD.

Fluorite has seen a significant price hike in recent times. Included in the list of 14 raw materials labelled "critical" by a European Union expert group, it is no surprise that China - by far the largest consumer and responsible for more than 50% of production globally - has adopted new policy designed to limit the export of fluorite resources.

In comparison, the Okoruso fluorite mine producing in Namibia has an average grade of 35%, and the Witkop fluorite mine in South Africa, which recently resumed production, has an average fluorite grade of 15%.

5.1. Geology and mineralisation

Fluorite-REE mineralisation occurs along a north-striking carbonatite/fenite contact at Mount Muambe. The majority of fluorite mineralisation appears to occur in slightly amorphous although generally sub-horizontally oriented screens of fenite surrounded by sill-like carbonatite sheets. Zones of fluorite-REE mineralisation range between two and thirty metres in thickness.

Five holes in this program were selected for REE analyses. Of these holes, both LREO and HREO-enriched zones were encountered, with LREO-enriched zones generally occurring in carbonatite and HREO-enriched zones associated with fenite-hosted fluorite mineralisation. The significant REE results returned has prompted the Company to submit all samples in the fluorite zone for routine REE analysis.

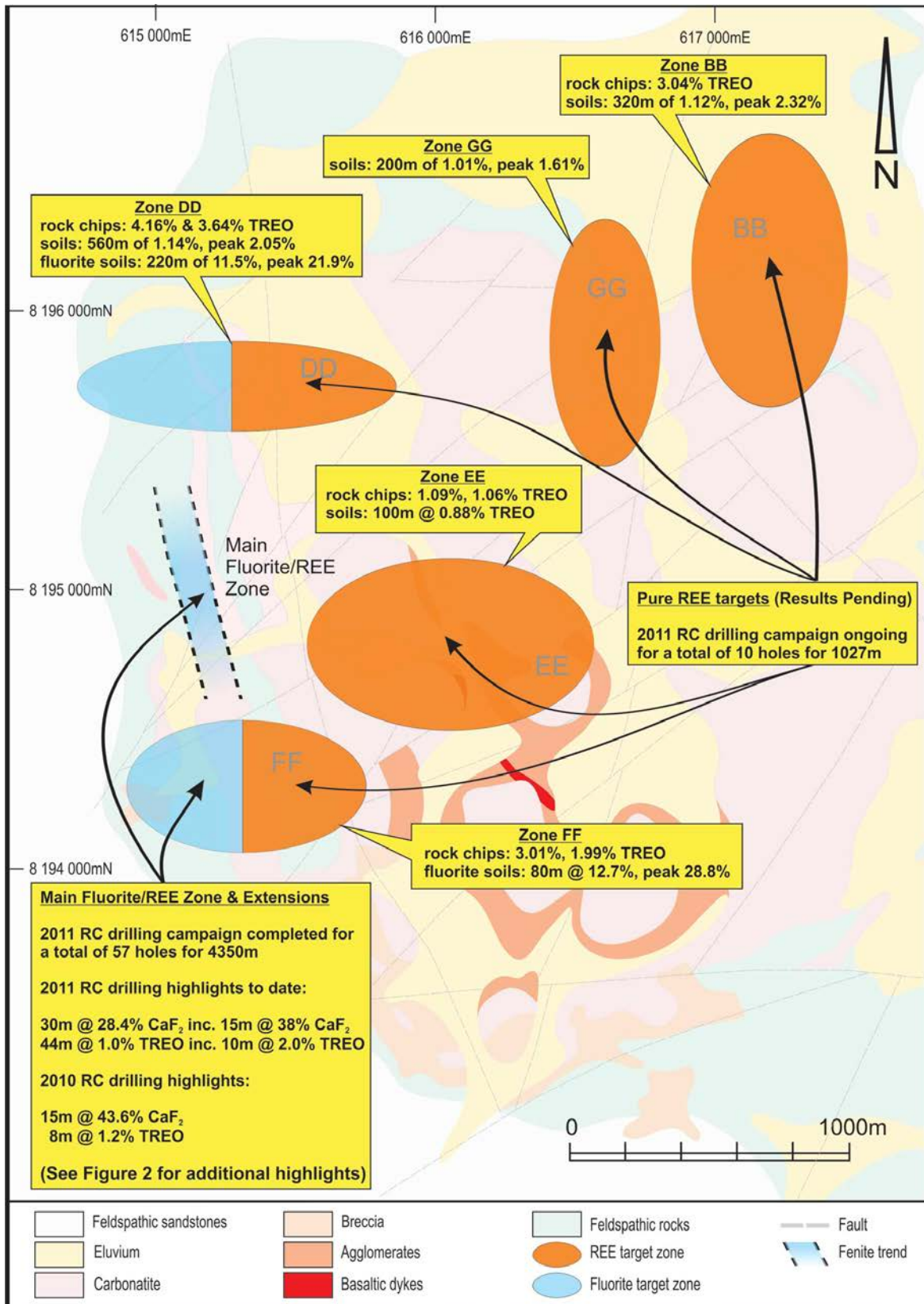


Figure 2: Exploration coverage within the Mount Muambe Crater.

