

**AGM Presentation** 



**ASX: GBE** 

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# **About Globe**



### Who we are

Publicly listed company working to produce superalloy materials niobium and tantalum for engineering applications in a range of industries.

### **Local Exchange**

Australian Stock Exchange (ASX: GBE)

### **Project**

Kanyika Project in Malawi

### **Office Locations**

Headquarters in Perth, Western Australia Operations in Lilongwe, Malawi

### **Substantial Shareholders**

Apollo Metals Investment Co. (52.80%) Ao-Zhong International Minerals (25.36%)

### **Key Market Statistics**

Market Capitalisation: 17.239M (24-Nov-20)

52 week range: 0.0070 - 0.0390

### Globe Metals & Mining Limited (GBE.AX)

ASX - ASX Delayed price. Currency in AUD

0.0370 +0.0030 (+8.82%)

As of 10:05AM AEDT. Market open

### Summary



Source: Yahoo Finance 24 November 2020 (www.au.finance.yahoo.com/quote/gbe.ax)

# **Board & Management**



### Alice Wong Chairperson

- Apollo Nominee
- Hon. Business Administration Accounting; AICPA
- Extensive career in investment banking

# Alistair Stephens Managing Director and CEO

- Over 30 years experience as geologist and mining company executive
- Instrumental in developing Arafura Resources

# Alex Ko Non-Executive Director

- Extensive career in investment banking
- Pioneer in Chinese government and private companies listing on SEHK
- Joint Chair, CEO of SEHK listed Mason Group Holdings Limited

### **Bo Tan**

### Non-Executive Director

- MBA and CFA
- Over 15 years experience in finance and investment
- Deep understanding of the Greater China market

# William Hayden Non-Executive Director

- Co-founder and President of Ivanhoe Nickel and Platinum Ltd
- Current director of a number of ASX and TSX listed companies

### **Senior Management**

- Michael Fry CFO & Company Secretary
- Neville Huxham In-Country Manager, Director GBE Malawi Subsidiary
- Dean Lungu Director GBE Malawi Subsidiary

# **Presentation Outline**



### 1. INDUSTRY AND THE PRODUCTS

- Niobium and Tantalum Strategic Appeal
- Niobium and Tantalum Pricing
- Competitors and New Projects Landscape

### 2. THE PROJECT

- Overview
- Project Benefits
- 3. MALAWI OVERVIEW
- 4. PATHWAY TO PRODUCTION
- 5. SUMMARY







# Section 1 Industry and Products

# Strategic Appeal of Niobium





Commercial Niobium projects are very rare, strategic & valuable



China is the largest global consumer with no commercially viable niobium projects





Niobium makes stronger, lighter & corrosion resistant steel products Critical in high strength low alloy (HSLA) steels for construction and automotive industries, in superalloys for aerospace and military equipment, and in various 'green' technologies such as wind turbines and rechargeable batteries

### **KEY ADVANTAGES**

Exposure to fast growing electric vehicle market

Titanium niobium anodes expected to become standard for the next generation Lithium-lon batteries – refer Toshiba announcement, *October 2017* 

Lack of any direct substitutes

No cost effective substitutes for Niobium which match its strength characteristics

Low intensity of use

Emerging countries, especially China & India, underpin long term demand

Only 3 major niobium producers worldwide

Covers >95% of global supply

# **Niobium: Conventional Use - by Industry**



### Current

Niobium Market, Volume (%), by End-user Industry, Global, 2019

# Construction Automotive Aerospace and Defense Oil and Gas Other End-user Industries

**Source:** Mordor Intelligence



### **Future Trends**



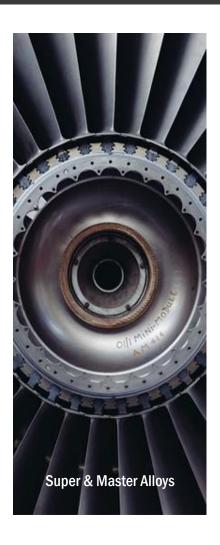
**∜**technavio

# **Niobium: Conventional Use - Applications**













# **Conventional Use - Example Applications**





The Millau Viaduct in southern France was constructed using HSLA Steel containing 0.025% niobium; reducing the weight of steel and concrete by 60%

Source: www.aris.empr.gov.bc.ca



Construction of the Eiffel Tower in Paris used 7,300t of wrought iron. Today it could be built using only 2,000t of HSLA steel

