

## ASX RELEASE

21 January 2021

### About Globe

- Globe Metals & Mining Limited is a Perth based company listed on Australian Stock Exchange (ASX Code: GBE)

### Investment Summary

- 100% interest held in Kanyika Niobium Project in Malawi (Africa)

### Directors and Management

**Ms Alice Wong** - Non-Executive Chairperson  
**Mr Alistair Stephens** - Managing Director  
**Mr William Hayden** - Non-executive Director  
**Mr Bo Tan** - Non-executive Director  
**Mr Ricky Lau** – Non-executive Director  
**Mr Michael Fry** – CFO/Company Secretary

### Capital Structure

**Shares on Issue:** 465,922,373

### Substantial Shareholders

**Apollo Metals** : 52.79%  
**Ao-Zhong International Minerals**: 25.36%

### Contact

Alistair Stephens  
Managing Director  
[info@globemm.com](mailto:info@globemm.com)  
T: +61 (0)8 6118 7240

## Quarter ended 31 December 2020 Review of Operations

### SUMMARY

#### Kanyika Niobium Project

- Company continues to work with Government, stakeholders, specialist consultants and advisory parties to advance the Kanyika Project.
- Work during the quarter involved various meetings with Government and community bodies aimed at achieving execution of the Development Agreement, which is the last remaining condition precedent to the issue of a Mining Licence for the Kanyika Project.
- Work also included further processing optimisation testwork and further refinement of the processing and engineering design reduce capital and operating costs.

#### Development Agreement

- Globe personnel continue to work closely with the Malawi Government with the aim of execution of the Development Agreement. The Company remains ready, willing and able to execute the Development Agreement which is a precursor to marketing, financing and development.

#### COVID / Malawi Government

- Second wave of COVID pandemic has hit Malawi hard in recent weeks with Malawi experiencing a steep rise in the number of persons infected with the virus and in the number of deaths.
- On 12 January 2021, President Chakwera declared a State of National Disaster. The declaration is the first step towards a possible declaration of a state of emergency.

#### Corporate & Finance

- Cash at bank and in term deposits at 31 December 2020 was \$3.925 million.
- The Company's Annual Report was lodged with ASX on 21 October 2020 and can be downloaded from the ASX website at [asx.com.au](http://asx.com.au) (ASX: GBE).
- The Company's Annual General Meeting was held at 11am on Wednesday, 25 November 2020. Results of the Meeting available for download from the ASX website at [asx.com.au](http://asx.com.au) (ASX: GBE).
- On 14 December 2020, the Company announced the appointment of Mr Ricky Lau as a non-executive director and the resignation of Mr Alex Ko.

Globe Metals & Mining Limited (ASX Code: GBE) (“Globe” or “the Company”) provides its activities report for the quarter ended 31 December 2020.

## **1. Kanyika Niobium Project**

### **1.1 Exploration Activities During the Quarter**

There was no substantive exploration activity during the quarter.

### **1.2 Project Studies**

The Company has during the quarter continued its broad review of the latest processing technologies to assess cost reduction and optimisation options and continues to undertake further processing optimisation test-work.

Due to the commercially sensitive nature of this works program, as previously advised, Globe will provide relevant information at the appropriate time.

### **1.3 Tenure - Update on Development Agreement**

The execution of a Development Agreement with the Government of Malawi is a condition on the conversion of the Application for Mining Licence into a granted Mining Licence; and will allow the Company to move forward with project funding and marketing arrangements.

Globe has been working with the Government on a Development Agreement in earnest since 2012.

Meetings were held with high level government officials during the quarter and as far as Globe is concerned there is nothing, that Globe is aware of, preventing the execution of the Development Agreement and associated agreements. As previously stated, Globe remains ready, willing and able to execute.

### **1.4 Impact of Coronavirus**

The situation in Malawi has deteriorated considerably in recent weeks with the number of new cases reported on a daily basis having spiked sharply as Malawi experiences a second wave of the pandemic.

In the most recent update dated 20 January 2021 it is reported that there has been 13,880 coronavirus cases recorded of which 336 have resulted in death including in recent days two Malawi Government ministers; with 235 of the 336 COVID-19 related deaths occurring during the second wave of the pandemic which commenced in early November 2020.

On 12 January 2021, President Chakwera declared a State of National Disaster. The declaration is the first step towards a possible declaration of a state of emergency.

Government offices and workplaces are presently closed from the public with interactions restricted to electronic means. It is unclear when Government offices will reopen to the public.

The country's border is shut, with the only way in and out of the country being by aeroplane subject to restrictions.

Globe has a small, nimble and committed team who have and continue to take all necessary measures to ensure the safety of our team, our partners, the community and the countries in which we operate.

Despite the changed circumstances, our team remains focussed on execution of a Development Agreement ahead of construction and mining at Kanyika, once financing and offtake are complete.

The Company remains optimistic about our ability to progress the Kanyika Niobium Project and believes the outlook for the commodity markets specifically, Niobium, will remain strong.

