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# Globe Metals & Mining Limited

(ABN 33 114 400 609)

And Controlled Entities

Annual Financial Report

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For the year ended  
30 June 2022

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## CORPORATE DIRECTORY

### Directors

Ms Alice Wong, Non-Executive Chairperson  
Mr Ricky Lau, Non-Executive Director  
Mr Bo Tan, Non-Executive Director  
Mr Michael Barrett, Non-Executive Director  
Mr Michael Choi, Non-Executive Director

### Company Secretary

Mr Michael Fry (*until 30 June 2022*)  
Mr Paul Hardie (*from 1 July 2022*)

### Senior Management

Mr Grant Hudson, Chief Executive Officer  
Mr Rex Zietsman, Chief Technical Officer  
Mr Michael Fry, Chief Financial Officer  
Mr Paul Hardie, General Counsel and Company Secretary

### Principal & Registered Office

Unit 1, 26 Elliott Street  
Midvale WA 6056  
Telephone: (08) 6118 7240  
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

**DIRECTORS' REPORT  
FOR THE YEAR ENDED  
30 JUNE 2022**

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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 2022.

**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 & Chief Executive Officer (resigned on 9 January 2022) |
| Bo Tan            | Non-Executive Director   |
| Ricky Lau         | Non-Executive Director   |
| Michael Choi      | Non-Executive Director (appointed on 17 December 2021)                                       |
| Michael Barrett   | Non-Executive Director (appointed on 17 December 2021)                                       |
| William Hayden    | Non-Executive Director (resigned on 31 December 2021)  |

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

**COMPANY SECRETARY**

Paul Hardie was appointed Company Secretary and General Counsel of Globe effective from 1 July 2022, replacing Michael Fry.

Mr Hardie is admitted as a practitioner of the Supreme Court of Western Australia and the High Court of Australia, holds a Bachelor of Laws from Murdoch University and a Bachelor of Economics from the University of Western Australia. In addition, Mr Hardie has significant experience as a corporate and commercial lawyer advising public companies in the SME and ASX microcap sector across various industries and in the management of listed public companies having acted as Chairman and as a non-executive director of a number of ASX listed companies, and is currently the Company Secretary of ASX listed company Matrix Composites & Engineering Limited.

Mr Fry was Globe's Company Secretary from 1 February 2015 up to 30 June 2022, and 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 2022 amounted to \$2.307 million (2021: \$1.378 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 | LML0216/21 | 100%             |

- (i) Large-Scale Mining Licence Number LML0216/21 has been issued to Globe Metals & Mining (Africa) Limited dated 13 August 2021. The licence is valid for twenty-five (25) years and is subject to various conditions.

**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's sole asset and focus is its Kanyika Niobium Project. The Company has an administration and operational centre in Lilongwe, Malawi in support of its on-the-ground activities at Kanyika. 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 2021 Annual Report, the Group has focussed its efforts in the 2022 financial year on the grant of a mining licence for the Kanyika Niobium Project and on the execution of a mine development agreement with the Malawi government in order to progress its aim of being the first new niobium mine into production in over 50 years.

### *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, including electric vehicle batteries. Subsequent drilling confirmed the mineralisation leading to an extensive exploration and metallurgical test-work 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 improving outlook for the mining and resources industry, and for niobium. To facilitate this, the Company 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 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; noting that confidential and internal metrics on the value proposition of the project were highly encouraging.

Following the grant of the Mining Licence in mid-August 2021, Globe publicly released the results of its Feasibility Study and Key Economics. Refer ASX announcement on 19 August 2021.

#### **Phase One Study**

Subsequent to the receipt of the Mining Licence and the release of the results of the Feasibility Study, which are based on the processing of 1.5 million tonnes of ore per annum, Globe's Senior Executive Team commenced investigations into a phased approach to construction and commencement of operations, termed the Phase One Study, at a rate equal to approximately 90,000 tonnes of ore per annum, with the aim of identifying a quicker pathway to production with reduced up-front capital costs and investment required; whilst allowing Globe to commence operations on a smaller scale with lower risk, and to build its business, customers and products.

The Phase One Study has highlighted gas-phase chlorination as an alternate approach to refining that could allow the Company to enter production earlier and achieve an overall improved economic outcome, and as such the Company has been investigating this approach whilst it waits for execution of the Mine Development Agreement.

Chlorination has been used in niobium and tantalum refining for over twenty years and is regarded as an approach that has environmental and economic benefits over the use of hydrofluoric acid. Preliminary assessment of the chlorination approach in comparison with hydrofluoric acid predicts that the operating costs are significantly lesser, and the revenues to be derived per tonne of material processed to be higher (due to greater recovery of individual elements), however the initial refinery capital cost to be higher.

As at the date of this report, the investigation into the chlorination approach and the economic impact is ongoing. In the event that chlorination approach is determined to be preferred, it will be incorporated into the Phase One Study economic model and plan.

#### **Mine Development Agreement**

In July 2022, Globe received formal communication from the Malawi Ministry of Mining advising it that the negotiations and attendant review of the draft Kanyika Niobium Project Mine Development Agreement (MDA) have been consummated, following a recommendation for approval made by the Government's MDA Steering Committee, and that the Ministry of Justice is vetting the final draft of the MDA, in readiness for submission to the Ministers of Mining and Finance for approval and signing.