Source: www.tanb.org



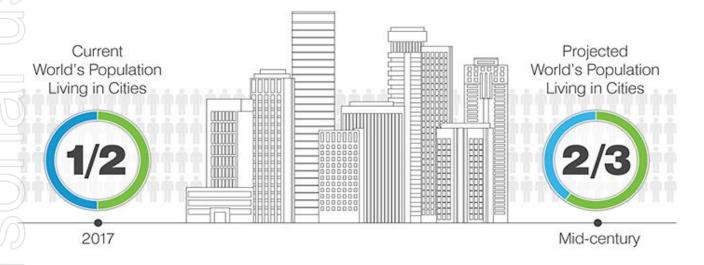
Most of the world's 3.5m kms of high pressure gas and oil pipelines contain niobium to make them safer, lighter and able to transport large volumes of hydrocarbons at higher pressures.

Source: www.wprldscience.org

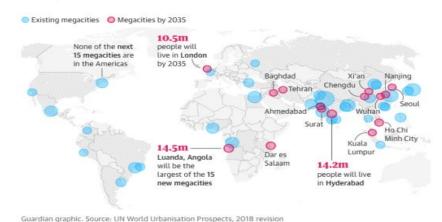
# **Conventional Use - Structural Steel**



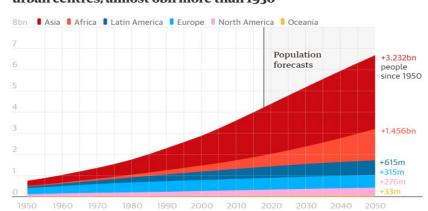
Use of niobium for structural steel is forecast to continue to grow due to increasing rate of urbanisation and the expected growth in the number of cities, with HSLA steels integral to high-rise construction People will need somewhere to live.



### By 2035 there will be 48 megacities with populations above 10 million



By 2050 it is projected that 6.7bn people will live in urban centres, almost 6bn more than 1950



# **Conventional Use - Structural Steel**



Cities are not only increasing in number they are getting larger and taller.

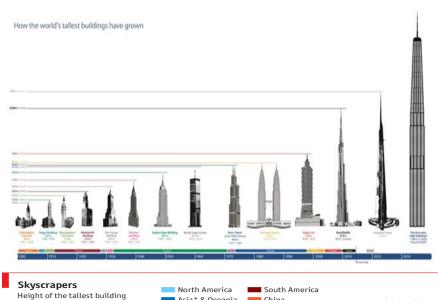
2017 was a record year for skyscraper construction with 144 built. Over half were built in China.

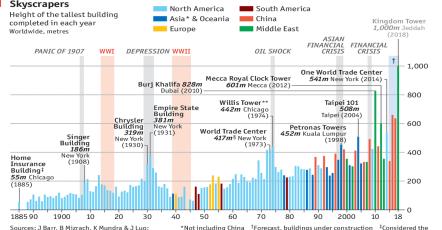
The Burj Khalifa is the tallest building in the world today boasting more than 160 stories and standing over 828 metres.

It is estimated that there will be 30 cities the size of New York city built between 2020 and 2050.

And by 2100, Lagos (Nigeria) is predicted to be the world's largest city with a population of between 85 and 100 million people.

Source of Images: Top: www.theconstructionindex.co.uk; Bottom: www.economist.com/graphicdetail/2015/04/24/constructive-one-upmanship