## 1.5 Community

In November 2020, the Ministry of Mines provided verbal approval for Globe to proceed and meet informally with the Kanyika Community in relation to the Community Development Agreement. The Community Development Agreement (provided to the Malawi Government together with the Project Feasibility Study by Globe in late 2020) forms part of the Social Responsibility programmes that the Company has tabled with Government for consideration and approval.

Once the Government provides approval of these programmes, formal meetings can be entertained with the Kanyika Community and additional programme details can be fulfilled that meet community expectations. Part of the Community Development Agreement is the provision of a 0.45% royalty, consistent with Section 168 of the Mines and Minerals Act (2018). This is a positive and encouraging move as the previous Government had restricted the Company from any engagement with the community.

In accordance with protocols, Globe has sent a letter to the District Commissioner requesting a meeting with the Kanyika Community. As at the date of this publication no response from the District Commissioner has been forthcoming.

## 2. Niobium Market Outlook

*Globe continues to monitor factors driving niobium demand, supply and pricing and to investigate opportunities for participation and involvement in industries seeking to develop applications requiring niobium.*

### Background

Approximately 90% of niobium used is consumed as ferroniobium in steelmaking. The rest goes into a wide range of smaller-volume but higher-value applications, such as high-performance alloys (which include superalloys), carbides, superconductors, electronic components and functional ceramics.

Although the unit consumption is very small—fractions of a percent by weight of a tonne of finished steel—the benefits are large. Niobium additions in steel significantly increases strength, so less steel is required overall, which can reduce cost substantially. This has been the basis for the development and growth in its use of steels over the last few decades and should remain the driver in the years to come. Niobium intensity of use is relatively low in several large, steel-producing nations, such as China, but also India and Southeast Asia. The capacity for an increase in niobium intensity of use and a potential increasing usage in long products (rebar) provide an area of potential growth in niobium demand. With Chinese regulations now requiring higher ferroalloy loadings in construction, the outlook for ferroniobium and ferrovanadium demand, looks positive.

Almost all ferroniobium supply is from three industrialised producers, two in Brazil and one in Canada. By far the largest is Companhia Brasileira de Metalurgia e Mineração (CBMM), which operates a pyrochlore mine and processing plant near Araxá in east-central Minas Gerais state in Brazil. While historically the company has operated comfortably below operational capacity, recent increases in demand translated into rising operating rates and prompted an increase its ferroniobium capacity by 50% over the period to 2021. The other major producers, Magris Resources in Canada and China Molybdenum in Brazil are thought to be operating at close to capacity.

### Recent Developments

According to a recent report, the structural steel market, which is a large consumer of niobium, has kicked off the 2021 calendar year on a high note building on the strong recovery that started in the final quarter of 2020. The momentum has been driven by surging steel prices, with the iron ore price rising sharply in recent months and is currently trading at around US\$170 per tonne, compared with a price 12 months ago of ~US\$70 per tonne, on the back of rising steel demand amid a supply shortage and prospects of an infrastructure stimulus package this year from the Biden administration.

(Source: *Steel Industry Starts 2021 on Upbeat Mood*; <https://au.finance.yahoo.com/news/steel-industry-starts-2021-upbeat-122912476.html>)

The latest report from Roskill states that niobium demand during 2020 has benefited from record steel production in China (whose production exceeded the billion-tonnes mark in 2020, an all-time high), but was negatively impacted by a weak demand from aerospace, automotive and energy. Roskill is predicting in 2021 that the niobium market should benefit from the higher steel demand, primarily from the world ex-China, with niobium prices most likely increasing. (Source: *Roskill: China hits new all-time high steel production in 2020*; <https://roskill.com/news/steel-alloys-china-hits-new-all-time-high-steel-production-in-2020> and *Roskill: Niobium Outlook to 2030*; <https://roskill.com/market-report/niobium>)

Similarly, Worldsteel are forecasting that total steel production will increase by 4.1% to 1.795 billion tonnes during 2021 (Source: *Worldsteel Association Short Range Outlook October 2020*; <https://www.worldsteel.org/steel-by-topic/statistics/short-range-outlook>).

The consensus view is that the positive sentiment for steel production and demand bodes well for niobium.

### 3. Corporate

#### 3.1 Cash at Bank

Cash at bank for the Company remains robust with A\$3.925 million at bank on call or in term deposit.

#### 3.2 Payments to related parties of the entity

In accordance with the requirements of ASX Listing Rule 5.3.5 the Company advises that during the quarter ended 31 December 2020, the following payments were made to directors of the Company in respect of their directors' fees (inclusive of superannuation):

	A\$'000
Non-executive Directors' fees	69
Managing Director Fee	96
<b>TOTAL</b>	<b>165</b>

### 4. Schedule of Mineral Tenements as at 31 December 2020

In accordance with the requirements of ASX Listing Rule 5.3.3 the Company provides the following information.