As at the date of this report, the MDA remains un-executed. Globe have sought and continue to seek clarification from the Malawi Government on timing of execution.

Globe considers the MDA a critical step towards production as it provides Globe and its potential partners, financiers and customers with clarity and surety around tenure, developmental timelines, and the fiscal regime pertaining to the Kanyika Niobium Project.

#### **Product Marketing and Off-Take**

Globe has commenced early-stage discussions with a number of parties who have expressed interest in marketing and off-take agreements.

These parties have assisted Globe with an understanding of the market, opportunities, and recommendations as to product mix and specifications with a view to representing Globe.

Globe will continue with these discussions and to assess the market and the merits of collaboration with individual parties in order to maximise the outcomes for Globe shareholders and stakeholders.

#### **Mining Licence Grant**

Globe's wholly owned subsidiary, Globe Metals & Mining (Africa) Limited (**GMMA**) was granted Large Scale Mining Licence LM0216/21 on 13 August 2021. LM0216/21 is valid for twenty-five (25) years and entitles GMMA the exclusive right to prospect for and mine minerals(s) in the licence area on the terms and conditions attaching to the licence. The most material of these terms and conditions are listed below.

The licensee shall:

1. Pay annual charges prescribed under the Mines and Minerals (Mineral Rights) Regulations 1981 and mineral royalties in accordance with the Mines and Minerals Act.
2. Have a right to mine and process pyrochlore
3. Endeavour to give employment preferentially to citizens of Malawi
4. Endeavour to procure goods and services produced and manufactured in Malawi provided that they can be obtained at competitive terms and in comparable quality.
5. Submit reports to the Registrar of Mineral Tenements as required
6. Comply with all conditions imposed under Part VIII of the Mines and Minerals Act (No. 8 of 2019); including the requirements of s174(1)(a) and (b), as follows:

"174(1) Subject to subsections (4) and (6), a holder of a large-scale mining licence shall:

- (a) commence substantial on-site mine development within eighteen (18) months measured from the date that the mining licence is registered;
- (b) commence substantial mineral production no later than sixty (60) months from the date that the mining licence is registered development with eighteen (18) months measured from the date that the mining licence is registered."

As at the date of this report, the Company is in compliance with the licence conditions. Insofar as the requirement to commence substantial on-site mine development within eighteen (18) months measured from the date that the mining licence is registered is concerned, the Company has advised the Malawi Government that the failure to execute the Mine Development Agreement has delayed on-site development. If required, the Company will formally seek an extension.

Pursuant to the Mines and Minerals Act, the Malawi Government is entitled to a 10% free equity interest, subject to formally notifying GMMA of its desire to take up its entitlement. As at the date of this report, Globe or GMMA are yet to receive any such notice. The Mine Development Agreement when executed acknowledges the Malawi Government's 10% equity interest.

#### **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 <sub>2</sub> O <sub>5</sub> Grade (ppm) | Ta <sub>2</sub> O <sub>5</sub> Grade (ppm) | U <sub>3</sub> O <sub>8</sub> Grade (ppm) |
|------------------|-------------|--|--|---|
| <b>Measured</b>  | 5.3         | 3,790                                      | 180  | 110                                       |
| <b>Indicated</b> | 47.0        | 2,860                                      | 135  | 80  |
| <b>Inferred</b>  | 16.0        | 2,430                                      | 120  | 70  |
| <b>Total</b>     | <b>68.3</b> | <b>2,830</b>                               | <b>135</b>                                 | <b>80</b>                                 |

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

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

#### **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](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)

### 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.

## INFORMATION ON DIRECTORS

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### Alice Wong

### Non-Executive Chairperson

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Special Responsibilities

Member of Nomination and Remuneration Committee

Qualifications

B. Bus in Accounting and Finance

Ms Alice Wong is an accountant by training and commenced her career with Price Waterhouse. After more than a decade of service in the investment banking industry in Asia working for large multinational companies Morgan Stanley, ABN AMRO Rothschild and BNP Paribas Peregrine, Ms Wong extended her entrepreneurial endeavour into luxurious products and health care companies. Ms Wong invested into Globe via Apollo Metals Investment Co. Ltd during 2014 and has since served as the Non-Executive Chairperson of its Board of Directors where she has played an integral role in advancement of the Kanyika Project including the granting of a mining licence.

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<sup>(1)</sup>

Directorships of other  
ASX Listed Companies in the  
past 3 years

Nil

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

|   |  |
|---|--|
| <b>Alistair Stephens</b>  | <b>Deputy Chairperson, Managing Director and Chief Executive Officer<br/>Resigned on 9 January 2022</b>  |
| Qualifications  | Masters of Business Administration<br>Bachelor of Science (Honours)<br>Graduate of the Australian Institute of Company Directors (GAICD)<br>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.<br><br>Mr Stephens held the position of Managing Director and Chief Executive Officer of Arafura Resources Limited (ASX: ARU) between 2004 and 2009.<br><br>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                                  | N/a  |
| Directorships of other ASX Listed Companies in the past 3 years | N/a  |
| <b>William Hayden</b>   | <b>Non-Executive Director<br/>Resigned on 31 December 2021</b>   |
| Special Responsibilities  | Member of the Nomination and Remuneration Committee<br>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                                  | N/a  |
| Directorships of other ASX Listed Companies in the past 3 years | N/a  |
| <b>Bo Tan</b>   | <b>Non-Executive Director</b>  |
| Special Responsibilities  | Chairperson of Audit and Risk Committee  |
| Qualification   | BEcon - Renmin China, MBA - Thunderbird USA, M.A University of Connecticut   |
| Experience  | Mr Tan has over 15 years' experience as a senior manager and director in financial planning, reporting, investment, capital structure and industrial research; and 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  |

