Globe Metals & Mining Limited

(ABN 33 114 400 609)

And Controlled Entities

Annual Financial Report

For the year ended
30 June 2020

CORPORATE DIRECTORY

Directors
Ms Alice Wong, Non-Executive Chairperson
Mr Alistair Stephens, Deputy Chairperson, Managing Director and CEO
Mr William Hayden, Non-Executive Director
Mr Alex Ko, Non-Executive Director
Mr Bo Tan, Non-Executive Director

Company Secretary
Mr Michael Fry

Principal & Registered Office
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Midvale WA 6056
Telephone: (08) 6117 3814
Facsimile: (08) 6323 0418
ABN: 33 114 400 609

Auditors
Australia:
Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Malawi:
Ernst & Young
Apex House
Kidney Crescent
Blantyre
Malawi

Share Registrar
Automic Group
Level 2, 267 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664

Securities Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Level 40
Central Park
152-158 St Georges' Terrace
Perth WA 6000
Code: GBE

Bankers
Westpac
109 St Georges Terrace
Perth WA 6000

Chairperson's Address

On behalf of the Board of Globe Metals & Mining Limited ("Globe" or "the Group"), it is my pleasure to present to you the 2020 Annual Financial Report.

Consistent with the strategy outlined in my address in the 2019 Annual Report, the Group has maintained momentum on advancing the Kanyika Development Agreement, updating the technical components of a Feasibility Study, and assessing a range of project financing options.

Notwithstanding, the recent change in government in Malawi with the inauguration of a new President in July, it appears that finalisation of the Kanyika Development Agreement with the Government of Malawi is nearing finalisation and the Company is optimistic, based upon its dialogue with, and the responsiveness of key government officials, that the Development Agreement will be finalised and executed this financial year.

Execution of the Kanyika Development Agreement is a pre-condition to the issue of a mining licence which we are reliably informed will immediately follow. Once the Kanyika Development Agreement is executed and the mining licence issued, the Company will be in a position to move forward with project funding and off-take arrangements and the Company's Board and management is optimistic in realising project financing and development opportunities in the near term.

On a positive note for Kanyika, latest reports from the World Steel Association suggest that global steel demand will fall by 6.4% during 2020 due to the COVID-19 pandemic but recover in 2021 to near pre-pandemic levels due to the expected faster recovery of China as compared to the rest of the world. And as demand for higher quality steels rises as a proportion of total steel demand, and the usage in the automobile and aerospace industries, particularly in China, India and Japan, grows the need for niobium is increasing at a faster rate than steel output.

Despite the pandemic, analysts are still predicting that demand for niobium will grow at a compound annual growth rate (CAGR) of around 6% during the period 2020 to 2025. Major factors driving the market are the increased consumption of niobium in structural steel due its characteristics of tensile strength and durability (for use in bridges, buildings and other large constructions such as hangars and stadiums) and extensive utilisation of niobium-based alloys in energy-efficient buildings and infrastructure, and the manufacture of aircraft engines and automobiles. Lightweight materials and designs have become increasingly important in the manufacture of automobiles, where driving dynamics is a major factor. Additionally, the emerging focus of governments across the world on minimising carbon emissions and enhancing fuel economy has increased the importance of lightweight materials in the production of automobiles.

These combinations of growth and demand bode well for the price of niobium. As does the new emerging market of niobium in new technologies like wind turbines, medical imaging, particle accelerators, as well as an exciting development in the manufacture of high-performance and ultra-safe ultra-rapid rechargeable batteries for electrical vehicles.

In the coming year the Group will continue to be cost prudent, whilst maintaining momentum on Kanyika development opportunities.

In closing, I thank all shareholders, board of directors, and employees for their support of the Group in the year past and I am looking forward to their continued support in the year to come.

Yours sincerely,
GLOBE METALS & MINING LIMITED

ALICE WONG
CHAIRPERSON

The directors of Globe Metals & Mining Limited ('Globe' or 'the Company') hereby submit their report of the Company and its controlled entities ('the Group') for the financial year ended 30 June 2020.

DIRECTORS

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

Alice Wong	Non-Executive Chairperson
Alistair Stephens	Deputy Chairperson, Managing Director and Chief Executive Officer
William Hayden	Non-Executive Director
Bo Tan	Non-Executive Director
Alex Ko	Non-Executive Director

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

COMPANY SECRETARY

Michael Fry was appointed Company Secretary of Globe on 1 February 2015. Michael holds a Bachelor of Commerce degree from the University of Western Australia and has worked in accounting and advisory roles for over 20 years.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were to explore, develop and invest in the resource sector. The Group's major project is the Kanyika Niobium Project in Malawi.

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

RESULTS

The consolidated loss after providing for income tax of the Group for the year ended 30 June 2020 amounted to $1.449 million (2019: $1.441 million). The COVID-19 pandemic has had no direct material impact on the result.

MINERAL TENEMENTS

The Group's interests in mineral tenements as at the date of this report are as follows:

Project	Location	Status	Tenement	Globe's interest
Kanyika Niobium (i)	Malawi	Granted	AML0026	100%
Kanyika Exploration	Malawi	Granted	EPL0421/15	100%

(i) AML = Application for Mining Lease; lodged with Malawi Ministry of Natural Resources, Energy & Mining on 5 December 2014 covering in part the area previously covered by EPL0188/05 has been approved subject to execution of a Development Agreement.

Note: EPL: Exclusive Prospecting Licence (Malawi)

REVIEW OF OPERATIONS

Globe Metals and Mining Limited (Globe) is an Australian registered public company and has been listed on the ASX since December 2005 (ASX: GBE). The Company has an administration and operational centre in Lilongwe, Malawi in support of its on-the-ground exploration activities. The Malawi operations are supported from Globe's corporate head office in Midvale, Western Australia.

Consistent with the strategy outlined by the Chairperson in her Address in the 2019 Annual Report, the Group has focussed its efforts in the 2020 financial year on advancing its Kanyika Niobium Project towards production by progressing with its mining licence application, that is conditional on the finalisation of a Development Agreement and by seeking out and assessing a range of financing options.

Operations have been impacted by the COVID-19 pandemic to the extent that staff in both Malawi and Western Australia have largely worked from their homes since March 2020. Ability to meet face-to-face with certain groups, particularly in the areas of marketing and financing has been impacted.

Kanyika Niobium Project

Overview

Globe identified niobium and tantalum mineralisation in 2007 at Kanyika. Niobium and tantalum are key additives in steel manufacture and electronics. Subsequent drilling confirmed the mineralisation leading to an extensive exploration and metallurgical testwork program. A scoping study in 2008 and further drilling led to a feasibility study in 2012 and the release of a JORC (2004) Mineral Resource Estimate in January 2013 (refer below).

During 2013, Globe commissioned metallurgical optimisation work, and subsequently in 2014 commissioned a pilot plant to demonstrate and further optimise metallurgical processes.

Feasibility Study

In February 2018, Globe commenced work aimed at updating and finalising the technical components of the engineering program in order to support project funding initiatives and in light of the changing outlook for the mining and resources industry, and in particular for niobium.

To facilitate this, the Company advised it had engaged specialists to revise and update the previous engineering study to incorporate the findings and outcomes of the pilot plant work undertaken and other necessary engineering design changes.

In January 2019, Globe advised that it had finalised the revision of all studies and plans, such that the technical programs associated with the mineral resource, mining, metallurgical studies, processing, engineering design and infrastructural support are all done to a technical detail that is satisfactory to engineering classification standards.

In addition, Globe advised that it had obtained updated capital and operating cost estimates through a tender process that was undertaken independent of Globe, and had updated its financial model for revised capital costs, revenues and operating costs in order to determine key metrics including but not limited to project revenue, profitability and payback. Confidential and internal metrics on the value proposition of the project are highly encouraging and the Company is confident of progress to offtake and financing arrangements.

Globe noted that it was not in a position to finalise the financial model and release the key outcomes due to the current status of the negotiations between the Company and the Government on the Development Agreement. That position remains unchanged and the nature of the delay in the negotiations in the development agreement will likely lead to another updated costing program in the front-end loading engineering program.