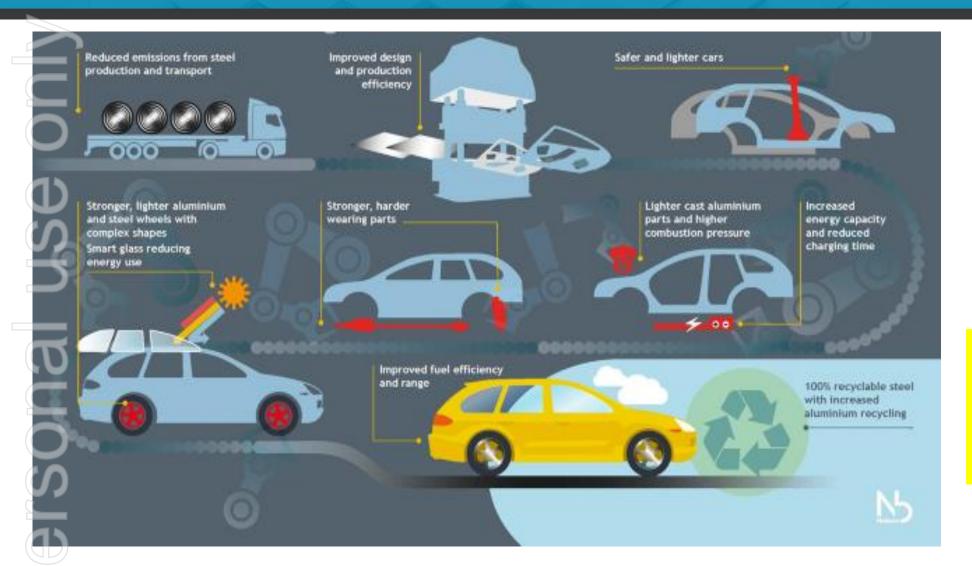




World's first skyscraper §Not including antennae/spires \*\*Formerly Sears Tower

# **Conventional Use – Automotive**





The use of niobium to create stronger and lighter vehicles has and continues to change the face of the automobile industry.

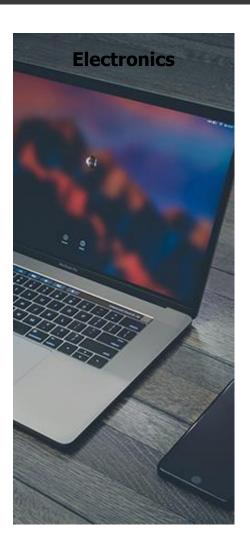
\$9 of Niobium added to a mid-sized automobile reduces its weight by 100kg, increasing fuel efficiency by 5%.

(Source: World Steel Association)

# **Emerging Uses for Niobium**











# **Emerging Use – Electric Vehicle Batteries**





Niobium addresses

almost all of the

major barriers to

EV adoption

Niobium addresses almost all of the major barriers to electric vehicle adoption.

## Why is Niobium important for LIB development?

### Barriers to EV adoption

Niobum's Role

Consumers worry that an EV will not travel as far as an ICE vehicle and that performance will vary



Niobium helps increase the energy density of batteries, giving more power and increased range, and improves performance at low temperatures

### CHARGING TIME

Charging times can vary significantly depending upon the car and charging station but can take several hours



Niobium materials can increase the rate with which batteries charge and discharge

### DEDEODMANCE / LONGEVIT

Batteries have a relatively short operating life as materials degrade during charge/recharge cycle



Niobium increases the stability of the battery so it can withstand more charging cycles

### COSTS

Even with subsidies, BEVs are more expensive than equivalent ICE vehicles



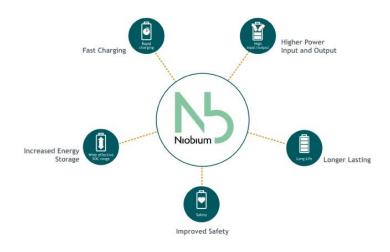
Niobium is readily available and cost effective compared to other battery materials

### CHOICE

There are few BEVs on the market



This is changing rapidly





EXAME journalists share unique informati

### Is niobium superbater coming?

Brazilian CBMM invested US \$ 7 million in a pilot plant in partnership with Japanese conglomerate

### By Lucas Amorim



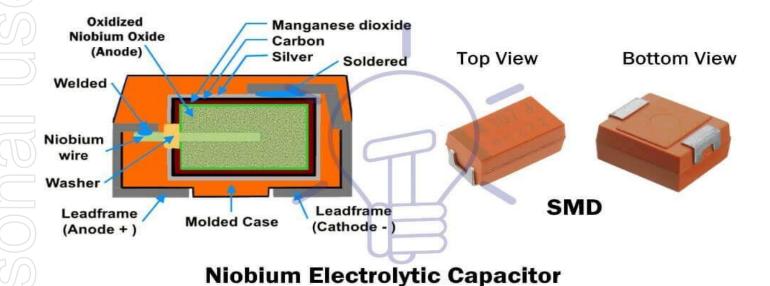
Electric car: innovation allows charging in 6 minutes and autonomy of 350 kilometers (Ivan Ribeiro / Folhapress)

Source: www.deq.ufv.br/arquivos\_internos/eventos/NbinLiBFinalnb.tech.pdf

# **Emerging Use – Superconducting Magnets**



Niobium's unique combination of physical and chemical elements makes it a material of choice in a myriad of challenging high technology electronic applications



Source: www.apogeeweb.net



### Source: <u>www.</u>apogeeweb.net

### **Applications of Niobium**

Niobium's unique combination of physical and chemical elements makes it a material of choice in a myriad of challenging high technology applications such as electronics, optics and superalloys. It demonstrates superconducting properties at very low temperatures, which make it suitable for use in particle accelerator construction. Niobium carbide improves operating efficiency of hard metal cutting tools by increasing their stability.