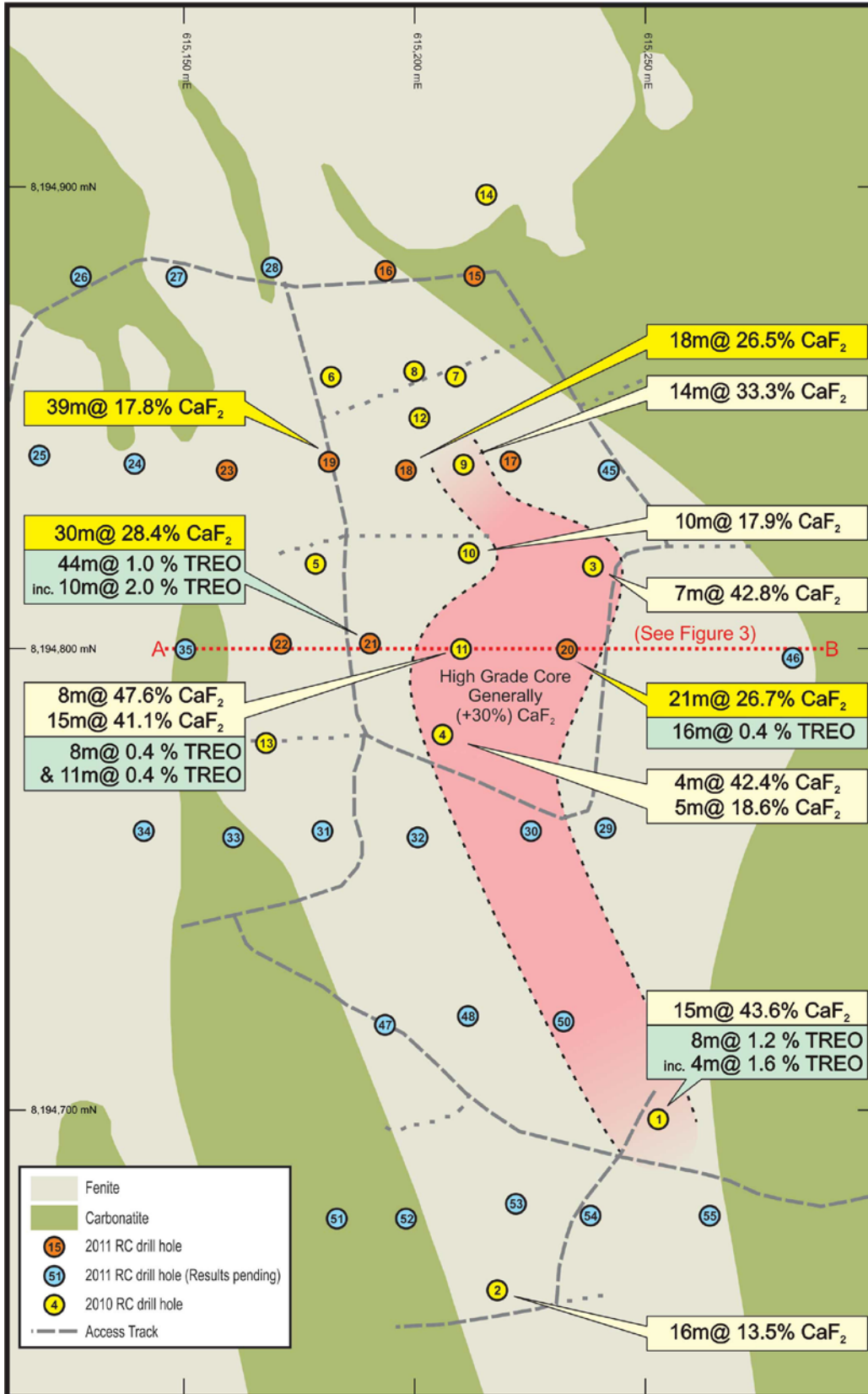


Figure 3: Main Fluorite/REE Zone drillhole location plan.