Product Marketing and Off-Take

Globe continues to explore avenues for product off-take. In an effort to satisfy purchasers seeking high-purity niobium products – samples have been prepared for distributiond.

Development Agreement

The Kanyika Exclusive Prospecting Licence (EPL0188) was due for expiry at the end of December 2014. In early December 2014, Globe applied for a Mining Licence. Globe received notification in June 2015 from Malawi Ministry of Natural Resources, Energy & Mining (MMNREM) that its application for a Mining Lease, currently registered as AML0026, has been approved subject to completion of a Development Agreement.

The Development Agreement negotiations are continuing in good faith with the Government of Malawi; however, Globe has experienced delay from time to time in meeting with key officials due to both safety measures taken in relation to the COVID-19 pandemic and changes to key government personnel. This has slowed the finalisation and execution of the Development Agreement but it otherwise remains on track for execution in the current financial year.

Project Development and Financing

Following the update of all engineering designs and drawings in January 2019, the Kanyika Project remains ready for development subject to execution of the Development Agreement and marketing and finance. During the year, the executive team continued to advance plans and have advanced discussions with regulators and other stakeholders as regards project development and to examine opportunities for project enhancement, including reconfiguration of project arrangements. In addition, the executive team continued its dialogue with various parties regarding marketing and financing; although it is noted that the ongoing delay with finalisation and execution of the Development Agreement and the impacts of COVID-19 pandemic has prevented the executive team from meeting face to face with these parties delaying progress in this area.

Statement of Mineral Resources

On 11 July 2018, Globe published an updated Mineral Resource Estimate for the Kanyika Niobium Project (KNP) calculated in accordance with 2012 JORC guidelines.

The resource calculated was unchanged from the previous Mineral Resource Estimate published on 7 January 2011, calculated in accordance with the 2004 JORC guidelines, and is as follows:

Category	Size (Mt)	Nb_2O_5 Grade (ppm)	Ta_2O_5 Grade (ppm)	U_3O_8 Grade (ppm)
Measured	5.3	3,790	180	110
Indicated	47.0	2,860	135	80
Inferred	16.0	2,430	120	70
Total	**68.3**	**2,830**	**135**	**80**

Table 1: Mineral Resource Estimate for Kanyika using a 1,500 ppm Nb_2O_5 cut-off grade

No additions or changes have been made to the Mineral Resource Estimate since it was last published.

Intellectual Property

Intellectual property (IP) developed as part of the KNP feasibility study and subsequent optimisation work has been consolidated into provisional patent applications that have been filed with IP Australia and with African Regional Intellectual Property Organisation (ARIPO).

Finance

- Cash and cash equivalents at 30 June 2020 of $5.182 million.

Corporate

- As at the date of this report, shares on issue total 465,922,373.
- A total of 1,000,000 options over ordinary shares lapsed during the 2020 financial year.
- There are no outstanding options remaining on issue.
- 2 Substantial Shareholders control a total of 364,126,673 shares or 78.16% of the Company.

Exploration Results, Mineral Resource and Ore Reserve Estimation Governance Statement

Globe Metals and Mining Limited ensures that exploration results and Mineral Resource estimates are subject to appropriate levels of governance, internal controls and external independent review. The exploration results and Mineral Resource estimation of the Company's projects are subject to appropriate procedural controls and systematic internal and external technical review by competent and qualified professionals on an as needed basis. These reviews have not identified any material issues undertaken as part of a formal risk assessment. The Company periodically reviews the governance framework in line with the business expectations.

Exploration results and Mineral Resource estimates referred to in this report were undertaken in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) 2012 Edition. Competent persons named by the Company are members of the Australian Institute of Mining and Metallurgy and are qualified as competent persons as defined in the JORC Code.

Qualifying Statements

Mineral Resource Estimates

The information in this report that relates to Mineral Resources is extracted from the report titled "Kanyika Niobium Project – Updated JORC Resource Estimate" released to the Australian Securities Exchange (ASX) on 11 July 2018 and available to view at **www.globemm.com** and for which Competent Persons' consents were obtained. Each Competent Person's consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 11 July 2018 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original ASX announcement.

Full details are contained in the ASX announcement released on 11 July 2018 titled "Kanyika Niobium Project – Updated JORC Resource Estimate" available to view at **www.globemm.com**

Competent Person

The information in this report relating metallurgical evaluation of Mineral resources is based on information compiled by Dr Marc Steffens. Dr Steffens is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and is an independent consultant to the Company. Dr Steffens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Steffens consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

Forward Looking Statements

This report may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Globe Metals & Mining Limited's business plans and other statements that are not historical facts. When used in this report, words such as could-plan-target-estimate-expect-intend-may-potential-should and similar expressions are forward-looking statements. Any forward-looking statements have been prepared on the basis of a number of assumptions which may prove incorrect and the current intentions, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside Globe Metals & Mining Limited's control. Important factors that could cause actual results to differ materially from the assumptions or expectations expressed or implied in this report include known and unknown risks. Because actual results could differ materially to the assumptions made and the Company's current intentions, plans, expectations and beliefs about the future, you are urged to view all forward-looking statements with caution. This content should not be relied upon as a recommendation or forecast by Globe Metals & Mining Limited. Content within this report should not be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs ofr the Group since the start of the financial year to the date of this report.

DIVIDENDS

No amounts have been paid or declared by way of dividend during or since the end of the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group proposes to continue its exploration program and investment activities across its mineral industry interests. Further information in relation to likely developments and the impact on the operations of the Group has not been included in this report, as the directors believe it would result in unreasonable prejudice to the Group.

Whilst it is expected that delays will continue to occur, it is not expected that the Group will experience direct material financial impacts on its results should the COVID-19 pandemic continue without resolution in the short to medium term.

INFORMATION ON DIRECTORS

Alice Wong	**Non-Executive Chairperson**
Special Responsibilities	Member of Nomination and Remuneration Committee
Qualifications	B. Bus in Accounting and Finance
	Ms Alice Wong commenced her career with Price Waterhouse as an auditor for leading international companies. Ms Wong subsequently worked in the investment banking industry in Hong Kong where her career spanned across BNP Paribas Peregrine, ABN AMRO Rothschild, and Morgan Stanley. In her investment banking career Ms Wong engaged in equity capital markets including IPOs, share placements, rights issues, and bond issues for a vast range of clients. Ms Wong holds a Bachelor of Business Administration in Accounting and Finance from the University of Hong Kong and is a member of the American Institute of Certified Public Accountants (AICPA).
Interest in Shares and Options	245,983,611(1)
Directorships of other ASX Listed Companies in the past 3 years	Nil

(1) Ms Wong is the sole shareholder and Director of Apollo Metals Investment Co. Ltd which holds 245,983,611 shares in the Company

Alistair Stephens	**Deputy Chairperson, Managing Director and Chief Executive Officer**
Qualifications	Masters of Business Administration Bachelor of Science (Honours) Graduate of the Australian Institute of Company Directors (GAICD) Fellow of the Australasian Institute of Mining and Metallurgy
Experience	Mr Stephens is a qualified geologist with more than 30 years' experience in the resources industry, in a broad range of technical and corporate management, including corporate governance, strategic development and delivery, technical program development, marketing, shareholder communications and capital funding. Mr Stephens held the position of Managing Director and Chief Executive Officer of Arafura Resources Limited (ASX: ARU) between 2004 and 2009. Mr. Stephens commenced his career in gold and copper exploration and development with Newmont but orientated most of his career in mining, planning and processing operations in gold with Normandy Poseidon and KCGM Pty Ltd and nickel with WMC Resources. He also has marketing and commercial experience with Orica Ltd in explosives.
Interest in Shares and Options	Nil
Directorships of other ASX Listed Companies in the past 3 years	Nil