	Project	Status	Tenement	Interest held by Globe
Malawi	Kanyika	Under application	AML0026	100%
Malawi	Kanyika	Granted	EPL0421/15R	100%

AML- Application for Mining Lease. A renewal application was lodged for this tenement and the Company awaits formal feedback on its renewal.

EPL – Exclusive Prospecting Licence (Malawi)

No tenements were acquired or disposed during the quarter ended 31 December 2020, nor was there any change in the ownership percentage of existing tenements since the end of the previous quarter.

## 5. Authorisation for Release

This report has been authorised for release by the Company's Managing Director, Alistair Stephens.

For further information contact:

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Managing Director  
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### Disclaimer

- This report has been prepared by Globe Metals & Mining Limited ("Company"). The material contained in this report is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company and nether this release nor anything contained in it shall form the basis of any contract or commitment.
- This report may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Globe Metals & Mining Limited's business plans, intentions, opportunities, expectations, capabilities and other statements that are not historical facts. Forward-looking statements include those containing such words as could-plan-target-estimate-forecast-anticipate-indicate-expect-intend-may-potential-should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results to differ from those expressed in this report. Because actual results might differ materially to the information in this report, the Company does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.
- The report has been prepared by the Company based on information available to it, including information from third parties, and has not independently verified. No representation or warranty, express or implied, is made to the fairness, accuracy or completeness of the information or opinions contained in this report.
- The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral resources and Ore Reserves 2012 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.

### 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](http://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](http://www.globemm.com)

## Appendix A: About the Kanyika Niobium Project

The Kanyika Niobium Project is located in central Malawi, approximately 55 kilometres northeast of the regional centre of Kasangu and secured by Application for Mining Licence AML0026.

An application for Mining Licence grants the Company security of tenure only, and grants no rights to the Company to market, sell or commit products or commodities, and prevents any development or operational activities, and therefore, grants no rights to relocate or disrupt communities.

Globe has been previously notified (23 June 2015) that the issue of a Mining Licence is subject to the finalisation and execution of a Development Agreement (refer status at 1.3).

Drilling programs totalling 33.8 kilometres of percussion and core drilling have confirmed the extent of mineralisation. Structured and progressive engineering studies have resulted in the current (JORC 2012) resource statement (refer below) and given rise to significant improvements and simplifications in the process flowsheet, from that first imagined.

In addition, Globe has undertaken substantial metallurgical optimisation work and commissioned a pilot plant to demonstrate and further optimise metallurgical processes. Metallurgical optimisations studies have improved recoveries from 62% in 2012 to 75% today, through simple novel patented metallurgical processes.

The Kanyika operations will produce a pyrochlore mineral concentrate that contains both niobium and tantalum in commercially valuable volumes to be shipped to a refinery for advanced processing into high purity materials.

A Mineral Resource Estimate for the Kanyika Niobium Project under the 2012 JORC guidelines was reported to ASX on 11 July 2018, as follows:

**Table 1: Mineral Resource Estimate for Kanyika using a 1,500 ppm Nb<sub>2</sub>O<sub>5</sub> lower cut**

Category	Million Tonnes	Nb <sub>2</sub> O <sub>5</sub> ppm	Ta <sub>2</sub> O <sub>5</sub> ppm
Measured	5.3	3,790	180
Indicated	47.0	2,860	135
Inferred	16.0	2,430	120
<b>Total</b>	<b>68.3</b>	<b>2,830</b>	<b>135</b>

**Table 2: Mineral Resource Estimate for Kanyika using a 3,000 ppm Nb<sub>2</sub>O<sub>5</sub> lower cut**

Category	Million Tonnes	Nb <sub>2</sub> O <sub>5</sub> ppm	Ta <sub>2</sub> O <sub>5</sub> ppm
Measured	3.4	4,790	220
Indicated	16.6	4,120	190
Inferred	2.8	4,110	190
<b>Total</b>	<b>22.8</b>	<b>4,220</b>	<b>190</b>

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Globe Metals &amp; Mining Limited

ABN

33 114 400 609

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(355)	(747)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	17
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	13	50
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(336)</b>	<b>(680)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(33)	(62)
(d) exploration & evaluation	(219)	(427)
(e) investments		
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(252)</b>	<b>(489)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	<b>Net cash from / (used in) financing activities</b>		

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,570	5,182
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(336)	(680)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(252)	(489)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(57)	(88)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,925</b>	<b>3,925</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,925	4,570
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,925</b>	<b>4,570</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	165
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

The payments made to directors of the entity and their associates reported at 6.1 are inclusive of superannuation and were comprised as follows:

	A\$'000
Non-executive Director's fees	69
Managing Director Fee	96
<b>TOTAL</b>	<b>165</b>

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(336)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(252)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(588)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,925
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,925
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>6.68</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/a		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/a		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/a

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

21 JANUARY 2021

Date: .....

ALISTAIR STEPHENS (MANAGING DIRECTOR)

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.