Niobium not only imparts anti-reflective properties to optical surfaces, but also optimizes their scratch resistance. This quality makes it useful in applications such as optical lenses, monitors, and touchscreens, to name a few. Single crystals grown from lithium niobate are used as the base material for radio frequency filters or SAW filters, which facilitate wireless data transfer and mobile communication without disruption.







Source: www.azom.com/article.aspx?ArticleID=13931

# **Niobium Supply: Only A few Suppliers**



The Herfindahl-Hirschman Index, pictured right, is a commonly accepted measurement of market concentration, and in this case, it shows which mineral sectors have healthy competition between countries, as well as the sectors that are more monopolistic.

Anything below a 1500 score on the Index is considered a competitive marketplace.

The closer the score is to 10,000, the closer the market is to a monopoly.

Niobium scores over 8000 on the scale, demonstrating that the industry is highly concentrated with only three existing mines, two of which are located in Brazil and responsible for ~ 85% of global production.

8 PETROLEUM [H Resources sectors with a score of 1500 or below are considered (2) to have healthy competition STEAM category. As does gold, which is produced in 90+ countries. 0 China dominates the market for the production of rare earth 80 ents with 84% of the marke Only four other countries produce uantity; Australia, Russia, Brazil 8 0

# **Niobium Supply: Brazil Dominant**





### CBBM, Brazil

(70% privately held, 15% each by Chinese SOEs and Japanese steel mills)

- ✓ US\$13.33Bn enterprise
- ✓ Open pit mine
- √ 150,000 tpa capability FeNb\*
- √ Nb<sub>2</sub>O<sub>5</sub> facility installed for growth
- ✓ Price leader
- ✓ Sold 15% for US\$1.5B to Chinese consortium
- ✓ Sold 15% for US\$1.5B to Japan Korea consortium



### Niobec, Canada

(100% privately owned - Magris Resources)

- ✓ US\$530m enterprise
- ✓ Underground mine
- √ 7,500 tpa capability FeNb\*
- ✓ No Nb<sub>2</sub>O<sub>5</sub> capability
- ✓ Price follower
- ✓ Acquired by Magris Resources Inc in 2012 for US\$500m



### Catalao, Brazil

(100% privately owned - China Molybdenum)

- ✓ US\$1.5Bn enterprise
- ✓ Open pit mine
- √ 7,500 tpa capability FeNb\*
- ✓ No Nb<sub>2</sub>O<sub>5</sub> capability
- ✓ Price follower
- ✓ Acquired in 2016 by China Molybdenum for US\$1.5Bn

Niobium market controlled by 3 producers, collectively producing 99% of current supply

## **Demand**



Growth in demand for steel and for higher quality steel products forecast to drive consumption of niobium.

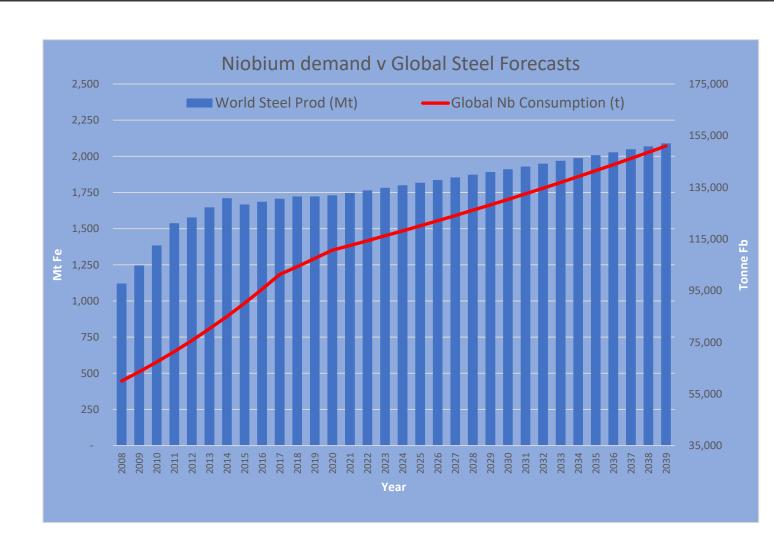
HSLA steels account for ~90% of global Niobium consumption

Niobium Demand Drivers - two factors:

increase in overall steel production; and

increase in the amount of niobium used in steel (usage intensity rate).