William Hayden	**Non-Executive Director**
Special Responsibilities	Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Qualifications	B Sc (Hons)
Experience	Mr Hayden is a geologist with approximately 40 years' experience in the mineral exploration industry, much of which has been in Africa, South America and the Asia-Pacific region. Mr Hayden joined Globe as a director in 2009. He currently serves as a director of Ivanhoe Mines Ltd (TSX: IVN), Trilogy Metals Inc (TSX: TMQ), Palisades Goldcorp Ltd, and Asia Pacific Mining Limited.
Interest in Shares and Options	1,276,923 Fully Paid Ordinary Shares
Directorships of other ASX Listed Companies In the past 3 years	Noble Metals Limited (ASX listed) (resigned January 2019)

Bo Tan	**Non-Executive Director**
Special Responsibilities	Chairperson of Audit and Risk Committee
Qualification	BEcon - Renmin China, MBA - Thunderbird USA, M.A University of Connecticut
Experience	Mr Bo Tan, a Canadian national, has over 15 years' experience as a senior manager and director in financial planning, reporting, investment, capital structure and industrial research. Mr Tan has worked for companies such as Bohai Industrial Investment Fund, Lehman Brothers Asia and Macquarie Securities Asia, and across international markets in China, Hong Kong, Canada and USA.
Interest in Shares and Options	Nil
Directorships of other ASX Listed Companies in the past 3 years	Nil

Alex Ko	**Non-Executive Director**
Special Responsibilities	Chairperson of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Qualifications	Bachelor Business Administration
Experience	Mr Ko has over 30 years' experience in finance and investment banking. He has been a pioneer in the listing of Chinese equity offers through the Hong Kong exchange including many high-profile government and private Chinese companies. He has held many independent non-executive director roles with Hong Kong listed companies in the transportation, electronics and environmental protection industries. He has strengths in finance and corporate governance. Mr Ko is currently an independent non-executive director of Hong Kong listed company Minshang Creative Technology Holdings Limited (HKG: 1632).
Interest in Shares and Options	Nil
Directorships of other ASX Listed Companies in the past 3 years	Nil

REMUNERATION REPORT - AUDITED

This remuneration report for the year ended 30 June 2020 outlines the remuneration arrangements of the Group in accordance with the requirements of Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

For the purposes of this report, the term "executive" includes the Managing Director (MD), executive directors (where applicable) and senior executives of the Group.

A. Remuneration Governance

The Board of Directors has established a Committee for the purpose of reviewing and making recommendations with respect to the remuneration practices of the Company.

The Committee comprises Mr Alex Ko (Chairperson of the Nomination and Remuneration Committee), Mr Bill Hayden and Ms Alice Wong; all of whom are non-executive directors.

The Board of Directors has prepared and approved a charter as the basis on which the Committee will be constituted and operated. The role of the Committee is to provide a mechanism for the determination, implementation and assessment of the remuneration practices of the Company, including remuneration packages and incentive schemes for executive Directors and senior management, and fees payable to Non-Executive Directors.

The Committee is primarily responsible for making recommendations to the Board on:

- the overarching executive remuneration framework;
- the operation of incentive plans (if any) which apply to the executive team, including key performance indicators and performance hurdles;
- the remuneration levels of executive directors and other KMP; and
- the fees payable to non-executive directors.

The Committee's objective is to ensure that remuneration policies and structures are fair and competitive, and aligned with the long-term interests of the Group.

The Corporate Governance Statement provides further information on the role of the Remuneration Committee.

B. Remuneration Policy

The remuneration policy of Globe Metals & Mining Limited and its Controlled Entities 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 incentives, from time to time, that are based on share price and key performance areas affecting the Group's financial results.

The Board of Directors of Globe believes the remuneration policy is appropriate and effective in its ability to attract, retain and motivate suitably qualified and experienced Directors and executives to run and manage the Group, as well as create goal congruence between the Directors, executives and the Company's shareholders.

C. Remuneration Arrangements

All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation (in accordance with relevant legislation). Executive remuneration may also incorporate a component of performance-based remuneration.

The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Non-executive directors are remunerated at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to 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 $600,000).

The Board of Directors may exercise discretion in relation to approving incentives, bonuses and options.

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 option pricing model and Monte Carlo option pricing model. Shares are valued at market value.

D. Performance Based Remuneration

The Company believes that linking the remuneration of Directors and executives with performance will be effective in increasing shareholder wealth.

From time to time, the Board of Directors may establish performance targets and a bonus system for the purposes of providing directors and executives with short-term and long-term performance incentives. Such incentives are offered to increase goal congruence between shareholders and directors and executives.

There are currently no incentive programs in place for financial years ended 30 June 2021 and beyond.

E. Performance Summary

The tables below set out summary information about Globe's earnings and movements in shareholder wealth for the five years to 30 June 2020:

	30 June 2020 $'000	30 June 2019 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2016 $'000
Interest income	104	206	239	203	336
Comprehensive loss after tax	(1,449)	(1,441)	(1,354)	(1,651)	(6,883)

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Share price at start of year	$0.015	$0.014	$0.016	$0.022	$0.022
Share price at end of year	$0.010	$0.015	$0.014	$0.016	$0.022
Dividend	-	-	-	-	-
Basic loss per share	($0.003)	($0.003)	($0.003)	($0.004)	($0.015)
Diluted loss per share	($0.003)	($0.003)	($0.003)	($0.004)	($0.015)

F. No Hedging Contracts

The Company does not permit executives to enter into contracts to hedge their exposure to options or performance rights to shares granted as part of their remuneration package.

G. Securities Trading Policy

The Board has in place a Securities Trading Policy to ensure that:

- any dealings in securities by the Directors, employees and contractors comply with legal and regulatory obligations (including the prohibition against insider trading); and
- the Company maintains market confidence in the integrity of dealings in its securities.

H. Details of Remuneration

Compensation of key management personnel for the year ended 30 June 2020

2020	SHORT-TERM BENEFITS Salary & Fees $	Annual Leave $	POST EMPLOY-MENT Super-Annuation $	LONG-TERM BENEFITS Employee Entitlements $	SHARE-BASED PAYMENT Options $	TOTAL $	SHARE-BASED PAYMEN T as a % of TOTAL
Directors							
Alice Wong – Chairperson	80,000	-	-	-	-	80,000	0%
Alistair Stephens - Managing Director & CEO	385,000	59,232	21,003	36,099	-	501,334	0%
William Hayden - Non-Executive Director	52,968	-	5,032	-	-	58,000	0%
Bo Tan - Non-Executive Director	58,000	-	-	-	-	58,000	0%
Alex Ko - Non-Executive Director	57,000	-	-	-	-	57,000	0%
Total remuneration directors 2020	**632,968**	**59,232**	**26,035**	**36,099**	**-**	**754,334**	**0%**
Specified Executives							
Michael Fry – Finance Manager	264,000	- -	-	- -	- -	264,000	0%
Total remuneration specified executives 2020	**264,000**	**-**	**-**	**-**	**-**	**264,000**	**0%**
Total key management personnel 2020	**896,968**	**59,232**	**26,035**	**36,099**	**-**	**1,018,334**	**-**

Compensation of key management personnel for the year ended 30 June 2019

2019	SHORT-TERM BENEFITS Salary & Fees $	Annual Leave $	POST EMPLOY-MENT Super-Annuation $	LONG-TERM BENEFITS Employee Entitlements $	SHARE-BASED PAYMENT Options $	TOTAL $	SHARE-BASED PAYMENT as a % of TOTAL
Directors							
Alice Wong – Chairperson	80,000	-	-	-	-	80,000	0%
Alistair Stephens - Managing Director & CEO	385,000	19,250	20,531	32,060	-	456,841	0%
William Hayden - Non-Executive Director	52,968	-	5,032	-	-	58,000	0%
Bo Tan - Non-Executive Director	58,000	-	-	-	-	58,000	0%
Alex Ko - Non-Executive Director	57,000	-	-	-	-	57,000	0%
Total remuneration directors 2019	**632,968**	**19,250**	**25,563**	**32,060**	**-**	**709,841**	**0%**
Specified Executives							
Michael Fry – Finance Manager	264,000	- -	-	- -	- -	264,000	0%
Total remuneration specified executives 2019	**264,000**	**-**	**-**	**-**	**-**	**264,000**	**0%**
Total key management personnel 2019	**896,968**	**19,250**	**25,563**	**32,060**	**-**	**973,841**	**-**

No remuneration consultants have been engaged during the year ended 30 June 2020.