|   |  |
|---|--|
| <b>Ricky Lau</b>  | <b>Non-Executive Director</b>  |
| Special Responsibilities  | Chairperson of Nomination and Remuneration Committee – since 14 December 2020  |
| Qualifications  | MBA Kellogg-HKUST, BCom UBC (Hons)   |
| Experience  | Mr Lau has over 20 years' experience in private equity investment in Asia and is presently the Managing Partner of private equity real estate firm Crane Capital Limited.  |
| Interest in Shares and Options                                  | Nil  |
| Directorships of other ASX Listed Companies in the past 3 years | Nil  |
| <b>Michael Barrett</b>  | <b>Non-Executive Director<br/>Appointed on 17 December 2021</b>  |
| Special Responsibilities  | Member of the Audit and Risk Committee<br>Member of the Environment, Society and Governance Committee  |
| Qualifications  | B.SocSc (Joint Honours - Accounting and Economics), Member of The Institute of Chartered Accountants in England and Wales, GAICD   |
| Experience  | Mr Barrett has over 30 years' international experience in strategy, capital markets, investor relations, and risk management. Mr. Barrett has extensive experience working in the energy and resources industry having held senior mining sector roles in Western Australia, including with Rio Tinto Iron Ore and WMC Resources Ltd. Most recently, Mr Barrett was National Lead Partner for Deloitte's Risk Advisory Energy and Resources practice, specialising in Board Advisory and Risk Management for many of the largest mining and energy and resources companies nationally, prior to establishing his own consulting business, helping develop smaller businesses across the energy and resources industry.<br><br>Mr Barrett is a Graduate of the AICD and is the Lead Independent, non-executive director and Chair of the Audit Committee with Toronto Stock Exchange listed Novo Resources Corp; and a non-executive director of ASX-listed Pearl Global Ltd.   |
| Interest in Shares and Options                                  | Nil  |
| Directorships of other ASX Listed Companies in the past 3 years | Pearl Global Limited, non-executive director, <i>appointed on 6 August 2018</i>  |
| <b>Michael Choi OAM</b>   | <b>Non-Executive Director<br/>Appointed on 17 December 2021</b>  |
| Special Responsibilities  | Chairperson of Environment, Society and Governance Committee   |
| Qualification   | BEng (Civil) University of Queensland  |
| Experience  | Mr Choi is a professional chartered engineer specialising in property development, project management and construction. Mr Choi also has extensive experience in trade development, community engagement, cross cultural communication, relationship management and negotiations with governmental agencies.<br><br>Mr Choi is a former member of parliament of Queensland and held the position of Parliamentary Secretary (assisting on ministerial matters) with portfolios including natural resources, mines and energy, trade as well as multicultural affairs. He was the first Asian-Australian elected to Queensland parliament. With this background he is therefore experienced in mining includes policy setting, governance, regulations, negotiation with authorities, project assessment, feasibility, CAPEX, all acquired in his Assistant Minister role in the Queensland Government with mines and energy portfolios.<br><br>In his career, Mr Choi was recognized with multiple awards, including the Medal of the Order of Australia (OAM), and Lord Mayor's Business Award. |
| Interest in Shares and Options                                  | Nil  |
| Directorships of other ASX Listed Companies in the past 3 years | N/a  |



## **REMUNERATION REPORT - AUDITED**

This remuneration report for the year ended 30 June 2022 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 Lau (Chairperson of the Nomination and Remuneration Committee since 14 December 2021), Ms Alice Wong and Mr Grant Hudson.

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 valued using the Black-Scholes option pricing model. Shares are valued at market value.

**D. Performance Based Remuneration**

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 performance targets or bonus system in place for financial years ended 30 June 2022 and beyond.

Subsequent to year end, the Board resolved to issue to Directors Lau, Tan, Barrett and Choi, subject to shareholder approval, 1,250,000 Options each, the terms and conditions of which are set out in the Notice of Meeting dated 12 August 2022. At the Company's general meeting held on 14 September 2022 shareholders approved the issue of the Options to each of the Directors, and on 27 September 2022 the issue was effected.