# **Demand Driver - Structural Steel**



### **Short Term**

In October 2020, Worldsteel (the World Steel Association) released its Short Range Outlook for steel demand for 2020 and 2021.

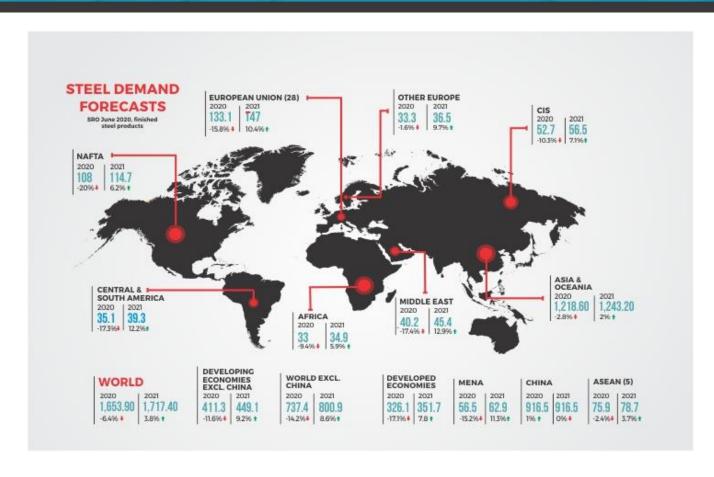
Worldsteel is predicting global steel demand will contract by 2.4% in 2020 dropping to 1,725.1 Mt due to the COVID-19 pandemic but recover in 2021 to 1,295.1 Mt, an increase of 4.1%.

The growth forecast is mainly due to China, and expected to be aided by government infrastructure stimulus and a strong China real estate / construction market.

### **Medium Term**

Research and Market has released its latest report on 26 October 2020 concluding that;

"The market for niobium is expected to grow at a CAGR of around 6% between 2020 and 2025. Major factors driving the market are the increased consumption of niobium in structural steel and extensive utilization of niobium-based alloys in manufacturing aircraft engines. "



Source: www.steel-360.com

# **Demand Driver – Increased Intensity of Use**

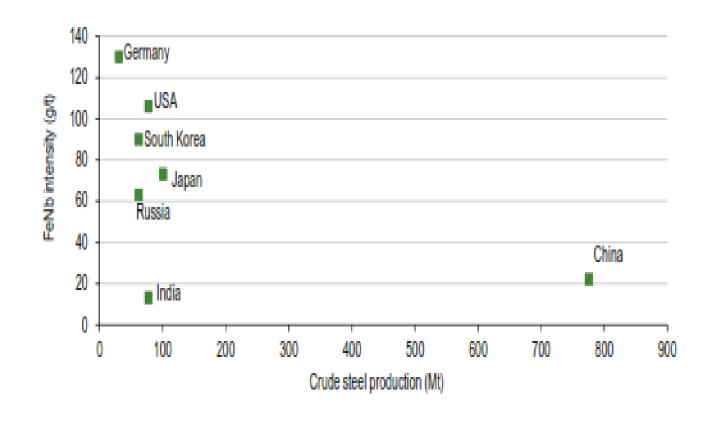


Overall intensity of use of ferro-niobium (FeNb) in steel is at its greatest in highly developed countries (eg Germany, USA) and averages in excess of 100g/t.

Overall intensity of use of ferro-niobium (FeNb) in steel in India and China is extremely low; averaging less than 20g/t.

Intensity of usage expected to increase in China as it moves to higher quality steel products as has already happened in other parts of Asia (South Korea, Japan).

The rate of increase of intensity of usage in China is forecast to be the main driver for niobium consumption in the medium term.