Compensation options granted to key management personnel during the year ended 30 June 2020
There were no options granted to key management personnel during the year ended 30 June 2020.

Compensation options granted to key management personnel during the year ended 30 June 2019
There were no options granted to key management personnel during the year ended 30 June 2019.

Options awarded, vested, lapsed during the year
The table below discloses the number of options granted, vested or lapsed during the year. Share options do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

2020	Financial year awarded	Number of options	Award date	Fair value per option at award date	Vesting date	Exercise price	Expiry date	Number lapsed during the year	Balance at year end
A. Stephens	2014	1,000,000	1 July 2013	-	1 July 2017	$0.25	30 June 2020	1,000,000	-

Option Holdings of Directors and Key Management Personnel

The numbers of options over ordinary shares in the Company granted under the executive short-term incentive scheme that were held during the financial year by each Director and the KMP of the Group, including their personally related parties, are set out below:

2020	Balance at beginning	Granted as Remuneration	Exercised	(Lapsed)	Balance at 30 June 2020	Exercisable	Not Exercisable
Alice Wong	-	-	-	-	-	-	-
Alistair Stephens	1,000,000	-	-	(1,000,000)	-	-	-
William Hayden	-	-	-	-	-	-	-
Bo Tan	-	-	-	-	-	-	-
Alex Ko	-	-	-	-	-	-	-
Michael Fry	-	-	-	-	-	-	-
	1,000,000	**-**	**-**	**(1,000,000)**	**-**	**-**	**-**

2019	Balance at beginning	Granted as Remuneration	Exercised	(Lapsed)	Balance at 30 June 2019	Exercisable	Not Exercisable
Alice Wong	-	-	-	-	-	-	-
Alistair Stephens	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000	-
William Hayden	-	-	-	-	-	-	-
Bo Tan	-	-	-	-	-	-	-
Alex Ko	-	-	-	-	-	-	-
Michael Fry	-	-	-	-	-	-	-
	2,000,000	**-**	**-**	**(1,000,000)**	**1,000,000**	**1,000,000**	**-**

Shareholdings of Director and Key Management Personnel in Listed Fully Paid Ordinary Shares

The number of shares in the Company that were held during the financial year by each Director and the key management personnel of the Group, including their personally related parties, are set out below.

There were no shares granted during the reporting year as compensation.

2020	Balance at beginning	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2020
Alice Wong	245,983,611	-	-	-	245,983,611
Alistair Stephens	-	-	-	-	-
William Hayden	76,923	-	-	1,200,000	1,276,923
Bo Tan	-	-	-	-	-
Alex Ko	-	-	-	-	-
Michael Fry	-	-	-	-	-
	246,060,534	**-**	**-**	**-**	**247,260,534**

2019	Balance at beginning	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2019
Alice Wong	245,983,611	-	-	-	245,983,611
Alistair Stephens	-	-	-	-	-
William Hayden	76,923	-	-	-	76,923
Bo Tan	-	-	-	-	-
Alex Ko	-	-	-	-	-
Michael Fry	-	-	-	-	-
	246,060,534	**-**	**-**	**-**	**246,060,534**

I. Voting and comments made at the Company's 2019 Annual General Meeting (AGM)

At the Company's 2019 AGM, a resolution to adopt the prior year remuneration report was put to a shareholder vote pursuant to the requirements of Section 250R92) of the Corporations Act 2001. Key Management Personnel, and their Closely Related Party(s), were excluded from voting on the resolution. 96.97% of votes were cast against adoption of the resolution reflecting a second successive strike, and hence, a spill resolution was put to shareholders at the Company's 2019 AGM. The spill resolution was passed at the Company's 2019 AGM resulting in a requirement to call a spill meeting.

A spill meeting was held on 30 January 2020 at which all directorships were vacated as required, with the exception of the Managing Director, and resolutions were put to shareholders appoint persons as directors as per the notice of meeting. The shareholders of the Company voted to return all of the directors who had been required to vacate office and no new directors were appointed. Given that the spill meeting resulted in all existing Directors being re-elected and no new Directors nominating, and in the absence of any feedback being received from shareholders despite request from the Company, the Board has taken no further action.

No comments were made on the remuneration report at the 2019 AGM or at the 2020 Spill Meeting.

J. Contractual Arrangements

Non-Executive Directors

Non-executive directors' fees at the date of this report are as follows:

Alice Wong	Chairperson of the Board $80,000 per annum
William Hayden	Non-Executive Director $50,000 per annum Member of the Nomination and Remuneration Committee $4,000 per annum Member of the Audit and Risk Committee $4,000 per annum
Bo Tan	Non-Executive Director $50,000 per annum Chairperson of the Audit and Risk Committee $8,000 per annum
Alex Ko	Non-Executive Director $50,000 per annum Chairperson of the Nomination and Remuneration Committee $7,000 per annum

Executive Management

Remuneration and other terms of employment for executive management are formalised in services agreements as set out below:

Name	Alistair Stephens
Title	Deputy Chairperson, Managing Director and CEO
Start date	1 May 2013
Current Agreement Commenced	1 August 2013
Term of Agreement	Agreement continues until terminated in accordance with employment contract
Details:	Base salary of $385,000 p.a. exclusive of superannuation Termination requires 5 weeks' notice or the payment of 5 weeks 'salary in lieu of such notice. Eligible to participate in performance-based remuneration.

Name	Michael Fry
Title	Finance Manager and Company Secretary
Start date	2 February 2015
Current Agreement Commenced	1 November 2016
Term of Agreement	Agreement continues until terminated in accordance with employment contract
Details:	Fees of $264,000 p.a. Termination requires three months' notice

This is the end of the audited remuneration report.

MEETINGS OF DIRECTORS

	Directors Meetings		**Audit and Risk Committee Meetings**		**Nomination and Remuneration Committee Meetings**	
Directors	**Number Eligible to Attend**	**Number Attended**	**Number Eligible to Attend**	**Number Attended**	**Number Eligible to Attend**	**Number Attended**
Alice Wong	1	1	-	-	-	-
Alistair Stephens	1	1	1	1	-	-
William Hayden	1	1	1	1	-	-
Bo Tan	1	1	1	1	-	-
Alex Ko	1	1	1	1	-	-

The Company's executive has a weekly conference with the Chairperson.

Due to distance and differing time zones, and more recently the COVID-19 pandemic, Board matters are resolved by way of circular resolution.

AFTER BALANCE DATE EVENTS

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

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR

Non-Audit Services
No non-audit services were provided by Ernst & Young during the year or the prior year.

Details of the amounts paid or payable to the Ernst & Young for the provision of audit services are set out in note 20 to the financial Statements.

INDEMNIFYING OFFICERS OR AUDITOR

The Group has agreed to indemnify all the directors and executive officers for any costs or expenses that may be incurred in defending civil and criminal proceedings that may be brought against them in their capacity as directors and officers for which they may be held personally liable.

The Group agreed to pay the annual insurance premium in respect of directors' and officers' liability and legal expenses, for directors, officers and employees of the Company. However, in accordance with normal commercial practice, the disclosure of the total amount of premiums and the nature of the liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract.

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young as part of the terms of its engagement letter against any claims by third parties arising from the audit (for an unspecified amount). No payments were made during the year ended 30 June 2020 or subsequently.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in financial/Directors' report) Instrument 2016/191. Therefore, amounts in the directors' report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 12.

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

ALISTAIR STEPHENS
MANAGING DIRECTOR

Dated this 29th day of September 2020

Building a better
working world

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Auditor's independence declaration to the directors of Globe Metals & Mining Limited

As lead auditor for the audit of the financial report of Globe Metals & Mining Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Globe Metals & Mining Limited and the entities it controlled during the financial year.