**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 2022:

|                              | <b>30 June 2022</b> | <b>30 June 2021</b> | <b>30 June 2020</b> | <b>30 June 2019</b> | <b>30 June 2018</b> |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                              | <b>\$'000</b>       | <b>\$'000</b>       | <b>\$'000</b>       | <b>\$'000</b>       | <b>\$'000</b>       |
| Interest income              | 2                   | 23                  | 104                 | 206                 | 239                 |
| Comprehensive loss after tax | (2,752)             | (1,378)             | (1,449)             | (1,441)             | (1,354)             |

|                              | <b>30 June 2022</b> | <b>30 June 2021</b> | <b>30 June 2020</b> | <b>30 June 2019</b> | <b>30 June 2018</b> |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Share price at start of year | \$0.016             | \$0.010             | \$0.015             | \$0.014             | \$0.016             |
| Share price at end of year   | \$0.007             | \$0.016             | \$0.010             | \$0.015             | \$0.014             |
| Dividend                     | -                   | -                   | -                   | -                   | -                   |
| Basic loss per share         | (\$0.0060)          | (\$0.003)           | (\$0.003)           | (\$0.003)           | (\$0.003)           |
| Diluted loss per share       | (\$0.0060)          | (\$0.003)           | (\$0.003)           | (\$0.003)           | (\$0.003)           |

**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.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED  
30 JUNE 2022**

**H. Details of Remuneration**

**Compensation of key management personnel for the year ended 30 June 2022**

| 2022   | SHORT-TERM BENEFITS |               | POST EMPLOYMENT Super-Annuation | LONG-TERM BENEFITS Employee Entitlements | TERMINATION/RESIGNATION PAYMENTS | TOTAL            | SHARE-BASED PAYMENT as a % of TOTAL |
|--|---------------------|---------------|---------------------------------|--|----------------------------------|------------------|-------------------------------------|
|  | Salary & Fees       | Annual Leave  |                                 |  |                                  |                  |                                     |
|  | \$                  | \$            | \$                              | \$                                       | \$                               | \$               |                                     |
| <b>Directors</b>   |                     |               |                                 |  |                                  |                  |                                     |
| Alice Wong – Chairperson   | 80,000              | -             | -                               | -  | -                                | 80,000           | 0%                                  |
| Alistair Stephens – Deputy Chairperson, Managing Director & CEO <sup>(2)</sup> | 192,500             | 14,808        | 12,524                          | 6,943                                    | 98,494                           | 325,269          | 0%                                  |
| Michael Choi – Non-Executive Director <sup>(3)</sup>                           | 30,645              | -             | -                               | -  | -                                | 30,645           | 0%                                  |
| Ricky Lau – Non-Executive Director   | 61,000              | -             | -                               | -  | -                                | 61,000           | 0%                                  |
| Bo Tan - Non-Executive Director  | 58,000              | -             | -                               | -  | -                                | 58,000           | 0%                                  |
| Michael Barrett – Non-Executive Director <sup>(4)</sup>                        | 31,417              | -             | -                               | -  | -                                | 31,417           | 0%                                  |
| William Hayden – Non-Executive Director <sup>(5)</sup>                         | 26,484              | -             | 2,648                           | -  | -                                | 29,132           | 0%                                  |
| <b>Total remuneration directors 2022</b>                                       | <b>480,046</b>      | <b>14,808</b> | <b>15,172</b>                   | <b>6,943</b>                             | <b>98,494</b>                    | <b>615,463</b>   | <b>0%</b>                           |
| <b>Specified Executives</b>  |                     |               |                                 |  |                                  |                  |                                     |
| Grant Hudson – CEO <sup>(1)</sup>  | 165,803             | -             | -                               | -  | -                                | 165,803          | 0%                                  |
| Rex Zietsman – Chief Technical Officer <sup>(6)</sup>                          | 163,286             | -             | -                               | -  | -                                | 163,286          | 0%                                  |
| Michael Fry – CFO  | 265,200             | -             | -                               | -  | -                                | 265,200          | 0%                                  |
| <b>Total remuneration specified executives 2022</b>                            | <b>594,289</b>      | <b>-</b>      | <b>-</b>                        | <b>-</b>                                 | <b>-</b>                         | <b>594,289</b>   | <b>0%</b>                           |
| <b>Total key management personnel 2022</b>                                     | <b>1,074,335</b>    | <b>14,808</b> | <b>15,172</b>                   | <b>6,943</b>                             | <b>98,494</b>                    | <b>1,209,752</b> | <b>-</b>                            |

(1) promoted from position of General Manager to CEO effective from 10 January 2022