Source: Roskill

# **Niobium Pricing – Concentrate and finished product**

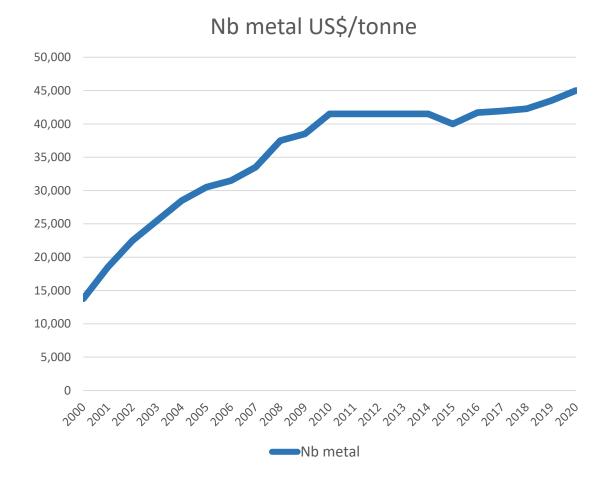


### Concentrate

- Nb<sub>2</sub>O<sub>5</sub> concentrate is rarely sold or in very low volumes
- Typically a by-product from tantalum production
- Pricing: \$25/kg ±20%

### Niobium Pentoxide

- Niobium is mostly sold as FeNb for HSLA steel use
- FeNb currently sells at \$45/kg of contained Nb
- $Nb_2O_5$  is a value add product used in manufacture of master and super alloys and in chemical applications.
- Pentoxide is a premium product which attracts a premium price.



Source: Internally generated by Globe using information extracted from Roskill reports



# Section 2 Kanyika Project

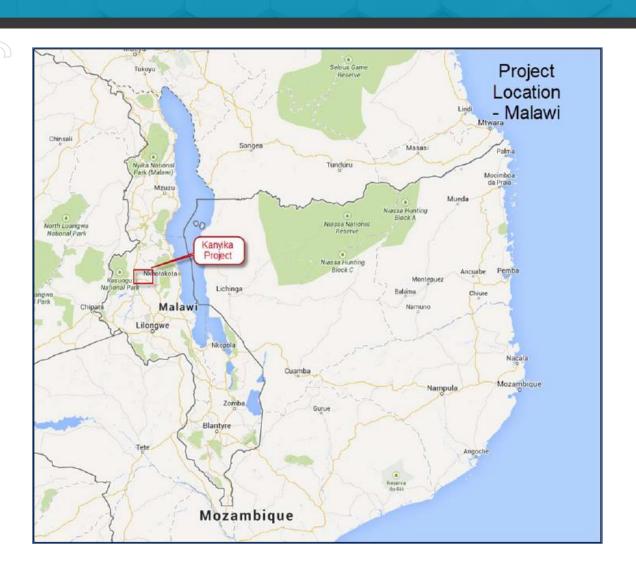
# **Project Overview**



- 28,603m of RC and 5,162m of core drilling completed
- Mineral resource (JORC 2012) defined, consisting of 68.3 million tonne of mineralisation with a grade of 2,830 ppm  $Nb_2O_5$  and 135 ppm  $Ta_2O_5$
- Engineering flowsheet completed
- ❖ Metallurgical studies = ~75% recovery; further optimisation studies ongoing
- Environmental approval obtained certificates issued
- Mine plans and design completed
- CAPEX and OPEX conducted in 2018 requires update

# **Project Location**





### Well located

- √ ~250kms N of capital city of Lilongwe
- √ ~800kms WNW of Nacala Port, Mozambique

### Proximity to good infrastructure

- ✓ Rail
- ✓ Airport
- ✓ Sea port
- ✓ Telecommunications

### Low infrastructural demand

- √ 1,000t per month (Concentrate)
- √ 50 sea containers (eq)
- √ 10 road trains (eq)