Ernst & Young

T G Dachs
Partner

29 September 2020

TD:LC:GLOBE:009

	Notes	**30 June 2020 $'000**	**30 June 2019 $'000**
Interest income	5	104	206
Foreign exchange loss		(50)	(15)
Employee benefits expenses		(633)	(619)
Compliance and regulatory expenses		(100)	(85)
Occupancy expenses		(50)	(56)
Directors fees		(269)	(265)
Depreciation expense		(13)	(12)
Business Development		(12)	-
Travel expenses		(56)	(42)
Administrative expenses		(341)	(517)
Reversal of Provision for Foreign Tax	14	110	-
Impairment loss on receivables		(72)	-
Other expenses		(67)	(38)
Loss before income tax		**(1,449)**	**(1,441)**
Income tax expense		-	-
Loss for the year		**(1,449)**	**(1,441)**
Other comprehensive loss after tax			
Items that may be reclassified to profit or loss			
Changes in the fair value of investments at fair value through other comprehensive income		36	(24)
Other comprehensive income/(loss) for the year, net of tax		**36**	**(24)**
Total comprehensive loss for the year		**(1,413)**	**(1,465)**

Loss per share attributable to ordinary equity holders of the company		**Cents**	**Cents**
Basic and diluted loss per share	26	(0.31)	(0.31)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with accompanying notes.

	Note	30 June 2020 $'000	30 June 2019 $'000
CURRENT ASSETS			
Cash and cash equivalents	8	5,182	7,387
Trade and other receivables	9	81	70
Other assets	10	119	108
TOTAL CURRENT ASSETS		5,382	7,565
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	12	28,349	27,956
Investments at fair value through other comprehensive income		68	32
Plant and equipment	11	183	178
TOTAL NON-CURRENT ASSETS		28,600	28,166
TOTAL ASSETS		33,982	35,731
CURRENT LIABILITIES			
Trade and other payables	13	224	237
Provisions	14	88	411
TOTAL CURRENT LIABILITIES		312	648
TOTAL LIABILITIES		312	648
NET ASSETS		33,670	35,083
EQUITY			
Contributed equity	15	80,753	80,753
Financial Assets Reserve		34	(2)
Accumulated losses	16	(47,117)	(45,668)
TOTAL EQUITY		33,670	35,083

The above consolidated statement of financial position should be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Contributed equity $'000	Accumulated losses $'000	Financial Assets Reserve $'000	Total $'000
Consolidated				
Balance at 30 June 2018	**80,753**	**(44,227)**	**22**	**36,548**
Loss for year	-	(1,441)	-	(1,441)
Other comprehensive loss for the year	-	-	(24)	(24)
Total comprehensive loss for the year	**-**	**(1,441)**	**(24)**	**(1,465)**
Balance at 30 June 2019	**80,753**	**(45,668)**	**(2)**	**35,083**
Balance at 30 June 2019	**80,753**	**(45,668)**	**(2)**	**35,083**
Loss for year	-	(1,449)	-	(1,449)
Other comprehensive income for the year	-	-	36	36
Total comprehensive loss for the year	**-**	**(1,449)**	**36**	**(1,413)**
Balance at 30 June 2020	**80,753**	**(47,117)**	**34**	**33,670**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	30 June 2020 $'000	30 June 2019 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees (inclusive of value added taxes)		(1,503)	(1,834)
Payments for business development activities		(12)	-
Interest received		104	206
Proceeds from other income		50	-
Net cash used in operating activities	25(a)	(1,361)	(1,628)
Cash Flows from Investing Activities			
Purchase of plant & equipment		(18)	-
Payments for exploration and evaluation		(776)	(309)
Net cash used in investing activities		(794)	(309)
Net decrease in cash held		(2,155)	(1,937)
Cash and cash equivalents at beginning of financial year		7,387	9,339
Effects of exchange rate changes on cash		(50)	(15)
Cash and cash equivalents at end of financial year	8	**5,182**	**7,387**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Globe Metals & Mining Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of directors on 29 September 2020.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. This financial report includes the consolidated financial statements and notes of Globe Metals & Mining Limited ('Globe' or 'the Company') and its controlled entities ('Consolidated Entity' or 'Group'). Globe is a for-profit entity.

a. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for profit-oriented entities.

(i) Compliance with IFRS
The financial report of Globe Metals & Mining Limited and controlled entities 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, also complies with International Financial Reporting Standards ('IFRS') as issued by International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the group
None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2019 affected any of the amounts recognised in the current year or any prior year.

(iii) Historical Cost Convention
The financial report has been prepared under the historical cost convention, with the exception of investments at fair value through other comprehensive income which is measured at fair value.

(iv) Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

b. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. 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, currently being the Australian Dollar for each of the entities. The consolidated financial statements are presented in Australian dollars which is the Company'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 profit and loss for the year, except where deferred in equity as a qualifying cash flow or net investment hedge.

e. Revenue Recognition

Revenue is recognised in accordance with AASB 15, which establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Interest income is recognised as the interest accrues at an effective interest rate.

f. Reserves

The reserve represents the gains and losses of investments at fair value through other comprehensive income.

g. 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 year. 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 years 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 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. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(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 Statement of Comprehensive Income, 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.

h. Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position 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 Statement Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting 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 in relation to, the area of interest are continuing.

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.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Impairment
Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exists:

- the term of the exploration licence in the specific area of interest has expired during the reporting year or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area of interest have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area of interest; or
- sufficient data exists to indicate that, although a development in the specific area of interest is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit (“CGU”) which is no larger than the area of interest. An impairment loss is recognised if the carrying amount of the CGU exceeds its estimated recoverable amount.

j. Financial instruments – initial recognition and subsequent measurement

Financial Assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured as amortised cost, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
This is the category of financial asset that is applicable to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash, short-term deposits and trade and other receivables.

Financial assets designed at fair value through OCI (equity instruments).
This is the category of financial asset that is applicable to the Group. Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group's financial assets designed at fair value through OCI includes its equity investments under this category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Group's financial liabilities only include trade and other payables.

Subsequent measurement
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category applies to trade and other payables.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Plant and Equipment

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

The depreciable amount of all Motor vehicle and Leasehold assets are depreciated on a straight-line basis over their useful lives. Plant and equipment, Furniture and fittings and Software assets are depreciated using the diminishing value method. The depreciation rates used for each class of depreciable assets vary from 3% to 40% with the average rate being 30%.

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

The carrying amounts of plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

l. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, 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 Group 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 statement of comprehensive income 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.

m. Employee Benefits

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the year in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the end of the reporting year on high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

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 a valuation by using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the year 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 year 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 reporting 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.

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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

n. Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners.

o. Earnings Per Share

Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

p. Goods and Services Tax and other Value Added Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) and other Value Added Taxes (VAT), except where the amount of GST or VAT incurred is not recoverable from the applicable taxation authority. In these circumstances, the GST and VAT are 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 statement of financial position are shown inclusive of GST and VAT.

The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

q. Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in financial/Directors' report) Instrument 2016/191. Therefore, amounts in the directors' report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

r. Parent entity financial information

The financial information for the parent entity, Globe Metals and Mining Limited, disclosed in note 28 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Globe Metals and Mining Limited.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. Changes in accounting policies and disclosure

New and amended standards and interpretations

The Group applied AASB 16 Leases and AASB Interpretation 23 Uncertainty over Income Tax Treatment for the first time. The nature and effect of this new accounting standard and interpretation are described below.

Several other amendments and interpretations apply for the first time as of 1 July 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

AASB 16 Leases ("AASB 16")
The application date of AASB 16 for the Group was 1 July 2019. AASB 16 was issued in January 2016 and it replaces AASB 117 Leases ("AASB l 17"), AASB Interpretation 4 Determining whether an Arrangement contains a Lease ("AASB Interpretation 4"), AASB Interpretation-1 15 Operating Leases-Incentives ("AASB Interpretation 1 15") and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease ("AASB Interpretation 127"). AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. At the transition date, the Group assessed all contracts including those which had assets embedded in it for leases under AASB 16. The Group elected to use the practical expedient approach for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases").

Adoption of AASB 16 did not have an impact for the year ended 30 June 2020 as the Group's leases had a lease term of shorter than 12 months or were leases of 'low-value' assets.