(2) resigned on 9 January 2022

(3) appointed on 17 December 2021

(4) appointed on 17 December 2021

(5) resigned on 31 December 2021

(6) promoted to Chief Technical Officer on 1 January 2022

**Compensation of key management personnel for the year ended 30 June 2021**

| 2021  | SHORT-TERM BENEFITS |               | POST EMPLOYMENT Super-Annuation | LONG-TERM BENEFITS Employee Entitlements | SHARE-BASED PAYMENT Options | TOTAL          | SHARE-BASED PAYMENT as a % of TOTAL |
|---|---------------------|---------------|---------------------------------|--|-----------------------------|----------------|-------------------------------------|
|   | Salary & Fees       | Annual Leave  |                                 |  |                             |                |                                     |
|   | \$                  | \$            | \$                              | \$                                       | \$                          | \$             |                                     |
| <b>Directors</b>                                    |                     |               |                                 |  |                             |                |                                     |
| Alice Wong – Chairperson                            | 80,000              | -             | -                               | -  | -                           | 80,000         | 0%                                  |
| Alistair Stephens – Managing Director & CEO         | 385,000             | 20,731        | 21,694                          | 48,564                                   | -                           | 475,989        | 0%                                  |
| William Hayden - Non-Executive Director             | 52,968              | -             | 5,032                           | -  | -                           | 58,000         | 0%                                  |
| Ricky Lau – Non-Executive Director                  | 30,921              | -             | -                               | -  | -                           | 30,921         | 0%                                  |
| Bo Tan - Non-Executive Director                     | 58,000              | -             | -                               | -  | -                           | 58,000         | 0%                                  |
| Alex Ko – Non-Executive Director <sup>(7)</sup>     | 28,500              | -             | -                               | -  | -                           | 28,500         | 0%                                  |
| <b>Total remuneration directors 2021</b>            | <b>635,389</b>      | <b>20,731</b> | <b>26,726</b>                   | <b>48,564</b>                            | <b>-</b>                    | <b>731,410</b> | <b>0%</b>                           |
| <b>Specified Executives</b>                         |                     |               |                                 |  |                             |                |                                     |
| Michael Fry – CFO                                   | 264,000             | -             | -                               | -  | -                           | 264,000        | 0%                                  |
| <b>Total remuneration specified executives 2021</b> | <b>264,000</b>      | <b>-</b>      | <b>-</b>                        | <b>-</b>                                 | <b>-</b>                    | <b>264,000</b> | <b>0%</b>                           |
| <b>Total key management personnel 2021</b>          | <b>899,389</b>      | <b>20,731</b> | <b>26,726</b>                   | <b>48,564</b>                            | <b>-</b>                    | <b>995,410</b> | <b>-</b>                            |

(7) resigned on 14 December 2020.

No remuneration consultants have been engaged during the year ended 30 June 2022.

**Compensation options granted to key management personnel during the year ended 30 June 2022**

There were no options granted to key management personnel during the year ended 30 June 2022.

**Compensation options granted to key management personnel during the year ended 30 June 2021**

There were no options granted to key management personnel during the year ended 30 June 2021.

**Related party transactions with key management personnel**

**\$1,000,000 Loan Facility Received from Director Bo Tan**

In March 2022, Director Bo Tan provided a short-term loan facility in the amount of A\$1,000,000 to assist the Company with its short-term working capital requirements (**March 2022 Facility**).

The key terms of the March 2022 Facility were as follows:

|                        |   |
|------------------------|---|
| Loan Amount:           | A\$1,000,000  |
| Interest Rate:         | 8% per annum  |
| Default Interest Rate: | 20% per annum   |
| Term:                  | 6 months  |
| Repayment:             | Repayable in cash or by the issue of fully paid ordinary shares at a price of 6.35 cents per share, subject to shareholder approval. At any time on or before the Maturity Date, the Group may, by notice (Conversion Notice) to the Lender, elect to convert some or all of the Money Owing (Conversion Amount) into Shares in the Borrower by way of the Borrower issuing Shares to the Lender, provided that the Borrower shall have prior to issuing the Conversion Notice obtained all shareholder, regulatory and other approvals necessary to enable the conversion of the Money Owing into Shares as contemplated under such Conversion Notice. |

**Additional \$500,000 Loan Facility received from Director Bo Tan**

In August 2022, Director Bo Tan provided a further short term loan facility in the amount of A\$500,000 to assist the Company with its short-term working capital requirements (**August 2022 Facility**).

The key terms of the loan facility were the same as for the March 2022 facility. Specifically,

|                        |   |
|------------------------|---|
| Loan Amount:           | A\$500,000  |
| Interest Rate:         | 8% per annum  |
| Default Interest Rate: | 20% per annum   |
| Term:                  | 6 months  |
| Repayment:             | Repayable in cash or by the issue of fully paid ordinary shares at a price of 6.35 cents per share, subject to shareholder approval. At any time on or before the Maturity Date, the Group may, by notice (Conversion Notice) to the Lender, elect to convert some or all of the Money Owing (Conversion Amount) into Shares in the Borrower by way of the Borrower issuing Shares to the Lender, provided that the Borrower shall have prior to issuing the Conversion Notice obtained all shareholder, regulatory and other approvals necessary to enable the conversion of the Money Owing into Shares as contemplated under such Conversion Notice. |

**Further Additional \$500,000 Loan Facility received from Director Bo Tan**

In September 2022, Director Bo Tan provided a further short term loan facility, which will only be drawn if required, in the amount of A\$500,000 to assist the Company with its short-term working capital requirements (**September 2022 Facility**).

The key terms of the loan facility were the same as for the March 2022 facility. Specifically,

|                        |   |
|------------------------|---|
| Loan Amount:           | A\$500,000  |
| Drawdown:              | In lots of A\$100,000   |
| Interest Rate:         | 8% per annum  |
| Default Interest Rate: | 20% per annum   |
| Term:                  | 6 months  |
| Repayment:             | Repayable in cash or by the issue of fully paid ordinary shares at a price of 6.35 cents per share, subject to shareholder approval. At any time on or before the Maturity Date, the Group may, by notice (Conversion Notice) to the Lender, elect to convert some or all of the Money Owing (Conversion Amount) into Shares in the Borrower by way of the Borrower issuing Shares to the Lender, provided that the Borrower shall have prior to issuing the Conversion Notice obtained all shareholder, regulatory and other approvals necessary to enable the conversion of the Money Owing into Shares as contemplated under such Conversion Notice. |

**Option Holdings of Directors and Key Management Personnel**

There are no options over ordinary shares in the Company granted during the financial year ended 30 June 2022 (2021: Nil) to a Director or a KMP of the Group, including their personally related parties.