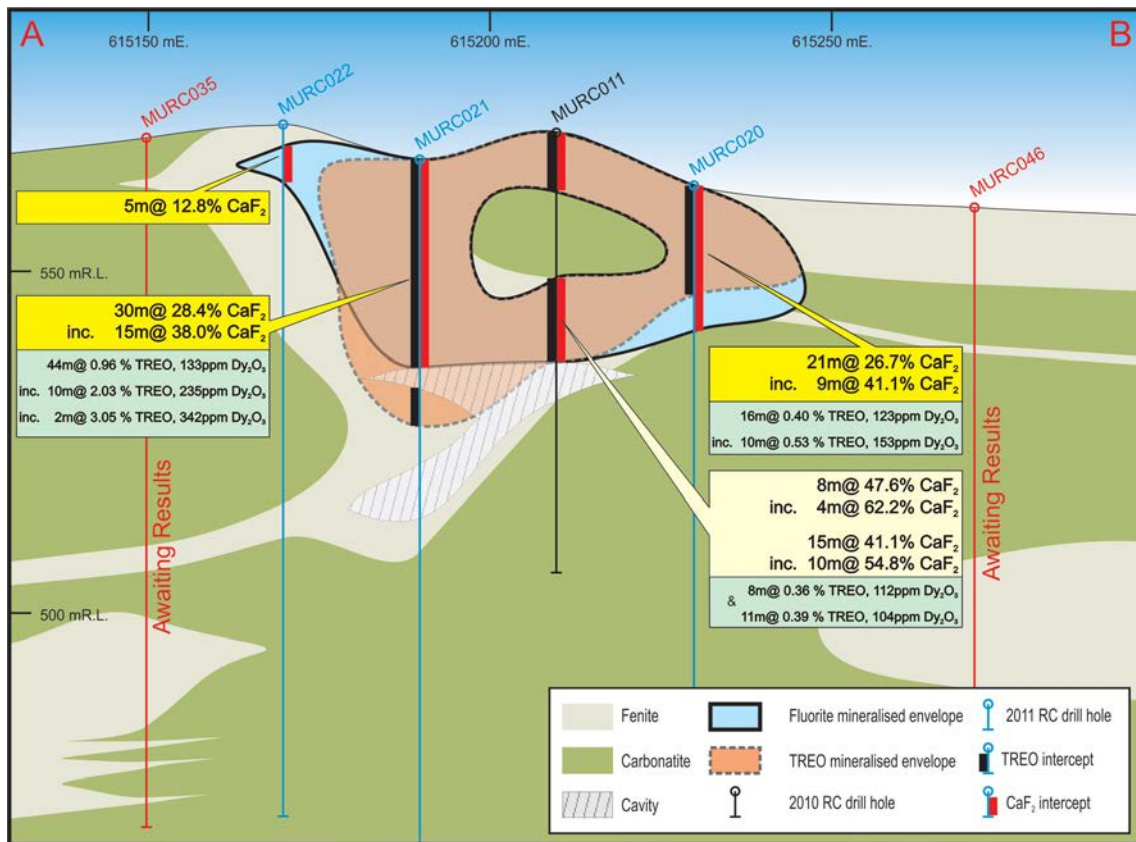


Figure 4: Section 8194800mN in the Main Fluorite Zone showing CaF₂ / TREO mineralised envelopes.