AASB Interpretation 23 Uncertainty over Income Tax Treatment ("AASB Interpretation 23")
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes. It does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group assessed whether the Interpretation had an impact on its consolidated financial statements. Upon adoption of the Interpretation, the Group concluded that there were no uncertain tax positions and therefore the interpretation does not have an impact on the consolidated financial statements of the Group as at 30 June 2020.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t. Changes in accounting policies and disclosure

The accounting policies adopted are consistent with those applied by the Group in the preparation of the annual consolidated financial statements for the year ended 30 June 2020, other than the adoption of additional accounting policies set out below:

Leases

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (where the entity does not have a purchase option at the end of the lease term). Right-of-use assets are subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the year on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Short-term leases and Low Value Assets

The Group applies the short-term lease recognition exemption to its short-term leases of their Office Spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption (i.e. below $5,000). Lease payments on short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

Standards issued but not yet effective

Amendments to AASB 101 and AASB 108: Definition of Material

In October 2018, the AASB issued amendments to AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

2. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise of cash. The Group also has other financial instruments such as trade and other receivables and creditors, which arise directly from its operations, and investments at fair value through other comprehensive income.

Capital Risk Management
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends, return capital to shareholders, issue/buy-back shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of investment. The Group is not currently pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The main risks arising from the Group's financial instruments and the Group's policies for managing these risks are summarised below:

Interest Rate Risk

The Group does not have short or long-term cash deposits or debt, and therefore this risk is minimal. An analysis by maturities is provided in (i) below.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 credit risk on financial assets of the Group is reflected in those assets' carrying amount net of any provisions for impairment.

The Group currently holds majority of its cash and cash equivalents with National Australia Bank with a credit rating of Aa3. The Group believes the credit risk exposure is negligible given the strong credit rating of the counterparty.

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 functional currency. The majority of expenses incurred are in AUD and therefore risk is not significant. Monetary assets and liabilities of the Group denominated in foreign currencies are not material to the Group.

Concentration risk
The parent entity is exposed to concentration risk due to 87% of its cash and cash equivalents being held within the one financial institution – National Australia Bank. The Group manages this risk through monitoring of the credit rating of the institution.

Liquidity risk
The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate short-term cash facilities are maintained. At the end of the year the group held deposits at call of $5.182 million (2019: $7.387 million) which are expected to readily generate cash inflows for managing liquidity risk.

(i) Interest rate and liquidity risk exposures
The Group'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:

		Fixed interest maturing in				
2020	**Floating interest rate $'000**	**1 year or less $'000**	**Over 1 year less than 5 $'000**	**More than 5 years $'000**	**Non-Interest bearing $'000**	**Total $'000**
Financial Assets						
Cash at bank	682	4,500	-	-	-	5,182
Trade & other receivables	-	-	-	-	81	81
Investments at fair value through other comprehensive income	-	-	-	-	68	68
Other assets	-	-	-	-	56	56
	682	4,500	-	-	205	5,387
Weighted Average Interest Rate	*0.01%*	*0.85%*	-	-		
Trade & other creditors	-	-	-	-	(224)	(224)
	-	-	-	-	(224)	(224)
Weighted Average Interest Rate	-	-	-	-		
Net financial assets	**682**	**4,500**	**-**	**-**	**(19)**	**5,163**

2019	Floating interest rate $'000	Fixed interest maturing in 1 year or less $'000	Over 1 year less than 5 $'000	More than 5 years $'000	Non-Interest bearing $'000	Total $'000
Financial Assets						
Cash at bank	787	6,600	-	-	-	7,387
Trade & other receivables	-	-	-	-	70	70
investments at fair value through other comprehensive income	-	-	-	-	32	32
Other assets	-	-	-	-	51	51
	787	6,600	-	-	153	7,540
Weighted Average Interest Rate	*0.10%*	*2.17%*				
Financial Liabilities	-	-	-	-	-	-
Trade & other creditors	-	-	-	-	(237)	(237)
	-	-	-	-	(237)	(237)
Weighted Average Interest Rate	-	-	-	-		
Net financial assets / (liabilities)	**787**	**6,600**	**-**	**-**	**(84)**	**7,303**

Sensitivity analysis

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

	Consolidated 2020 $'000	 2019 $'000
Change in loss		
- increase in interest rate by 0.5%	(27)	(38)
- decrease in interest rate by 0.5%	27	38

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is unobservable

For all asset and liabilities that are recognised at fair value on recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The valuation of investments at fair value through other comprehensive income are based on the equity share price in the listed stock exchange (Level one fair value hierarchy).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions as have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting year are:

(i) Exploration and evaluation expenditure
The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss. Refer to note 12 for details of the judgement applied in the current year in relation to exploration and evaluation expenditure.

(ii) Income taxes
Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. Refer to note 7 for details of the judgement applied in the current year in relation to income taxes.

(iii) Tax provisions
Judgement is required in calculating tax provisions relating to potential tax obligations in foreign jurisdictions where the legislation and case law is not established. Tax provisions are recognised when it is considered more likely than not that an amount will be payable. Refer to note 14 for details of the judgement applied in the current year in relation to tax provisions.

4. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments which are based on the stage of development of its projects, which are broadly in either of two groups: those in the exploration phase or those in the evaluation stage. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Prior year information may be restated to reflect the current composition of reportable segments.

Activity by segment

Africa-Kanyika
The Africa-Kanyika segment includes the Kanyika Niobium Project in Malawi which comprises AML0026 and which is host to a 2012 JORC compliant Mineral Resource Estimate of 68.3Mt @ 2,830ppm Nb_2O_5 (niobium pentoxide) and 135ppm Ta_5O_5 (tantalum pentoxide) at a 1,500 ppm Nb_2O_5 cut-off.

The Kanyika Niobium Project is currently at the evaluation stage.

Africa-Exploration
The Africa-Exploration segment includes the exploration prospecting licence EPL0421/15 which lies adjacent to AML0026. Limited early-stage exploration activity has been conducted on EPL0421/15 with no mineral resources having been defined; as such it is at the exploration stage:

2020	**Africa-Kanyika**	**Africa-Exploration**	**Total**
(i) Segment performance	**$'000**	**$'000**	**$'000**
year ended 30 June 2020			
Revenue	-	-	-
Segment revenue	-	-	-
Segment loss	(264)	32	(232)
Reconciliation of segment result to group net loss before tax			
Other income			104
Other corporate expenses			(1,321)
Net loss before tax from continuing operations			**(1,449)**
(ii) Segment assets			
as at 30 June 2020			
Exploration expenditure	28,349	-	28,349
Plant and equipment	22	135	157
Other assets	53	81	134
Total Segment Assets	**28,424**	**216**	**28,640**
Reconciliation of segment assets to group assets			
Other corporate assets			5,342
Total group assets			**33,982**
(iii) Segment liabilities			
as at 30 June 2020			
Trade Creditors and Accruals	31	67	98
Total Segment liabilities	31	67	98
Reconciliation of segment liabilities to group liabilities			
Trade Creditors and Accruals			126
Provisions			88
Total group liabilities			**312**

4. SEGMENT INFORMATION (CONTINUED)

2019	Africa-Kanyika	Africa-Exploration	Total
(i) Segment performance	**$'000**	**$'000**	**$'000**
year ended 30 June 2019			
Revenue	-	-	-
Segment revenue	-	-	-
Segment loss	(1,442)	(934)	(2,376)
Reconciliation of segment result to group net loss before tax			
Other income			206
Other corporate expenses			729
Net loss before tax from continuing operations			**(1,441)**
(ii) Segment assets			
as at 30 June 2019			
Exploration expenditure	27,956	-	27,956
Plant and equipment	23	135	158
Other assets	113	37	150
Total Segment Assets	**28,092**	**172**	**28,264**
Reconciliation of segment assets to group assets			
Other corporate assets			7,467
Total group assets			**35,731**
(iii) Segment liabilities			
as at 30 June 2019			
Trade Creditors and Accruals	45	84	129
Provisions	203	83	286
Total Segment liabilities	248	167	415
Reconciliation of segment liabilities to group liabilities			
Trade Creditors and Accruals			125
Provisions			108
Total group liabilities			**648**

The Group operated in several geographical segments, being Australia and Africa, and in one industry, minerals mining and exploration.