**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.

| <b>2022</b>                      | <b>Balance at beginning</b> | <b>Granted as Remuneration</b> | <b>On Exercise of Options</b> | <b>Bought &amp; (Sold)</b> | <b>Balance at 30 June 2022</b> |
|----------------------------------|-----------------------------|--------------------------------|-------------------------------|----------------------------|--------------------------------|
| Alice Wong                       | 245,983,611                 | -                              | -                             | -                          | 245,983,611                    |
| Alistair Stephens <sup>(2)</sup> | 1,325,000                   | -                              | -                             | (1,325,000)                | -                              |
| William Hayden <sup>(4)</sup>    | 1,276,923                   | -                              | -                             | (1,276,923)                | -                              |
| Bo Tan                           | -                           | -                              | -                             | -                          | -                              |
| Ricky Lau                        | -                           | -                              | -                             | -                          | -                              |
| Michael Barrett <sup>(3)</sup>   | -                           | -                              | -                             | -                          | -                              |
| Michael Choi <sup>(3)</sup>      | -                           | -                              | -                             | -                          | -                              |
| Grant Hudson <sup>(1)</sup>      | -                           | -                              | -                             | -                          | -                              |
| Rex Zietsman <sup>(5)</sup>      | -                           | -                              | -                             | -                          | -                              |
| Michael Fry                      | -                           | -                              | -                             | -                          | -                              |
|                                  | <b>248,585,534</b>          | <b>-</b>                       | <b>-</b>                      | <b>(2,601,923)</b>         | <b>245,983,611</b>             |

(1) promoted from position of General Manager to CEO effective from 10 January 2022

(2) resigned on 9 January 2022

(3) appointed on 17 December 2021

(4) resigned on 31 December 2021

(5) promoted to position of Chief Technical Officer on 1 January 2022

| <b>2021</b>       | <b>Balance at beginning</b> | <b>Granted as Remuneration</b> | <b>On Exercise of Options</b> | <b>Bought &amp; (Sold)</b> | <b>Balance at 30 June 2021</b> |
|-------------------|-----------------------------|--------------------------------|-------------------------------|----------------------------|--------------------------------|
| Alice Wong        | 245,983,611                 | -                              | -                             | -                          | 245,983,611                    |
| Alistair Stephens | -                           | -                              | -                             | 1,325,000                  | 1,325,000                      |
| William Hayden    | 1,276,923                   | -                              | -                             | -                          | 1,276,923                      |
| Bo Tan            | -                           | -                              | -                             | -                          | -                              |
| Ricky Lau         | -                           | -                              | -                             | -                          | -                              |
| Alex Ko           | -                           | -                              | -                             | -                          | -                              |
| Michael Fry       | -                           | -                              | -                             | -                          | -                              |
|                   | <b>247,260,534</b>          | <b>-</b>                       | <b>-</b>                      | <b>1,325,000</b>           | <b>248,585,534</b>             |

**I. Voting and comments made at the Company's 2021 Annual General Meeting (AGM)**

At the Company's 2021 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. 97.79% of votes were cast in favour of adoption of the remuneration report, indicating strong support of the Company's remuneration arrangements for its Key Management Personnel.

**J. Contractual Arrangements**

**Non-Executive Directors**

Non-executive directors' fees during the current financial year are as follows:

|                 |  |
|-----------------|--|
| Alice Wong      | Chairperson of the Board \$80,000 per annum  |
| William Hayden  | <i>Resigned on 31 December 2021</i><br>Non-Executive Director \$50,000 per annum<br>Member of the Nomination and Remuneration Committee \$4,000 per annum<br>Member of the Audit and Risk Committee \$4,000 per annum            |
| Bo Tan          | Non-Executive Director \$50,000 per annum<br>Chairperson of the Audit and Risk Committee \$8,000 per annum   |
| Ricky Lau       | Non-Executive Director \$50,000 per annum<br>Chairperson of the Nomination and Remuneration Committee: \$7,000 per annum<br>Member of the Audit and Risk Committee \$4,000 per annum   |
| Michael Barrett | <i>Appointed on 17 December 2021</i><br>Non-Executive Director \$50,000 per annum<br>Member of the Audit and Risk Committee: \$4,000 per annum<br>Member of the Environment, Society and Governance Committee: \$4,000 per annum |
| Michael Choi    | <i>Appointed on 17 December 2021</i><br>Non-Executive Director \$50,000 per annum<br>Chairperson of the Environment, Society and Governance Committee: \$7,000 per annum   |