5.2. Next steps

Further drilling results from the continuing ~12,000m program are expected to flow in over the next four months. Much of the remaining drilling in 2011 will focus on pure REE targets including, but not limited to those, in zones DD and EE outside of the Main Fluorite Zone.

5.3. About the Agreement

Globe has already earned 20% of the project and by the end of 2011 will have earned 51% through its exploration programs at Mt Muambe.

Table 1: Significant fluorite drill intercepts – Mount Muambe.

Hole ID	From (m)	To (m)	Width (m)	CaF ₂
MURC016	1	3	2	26.6%
MURC017	1	5	4	17.4%
	47	49	2	29.0%
MURC018	0	18	18	26.5%
inc.	0	14	14	31.7%
MURC019	8	47	39	17.8%
inc.	15	27	12	33.8%
MURC020	0	21	21	26.7%
inc.	0	9	9	41.1%
MURC021	0	30	30	28.4%
inc.	2	17	15	38.0%
MURC022	3	8	5	12.8%
MURC023	17	28	11	18.3%

Table 2: Significant REE drill intercepts – Mount Muambe

Hole ID	From (m)	To (m)	Width (m)*	La ₂ O ₃ (ppm)	Ce ₂ O ₃ (ppm)	Nd ₂ O ₃ (ppm)	Eu ₂ O ₃ (ppm)	Tb ₂ O ₃ (ppm)	Dy ₂ O ₃ (ppm)	Er ₂ O ₃ (ppm)	Yb ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)	TREO (ppm)	HREO (ppm)	HREO: TREO
MURC018	0	17	17	607	1,400	770	36	16	102	62	63	768	4,271	1,186	31.6%
Inc.	8	14	6	984	2,622	1,579	58	22	134	76	77	897	7,251	1,464	21.4%
MURC020	0	16	16	627	1,244	417	32	18	122	79	75	982	3,935	1,447	40.2%
Inc.	0	10	10	894	1,786	572	42	22	155	100	92	1,202	5,321	1,795	34.0%
MURC021	0	44	44	3,493	3,589	831	51	25	133	57	47	774	9,612	1,270	17.5%
Inc.	6	16	10	7,779	7,824	1,642	83	39	235	100	83	1,363	20,287	2,193	11.8%
Inc.	42	44	2	12,067	11,981	2,352	146	77	342	124	92	1,559	30,533	2,869	9.76%

**Only selected rare earth elements have been presented in this table due to space constraints, and therefore the TREO column will not be exactly equal with the sum of the individual REO results presented. TREO = Total Rare Earth Oxides (La through Lu + Y); HREO = more valuable Heavy Rare Earth Oxides (Eu through Lu + Y). True intercept widths are uncertain at this stage.*

Table 3: RC drillhole information – Mount Muambe

Hole ID	Depth (m)	Easting (m)	Northing (m)	RL (m)	Dip	Azimuth	Zone
MURC015	90	615213	8194879	575	-90°	000°	Main
MURC016	95	615194	8194880	577	-90°	000°	Main
MURC017	85	615221	8194840	570	-90°	000°	Main
MURC018	90	615199	8194838	571	-90°	000°	Main
MURC019	100	615182	8194840	573	-90°	000°	Main
MURC020	86	615233	8194800	558	-90°	000°	Main
MURC021	100	615191	8194801	562	-90°	000°	Main
MURC022	101	615172	8194801	567	-90°	000°	Main
MURC023	61	615161	8194838	578	-90°	000°	Main



Mount Muambe Campsite



RC drilling – Mount Muambe



Drill chips – Mount Muambe



Samples ready for dispatch – Mount Muambe

6. Salambidwe REE Project

During the quarter, Globe announced details of the 2011 exploration program at the Salambidwe REE Project in southern Malawi.

A virgin rare earth prospect, the primary focus for the 2011 exploration campaign is to:

- Confirm results from the 2010 rock-chip and soil sampling program
- Determine the relationship between the mineralisation and geological setting of the crater
- Locate and quantify further REE enriched zones

6.1. Soil-pit and auger program

The exploration program commenced in September 2011, and includes a crater-wide 284 soil-pit and 38 auger sample program, in conjunction with rock-chip sampling, ground radiometric surveying and regional geological mapping.