Geographical Information

	Consolidated	
Total non-current assets of:	**2020 $'000**	**2019**
Australia	95	53
Africa	28,505	28,113
Total	**28,600**	**28,166**

	Consolidated	
	2020 $'000	**2019 $'000**
5. INCOME		
Interest income		
- Interest received and receivable	104	206
	104	206

	2020 $'000	2019 $'000
6. EXPENSES		
Loss from operations before income tax has been determined after the following specific expenses:		
Lease expenses (a)	38	44
Superannuation expenses	43	39
Business development	12	-
Depreciation	13	12
Foreign exchange loss	50	15
Finance Costs		
- Bank Charges	4	5
	160	115

(a) The expense is relating to short-term leases with a lease term of less than 12 months.

7. INCOME TAX EXPENSE

		Consolidated 2020 $'000	Consolidated 2019 $'000
a.	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
		-	-
b.	Deferred income tax/(revenue)		
	Deferred income tax/(revenue) included in tax expense comprises:		
	Increase in deferred tax assets	-	-
	Increase in deferred tax liabilities	-	-
		-	-
c.	The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Loss before income tax	1,449	1,441
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2019: 30%)	435	432
		435	432
	- Deferred tax assets not recognised	(435)	(432)
		-	-

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the Group continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

		2020 $'000	2019 $'000
d.	Deferred tax assets /(liabilities) comprise:		
	Interest receivable		
	Plant & Equipment	-	-
	Trade & other payables	28	47
	Provision	29	126
	Other assets		
	Tax losses available for offset against future taxable income	9,621	9,116
	Net deferred tax assets	9,678	9,289
	Deferred tax assets not recognised	(9,678)	(9,289)
		-	-

	Consolidated	
	2020	**2019**
	$'000	**$'000**
8. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS		
Cash at bank	5,182	7,387
	5,182	**7,387**

The Group's exposure to interest rate risk and credit risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of cash and cash equivalents mentioned above.

	Consolidated	
	2020	**2019**
	$'000	**$'000**
9. TRADE AND OTHER RECEIVABLES		
Current		
GST Receivable	31	10
VAT Receivable	30	41
Other Tax Receivable	20	19
	81	**70**

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value. The group's impairment and other accounting policies for trade and other receivables are outlined in note 1(j).

Information about the group's exposure to credit risk, foreign exchange and interest rate risk is provided in note 2. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial asset mentioned above.

	Consolidated	
	2020	**2019**
	$'000	**$'000**
10. OTHER ASSETS		
Current		
Prepayments	63	57
Accrued Interest	3	7
Security Deposits	44	35
Other	9	9
	119	**108**

11. PLANT AND EQUIPMENT

	Consolidated		
	Plant & Equipment $'000	**Other $'000**	**Total $'000**
Year ended 30 June 2020			
Opening net book amount	116	62	**178**
Additions	18	-	**18**
Depreciation charge	(10)	(3)	**(13)**
Closing net book amount	124	59	**183**
At 30 June 2020			
Cost	661	149	**810**
Accumulated depreciation	(537)	(90)	**(627)**
Net book value	124	59	**183**
Year ended 30 June 2019			
Opening net book amount	122	66	**188**
Disposals	2	-	**2**
Depreciation charge	(8)	(4)	**(12)**
Closing net book amount	116	62	**178**
At 30 June 2019			
Cost	664	149	**813**
Accumulated depreciation	(548)	(87)	**(635)**
Net book value	116	62	**178**

	Consolidated	
	2020 $'000	2019 $'000
12. EXPLORATION AND EVALUATION EXPENDITURE		
Non-Current		
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases – at cost	28,349	27,956
Exploration and evaluation expenditure total	**28,349**	**27,956**
comprising:		
Kanyika Niobium Project	28,349	27,956
Total exploration and evaluation phases – at cost	**28,349**	**27,956**
Opening balance	27,956	27,660
Exploration expenditure capitalised during the year	544	296
Reversal of amounts previously provided for relating to Foreign Tax	(151)	-
At reporting date	**28,349**	**27,956**

Kanyika Niobium Project

The Directors have considered the requirements of AASB 6: Exploration for and Evaluation of Mineral Resources, and have reviewed the carrying value of exploration and evaluation expenditures that relate to the Kanyika Niobium Project. Based on the review, the directors consider the carrying value of the Kanyika Niobium Project is supported by the anticipated future value. Furthermore, there are no indications that the carrying value of the Kanyika Niobium Project was impaired at 30 June 2020.

Other

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

- the continuance of the consolidated 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.
- no significant changes in laws and regulations that greatly impact the company's ability to maintain tenure.

The Group'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, there has not been any material claims made to the Group.

COVID-19 Pandemic

The Kanyika Project status remains such that the Government of Malawi has agreed to issue a mining licence, subject to the execution of a Development Agreement. Whilst the COVID-19 pandemic has caused delay to the finalisation and execution of the Development Agreement it will not ultimately prevent execution of the Development Agreement and nor has it caused any direct material financial effect on the carrying value of exploration and evaluation expenditure.

13. TRADE AND OTHER PAYABLES

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current		
Trade creditors	62	12
Other creditors and accruals	162	225
	224	**237**

Non-interest bearing liabilities are predominantly settled within 30 days.

Due to the fact that trade and other payables are current, their carrying amount approximates fair value.

14. PROVISIONS

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current		
Employee benefit provisions	88	125
Provision for Foreign Tax (i)	-	286
	88	**411**

(i) Movement in Provision for Foreign Tax is comprised as follows

	2020	2019
Opening Balance	286	553
Less: Reversal of amounts previously provided for against E&E assets	(151)	(300)
Less: Payments during the financial year	(25)	-
Less: Reversal of amounts previously provided for through profit and loss	(110)	-
Less: Foreign currency exchange adjustment	-	33
	-	**286**

The Group's wholly owned subsidiary companies in Malawi were successful in having prior year assessments with respect to value added-tax and non-residents tax reversed based on legal argument, with Globe accepting liability for a minor portion. The Malawi Revenue Authority has provided confirmation in writing that the amount outstanding at year end is nil and that there are no further amounts claimed. Accordingly, the provision has been reduced to nil.

15. CONTRIBUTED EQUITY

	Consolidated			
	2020		2019	
	$'000	Number	$'000	Number
Fully paid ordinary shares	80,753	465,922,373	80,753	465,922,373
	80,753	**465,922,373**	**80,753**	**465,922,373**

Movements in fully paid ordinary shares on issue are as follows:

	Consolidated			
	2020		2019	
	$'000	Number	$'000	Number
Fully paid ordinary shares at beginning of reporting year	80,753	465,922,373	80,753	465,922,373
Balance at the end of reporting year	**80,753**	**465,922,373**	**80,753**	**465,922,373**

(a) 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 reporting date, the Group has no external borrowings.

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

Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends, return capital to shareholders, issue/buy-back shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of investment. The consolidated entity is not currently pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2019 annual report.

(b) 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. The fully paid ordinary shares have no par value.

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 year, there are 465,922,373 shares on issue.

(c) Terms of Options

At the end of reporting year, there were no options over unissued shares.

16. ACCUMULATED LOSSES

	Consolidated	
	2020 $'000	2019 $'000
(a) Accumulated losses		
Accumulated losses at the beginning of the financial year	(45,668)	(44,227)
Net loss attributable to shareholders	(1,449)	(1,441)
Accumulated losses at the end of the financial year	**(47,117)**	**(45,668)**

17. INTERESTS IN CONTROLLED ENTITIES

Controlled entities consolidated

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

Name	Country of Incorporation	Principal Activities	Class of Shares	Equity Holding *	
				2020	2019
Globe Metals & Mining UK Corporation	UK	Dormant	Ordinary	100%	100%
Globe Uranium (Argentina) S.A.	Argentina	Dormant	Ordinary	100%	100%
Globe Metals & Mining (Africa) Limited	Malawi	Holds Kanyika Project	Ordinary	100%	100%
Globe Metals & Mining Mozambique Limitada	Mozambique	Dormant	Ordinary	100%	100%
Globe Metals & Mining (Exploration) Limited	Malawi	Holder of exploration tenements	Ordinary	100%	100%
Globe Metals & Mining Investment	Hong Kong	Dormant	Ordinary	100%	100%
Appium Limited	Hong Kong	Holder of IP patents	Ordinary	100%	100%

* Percentage of voting power is in proportion to ownership.

18. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

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

19. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

The following persons were key management personnel of Globe Metals & Mining Limited during the financial year:

Alice Wong	Non-Executive Chairperson
Alistair Stephens	Managing Director and CEO
William Hayden	Non-Executive Director
Bo Tan	Non-Executive Director
Alex Ko	Non-Executive Director
Michael Fry	Finance Manager and Company Secretary

(b) Remuneration of key management personnel

	Consolidated	
	2020	2019
	$	$
Short term employee benefits	956,200	916,218
Post-employment	26,035	25,563
Long term employee benefits	36,099	32,060
	1,018,334	**973,841**

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 12.

(c) Loans to key management personnel

There were no outstanding unsecured loans to Key management personnel at 30 June 2020 (2019: Nil).

(d) Other transactions with key management personnel

There were no other transactions with Key Management Personnel during the year ended 30 June 2020 or in existence at 30 June 2020 (2019: Nil).

20. AUDITORS' REMUNERATION

	Consolidated 2020 $	2019 $
Fees to Ernst & Young (Australia)		
- Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	63,075	57,800
Total fees to Ernst & Young (Australia) (A)	63,075	57,800
Fees to other overseas member firms of Ernst & Young (Australia)		
- Fees for auditing the financial report of any controlled entities	30,533	30,000
Total fees to overseas member firms of Ernst & Young (Australia) (B)		
Total auditor's remuneration (A) + (B)	**93,608**	**87,800**

21. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2020 (30 June 2019: nil), and the interval between 30 June 2020 and the date of this report.

22. COMMITMENTS

(a) Exploration commitments

In order to maintain current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until expiry of tenements. These obligations, which are subject to renegotiation upon expiry of the tenements, are not provided for in the financial statements and are payable:

	Consolidated 2020 $'000	2019 $'000
Not longer than one year	116	122
Longer than one year, but not longer than five years	249	-
	365	**122**

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position 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

	Consolidated 2020 $'000	2019 $'000
Not longer than one year	49	51
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
	49	**51**

Lease expenses relate to the leases for office and staff accommodation in Malawi and Office accommodation in Perth. The Company's corporate head office relocated with effect on 30 June 2020 to 26 Elliott Street Midvale, on a 1 year arrangement.

23. RELATED PARTY DISCLOSURES

(a) *Parent entity*
The ultimate parent entity of the Group is Globe Metals & Mining Limited.

(b) *Key management personnel*
Disclosures relating to key management personnel are set out in note 19.

(c) *Other related party transactions:*
Nil.

24. EVENTS SUBSEQUENT TO REPORTING DATE

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

25. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated 2020 $'000	Consolidated 2019 $'000
(a) Reconciliation of cash flow used in operations with loss after tax		
- Loss after income tax	(1,449)	(1,441)
Non-cash flows in loss from operations		
- Depreciation	13	12
Changes in assets and liabilities		
- Increase / (Decrease) in receivables and other current assets	(233)	19
- Increase / (Decrease) in trade and other payables and provisions	308	(218)
Net cash outflows from operating activities	**(1,361)**	**(1,628)**

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during the year.

26. LOSS PER SHARE

	Consolidated 2020 $'000	Consolidated 2019 $'000
(a) Loss used in the calculation of basic and diluted loss per share	(1,449)	(1,441)
	Number of Shares	Number of Shares
(b) Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share:	465,922,373	465,922,373

Options on issue have not been included in the Earning per Share calculation as they are anti-dilutive.

Note the total number of options as at 30 June 2020 is nil (2019: 1,000,000).

	Consolidated	
	2020 $'000	2019 $'000
27. SHARE BASED PAYMENTS		
Options [(a)]	-	-
	-	-

There are options issued to employees as part of their compensation under the company's employee share option policies. Options are independently valued by corporate advisers using the Black-Scholes option pricing method. Options were granted subject to the attainment of performance and/or employment continuity criteria. All options vested two years before expiry.

(a) Movements in options on issue 2020:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at 30 June 2020	Vested and exercisable at end of the year Number
2/07/2013	30/06/2020	$0.250	1,000,000	-	-	(1,000,000)	-	-
			1,000,000	-	-	(1,000,000)	-	-
Weighted average exercise price			$0.25	-	-	$0.25	-	-

(b) Movements in options on issue 2019:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at 30 June 2019	Vested and exercisable at end of the year Number
2/07/2013	30/06/2019	$0.200	1,000,000	-	-	(1,000,000)	-	-
2/07/2013	30/06/2020	$0.250	1,000,000	-	-	-	1,000,000	1,000,000
			2,000,000	-	-	(1,000,000)	1,000,000	1,000,000
Weighted average exercise price			$0.200	-	-	$0.200	$0.25	$0.25

Compensation options granted during the year ended 30 June 2020

There were no compensation options granted during the year ended 30 June 2020.

Compensation options granted during the year ended 30 June 2019

There were no compensation options granted during the year ended 30 June 2019.

Options Cancelled/Lapsed

1,000,000 options lapsed during the reporting year ended 30 June 2020 (2019: 1,000,000).

Options Exercised

No options were exercised during the reporting year ended 30 June 2020 (2019: Nil).

28. PARENT ENTITY INFORMATION

	Parent 2020 $'000	Parent 2019 $'000
Statement of comprehensive income		
Profit after income tax	4,111	1,644
Other comprehensive income	36	24
Total comprehensive income	4,147	1,668
Statement of financial position		
Total current assets	5,092	7,245
Total assets	11,440	7,311
Total current liabilities	192	210
Total liabilities	192	210
Net assets	11,248	7,101
Equity		
Contributed equity	80,752	80,752
Financial assets reserve	(2)	(2)
Accumulated losses	(69,502)	(73,649)
Total equity	11,248	7,101

Guarantees entered into by the parent entity

The parent entity had no guarantees as of 30 June 2020 or 30 June 2019.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 or 30 June 2019.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 or 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 14 to 41 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards and the *Corporations Regulations 2001*, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

ALISTAIR STEPHENS
MANAGING DIRECTOR

Dated 29th day of September 2020

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Independent auditor's report to the members of Globe Metals & Mining Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Globe Metals & Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of capitalised exploration and evaluation

Why significant	How our audit addressed the key audit matter
As disclosed in Note 12 to the financial report, the carrying value of exploration and evaluation assets amounting to $28,349,000 is significant and subjective as it is based on the Group's ability and intention, to continue to explore the asset. The carrying value is also impacted by the results of exploration work. This creates a risk that the amounts stated in the consolidated financial statements may not be recoverable. However, Management have concluded there were no impairment indicators that existed at 30 June 2020.	We evaluated the Group's assessment of the carrying value of exploration and evaluation assets. Our audit procedures included the following: ► Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as licence agreements. ► Considered the Group's intention to carry out exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models, as well as enquiries with senior management and Directors as to the intentions and strategy of the Group. ► Examined the Group's analysis of the commercial viability of results relating to exploration and evaluation activities carried out in the relevant licenced area to determine if anything has come to our attention that indicates that they are not viable. ► Assessed the ability to finance any planned future exploration and evaluation activity. ► Engaged internal valuation specialists to assess the recoverable amount of the exploration and evaluation assets at 30 June 2020. ► Evaluated the competence, capabilities and objectivity of management's specialists, obtained an understanding of the work performed by management's specialist, and evaluated the appropriateness of work performed. Management specialists were engaged to provide valuations, reviews and mineral resource estimates of the Kanyika project. ► Assessed the adequacy of the disclosure in Note 12 to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 6 to 10 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Globe Metals & Mining Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

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.

Ernst & Young

T G Dachs
Partner
Perth

29 September 2020