**DIRECTORS' REPORT  
FOR THE YEAR ENDED  
30 JUNE 2022**

**Executive Management**

Key terms for remuneration and other terms of engagement of executive management during the course of the financial year ended 30 June 2022 are 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<br>Termination requires 5 weeks' notice or the payment of 5 weeks' salary in lieu of such notice.<br>Eligible to participate in performance-based remuneration. |

|                             |   |
|-----------------------------|---|
| Name                        | Grant Hudson  |
| Title                       | CEO   |
| Current Agreement Commenced | 10 January 2022   |
| Term of Agreement           | Agreement continues until terminated in accordance with contract  |
| Details:                    | Base salary of \$385,000 p.a. exclusive of superannuation<br>Termination requires 5 weeks' notice or the payment of 5 weeks' salary in lieu of such notice.<br>Eligible to participate in performance-based remuneration. |

|                             |   |
|-----------------------------|---|
| Name                        | Rex Zietsman  |
| Title                       | Chief Technical Officer   |
| Current Agreement Commenced | 1 January 2022  |
| Term of Agreement           | Agreement continues until terminated in accordance with contract  |
| Details:                    | Fees of \$320,000 p.a.<br>Termination requires three months' notice<br>Eligible to participate in performance-based remuneration. |

|                             |  |
|-----------------------------|--|
| Name                        | Michael Fry  |
| Title                       | CFO  |
| Start date                  | 2 February 2015  |
| Current Agreement Commenced | 1 November 2016  |
| Term of Agreement           | Agreement continues until terminated in accordance with contract   |
| Details:                    | Fees of \$264,000 p.a.<br>Termination requires three months' notice<br>From 1 July 2022, an updated contractual arrangement was in place with an updated retainer of \$5,000 p.m. plus additional charges for extra hours with termination of 60 days' notice. |

**This is the end of the audited remuneration report.**

MEETINGS OF DIRECTORS

| Directors         | Directors Meetings        |                 | Audit and Risk Committee Meetings |                 | Nomination and Remuneration Committee Meetings |                 | ESG Committee Meetings    |                 |
|-------------------|---------------------------|-----------------|-----------------------------------|-----------------|--|-----------------|---------------------------|-----------------|
|                   | Number Eligible to Attend | Number Attended | Number Eligible to Attend         | Number Attended | Number Eligible to Attend                      | Number Attended | Number Eligible to Attend | Number Attended |
| Alice Wong        | 7                         | 7               | -                                 | -               | 1  | 1               | -                         | -               |
| Alistair Stephens | 3                         | 3               | -                                 | -               | -  | -               | -                         | -               |
| William Hayden    | 3                         | 3               | 1                                 | 1               | -  | -               | -                         | -               |
| Bo Tan            | 7                         | 6               | 1                                 | 1               | -  | -               | -                         | -               |
| Ricky Lau         | 7                         | 7               | 1                                 | 1               | 1  | 1               | -                         | -               |
| Michael Barrett   | 4                         | 4               | -                                 | -               | -  | -               | 2                         | 2               |
| Michael Choi      | 4                         | 4               | -                                 | -               | -  | -               | 2                         | 2               |

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

No significant changes in the state of affairs of the Group have occurred since the start of the financial year to the date of this report, other than the following:

**Grant of Large Scale Mining Licence LM0216/21**

Globe's wholly owned subsidiary, Globe Metals & Mining (Africa) Limited (**GMMA**) was granted Large Scale Mining Licence LM0216/21 on 13 August 2021. LM0216/21 is valid for twenty-five (25) years and entitles GMMA the exclusive right to prospect for and mine minerals(s) in the licence area on the terms and conditions attaching to the licence.

**Short Term Loan Facilities Provided by Director Bo Tan**

Director Bo Tan has provided a total of \$2 million in short-term loan facilities to the Company to assist the Company with its short-term working capital requirements comprising \$1,000,000 in March 2022, \$500,000 in August 2022, and a further \$500,000 in September 2022. The key terms and conditions of the loans are described on page 12 under the heading "Related party transactions with key management personnel".

**Issue of 16,397,666 Shares following Shareholder Approval of Conversion of March 2022 Facility**

On 14 September 2022, the Company held a general meeting of shareholders at which meeting shareholders approved the conversion of the March 2022 Facility provided by Director Bo Tan of \$1,000,000, plus interest accrued, into fully paid ordinary shares in the Company; resulting in the issue to Director Bo Tan of 16,397,666 Shares. The Shares were issued on 16 September 2022.

**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 with the advancement of its Kanyika Project.

**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, except for the following:

**Additional \$500,000 Loan Facility received from Director Bo Tan**

On 5 August 2022, the Company executed a loan agreement with Director Bo Tan under which Mr Tan has agreed to provide a further loan facility in the amount of A\$500,000 to assist the Company with its short-term working capital requirements. The loan is unsecured and is repayable in cash or by the issue of fully paid ordinary shares in the Company at a price of 6.35 cents per share, subject to shareholder approval.

**Issue of 16,397,666 Shares following Shareholder Approval of Conversion of March 2022 Facility**

On 14 September 2022, the Company held a general meeting of shareholders at which meeting shareholders approved the conversion of the March 2022 Facility provided by Director Bo Tan of \$1,000,000, plus interest accrued, into fully paid ordinary shares in the Company; resulting in the issue to Director Bo Tan of 16,397,666 Shares. The Shares were issued on 16 September 2022.

**Further Additional \$500,000 Loan Facility received from Director Bo Tan**

On 27 September 2022, the Company executed a loan agreement with Director Bo Tan under which Mr Tan has agreed to provide a further loan facility, which will be drawn down if required, in the amount of A\$500,000 to assist the Company with its short-term working capital requirements. The loan is unsecured and is repayable in cash or by the issue of fully paid ordinary shares in the Company at a price of 6.35 cents per share, subject to shareholder approval.