# **Mineral Resource Estimate**



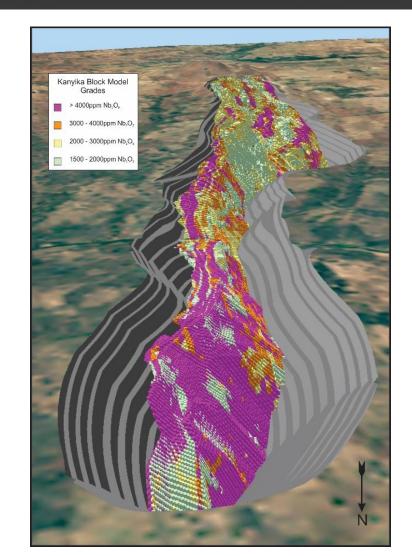
	Classification	Tonnes (Mt)	Nb <sub>2</sub> O <sub>5</sub> (ppm)	Contained Nb <sub>2</sub> O <sub>5</sub> (t)	Ta <sub>2</sub> O <sub>5</sub> (ppm)	Contained Ta <sub>2</sub> O <sub>5</sub> (t)
	Measured	5.3	3,770	19,981	180	954
	Indicated	47	2,860	134,420	135	6,345
	Inferred	16	2,430	38,880	120	1,920
2	Total	68.3	2,830	193,281	135	9,219

Refer Competent Person Information and Mineral Resource Estimate information at rear

**Engineering complete** 

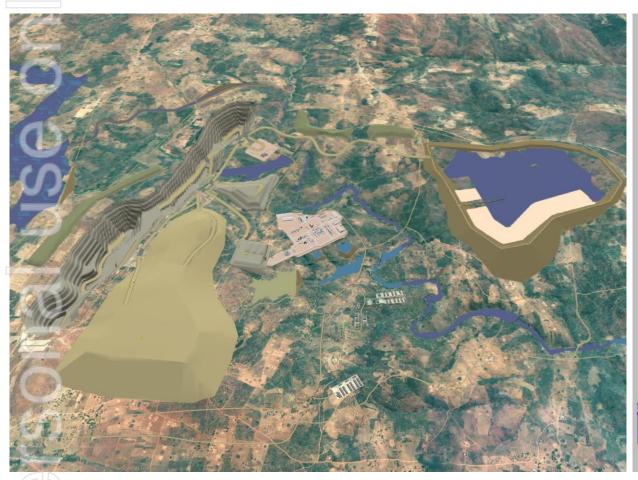
**Mining Schedule (established)** 

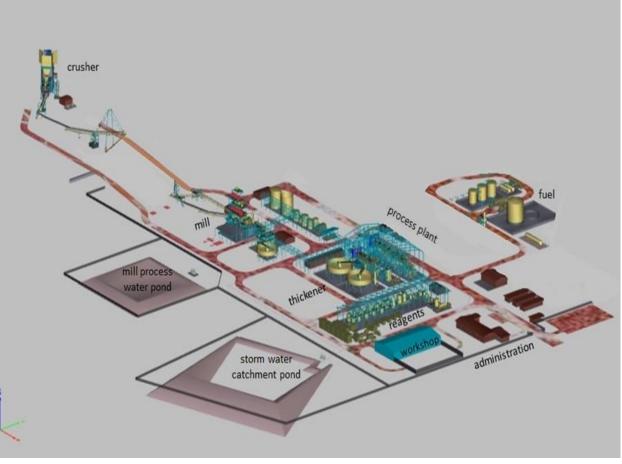
**Supports long mine life** 



# Infrastructure Plan & Processing Plan Layout







# **Processing Plant Layout**

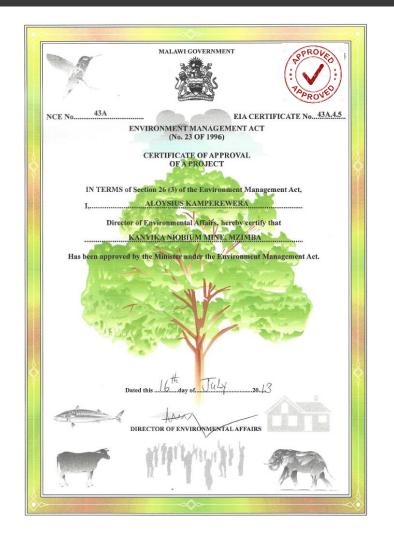


Globe Metals and Mining Limited (Aust)												
Globe Metals and Mining (UK) Limited												
Globe Metals and Mining (Africa) Limited	Project Management											
Mining Lease AML0026	Geology	Mining	Metallurgy	Engineering	Environmental	Marketing	Legal	Financial Analysis				
Exploration Licence 0188	Globe internal	Coffey	JMA	Wood plc (AMEC)	Knight Piesold	Gladstone	Gilbert & Tobin	SRK				
	QG	Mining One	SGS	Knight Piesold	Synergistics	Pacific Ores & Metals	Savjani & Co	Globe intern				
	BMGS	Orelogy	TSW	Jones & Wagner	ESS	Metalink Co	TRN Danial Erasmus					
			AMMTEC	Overflow	Airfield	Orian Research						
			GIRCU	Infracon	PSICC							
			Nagrom	GIRCU	Malambe							
			Auralia		JVS							