A broad 200m x 200m soil-pit and auger program (Figure 6) covering the entire crater will ensure a significant density of sampling to determine mineralised potential and geological control at Salambidwe.

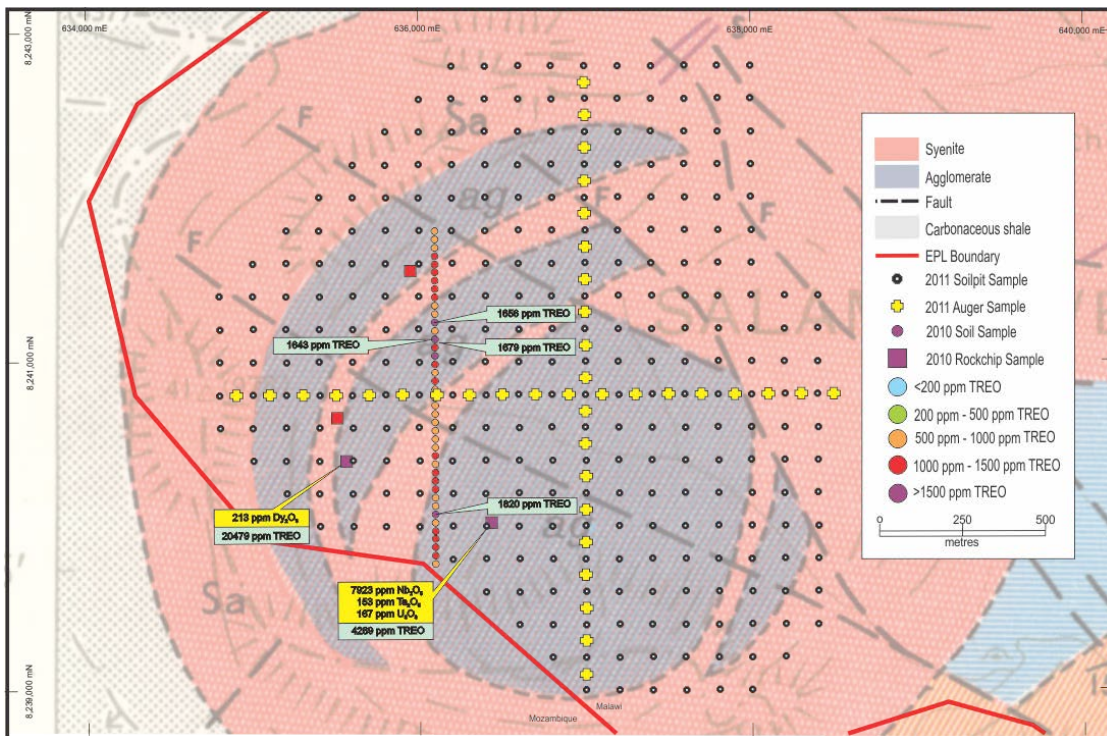


Figure 6: Exploration coverage within the Salambidwe Crater.



About Globe Metals & Mining

Globe is an African-focused resource company, specialising in rare metals such as niobium, tantalum and rare earths, as well as other commodities including fluorite, uranium and zircon. Its main focus is the multi-commodity Kanyika Niobium Project in Malawi, Africa, which will commence production of ferro-niobium in 2014, a key additive in sophisticated steels.

Globe also has a number of other projects at an earlier stage of development: it is earning up to an 80% interest in the Machinga Rare Earth Project in southern Malawi, and the Company can earn up to a 90% interest in the Mount Muambe REE - Fluorite Project in Mozambique. Initial drill programs on both projects were undertaken in 2010.

Globe's corporate head office in Perth, Australia is supported by regional offices in Lilongwe, Malawi, as well as Maputo and Tete, Mozambique. The Company has been listed on the ASX since December 2005 (Code: GBE).

In April 2011, the Company entered into a strategic partnership with East China Minerals Exploration and Development Bureau (ECE), a Chinese State Owned Enterprise with extensive mining operations in China and overseas. ECE is now the largest shareholder in Globe, and a key partner for Globe's growth ambitions in Africa.

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 of Globe Metals & Mining. Dr Stephens has sufficient experience related to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.

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