# Kanyika Project Environmental Certification









# Section 3 Malawi Overview

# **Malawi Country Facts**



**Capital: Lilongwe** 

Population: 18 million, 90% in rural areas (estimated)

Located in Central Africa, bordered by Tanzania (north), Zambia (west) and Mozambique (east and south). Divided into 28 Districts





Gained independence in 1965



Agriculture Economy (27% of GDP; 80% of export revenue)



Legal system based on English law. Official Languages English and Chichewa.



Tobacco is most important crop.



Kwacha (MWK) official currency





Economy relies on World Bank & IMF support.

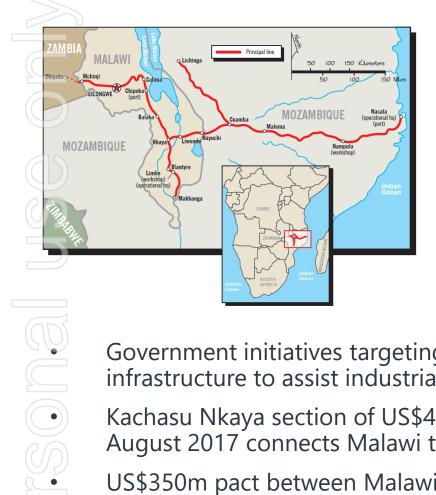


**Stable government** and a democratic multi-party, system since end of one-party rule in 1993

Malawi is ranked one of Africa and the World's least developed economies

# Infrastructure















Government initiatives targeting improvements in road, railroad, electricity and telecommunications infrastructure to assist industrial development.

Kachasu Nkaya section of US\$4.9 billion Nacala Railroad Corridor Project (Vale, Mitsui) commissioned August 2017 connects Malawi to the sea; providing cost effective transportation.

US\$350m pact between Malawi and MCC to improve the availability, reliability and quality of power supply.



# Section 4 Pathway to Production

# **Processing Plant Layout**



### If the Development Agreement is signed/finalised then.....

- AML reissued to DoM
- MRC has 190 days review period
- +45 days Mining Licence Issued
- Community Agreement Complete

Commence early works Community relocation



**Production** 

2020 2021 2022 2023 2024 2025

Commence FEED designs
Sales Agreements
Funding

The impact of COVID 19 on this process is uncertain The above timetable is indicative only and assumes execution of a Development Agreement in calendar year 2020 and progression of relocation, construction and pre-production testing within reasonable timeframes thereafter. The actual timeline may vary significantly from above due to delays caused by attainment of finance, offtake, COVID-19 impacts, and other unforeseen matters. Accordingly, the above timetableshould not be relied upon.



# Section 5 Summary

# **Summary**



# Kanyika is a development ready project



**Compelling Economics** 

(NPV = tba)



Development Agreement

(currently with Malawi Government for execution)



Product Sales and Funding ready

**Engineering studies completed** 

Community,
Government and
Stakeholder supportive

Strong outlook for niobium price & demand



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**Company Secretary** 

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# **Competent Persons Statement**



Competent person: 'The information in the report to which this statement is attached that relates to Exploration Targets, Exploration Results, and Mineral Resources is based on information compiled by Mr Alistair Stephens, a Competent Person who is a Fellow of 'The Australasian Institute of Mining and Metallurgy' included in a list posted on the ASX website from time to time. Mr Stephens is a full-time employee of Globe Metals and Mining Limited. Mr Stephens 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'. Mr Stephens consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent person: 'The information in the report to which this statement is attached that relates to Exploration Targets, Exploration Results, and Mineral Resources is based on information compiled by Mr Andrew Bewsher, a Competent Person who is a Member of the 'Australian Institute of Geoscientists' included in a list posted on the ASX website from time to time. Mr Bewsher is a full-time employee of BMGS Pty Ltd. Mr Bewsher 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'. Mr Bewsher consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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# **Mineral Resources Estimate**



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 <a href="https://www.globemm.com">www.globemm.com</a> and for which Competent Person's 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 <a href="https://www.globemm.com">www.globemm.com</a>