**Issue of 1,250,000 Options to each of Directors Lau, Tan, Barrett and Choi following Shareholder Approval**

On 14 September 2022, the Company held a general meeting of shareholders at which meeting shareholders approved the issue of 1,250,000 Options to four of the Company's non-executive directors, being Mr Ricky Lau, Mr Bo Tan, Mr Michael Barrett and Mr Michael Choi. The Options are exercisable at A\$0.13 and expire on 30 June 2026. For the full terms and conditions attaching to the Options refer the Notice of General Meeting dated 12 August 2022. The Options were issued on 27 September 2022.

**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 21 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 2022 or subsequently.

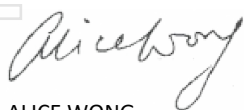
**ROUNDING OF AMOUNTS**

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 17.

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



ALICE WONG  
CHAIRPERSON

Dated this 30th day of September 2022





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 2022, 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;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene 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

Gavin Buckingham  
Partner  
30 September 2022

For personal use only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED  
30 JUNE 2022**

|   | Notes | 30 June<br>2022<br>\$'000 | 30 June<br>2021<br>\$'000 |
|---|-------|---------------------------|---------------------------|
| Interest income   | 5     | 2                         | 23                        |
| Research & development rebate   |       | -                         | 199                       |
| Foreign exchange loss   |       | (60)                      | (30)                      |
| Employee benefits expenses  |       | (537)                     | (642)                     |
| Compliance and regulatory expenses  |       | (166)                     | (160)                     |
| Occupancy expenses  |       | (50)                      | (35)                      |
| Directors fees  |       | (336)                     | (236)                     |
| Depreciation expense  | 6     | (60)                      | (17)                      |
| Business Development  |       | -                         | (1)                       |
| Travel expenses   |       | (82)                      | (55)                      |
| Administrative expenses   | 6a    | (928)                     | (302)                     |
| Exploration expenditure written off   |       | (416)                     | -                         |
| Other expenses  |       | (119)                     | (122)                     |
| <b>Loss before income tax</b>   |       | <b>(2,752)</b>            | <b>(1,378)</b>            |
| Income tax expense  | 7     | -                         | -                         |
| <b>Loss for the year</b>  |       | <b>(2,752)</b>            | <b>(1,378)</b>            |
| <b>Other comprehensive loss after tax</b>   |       |                           |                           |
| <i>Items that will not be reclassified to profit or loss</i>                              |       |                           |                           |
| Changes in the fair value of investments at fair value through other comprehensive income |       | (28)                      | (16)                      |
| <b>Other comprehensive (loss)/income for the year, net of tax</b>                         |       | <b>(28)</b>               | <b>(16)</b>               |
| <b>Total comprehensive loss for the year</b>  |       | <b>(2,780)</b>            | <b>(1,394)</b>            |
| <b>Loss per share attributable to ordinary equity holders of the company</b>              |       | <b>Cents</b>              | <b>Cents</b>              |
| Basic and diluted loss per share  | 27    | (0.60)                    | (0.30)                    |

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT  
30 JUNE 2022**

|  | Note | 30 June 2022<br>\$'000 | 30 June 2021<br>\$'000 |
|--|------|------------------------|------------------------|
| <b>CURRENT ASSETS</b>  |      |                        |                        |
| Cash and cash equivalents                                    | 8    | 431                    | 2,816                  |
| Other receivables  | 9    | 50                     | 57                     |
| Other assets   | 10   | 114                    | 104                    |
| <b>TOTAL CURRENT ASSETS</b>                                  |      | <b>595</b>             | <b>2,977</b>           |
| <b>NON-CURRENT ASSETS</b>                                    |      |                        |                        |
| Exploration and evaluation expenditure                       | 12   | 29,950                 | 29,357                 |
| Investments at fair value through other comprehensive income |      | 24                     | 52                     |
| Plant and equipment  | 11   | 274                    | 248                    |
| Right of use asset   |      | 12                     | 46                     |
| <b>TOTAL NON-CURRENT ASSETS</b>                              |      | <b>30,260</b>          | <b>29,703</b>          |
| <b>TOTAL ASSETS</b>  |      | <b>30,855</b>          | <b>32,680</b>          |
| <b>CURRENT LIABILITIES</b>                                   |      |                        |                        |
| Trade and other payables                                     | 13   | 266                    | 231                    |
| Provisions   | 14   | 46                     | 127                    |
| Lease liability  |      | 24                     | 24                     |
| Loan   | 15   | 1,023                  | -                      |
| <b>TOTAL CURRENT LIABILITIES</b>                             |      | <b>1,359</b>           | <b>382</b>             |
| <b>NON-CURRENT LIABILITIES</b>                               |      |                        |                        |
| Lease liability  |      | -                      | 22                     |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                         |      | <b>-</b>               | <b>22</b>              |
| <b>TOTAL LIABILITIES</b>                                     |      | <b>1,359</b>           | <b>404</b>             |
| <b>NET ASSETS</b>  |      | <b>29,496</b>          | <b>32,276</b>          |
| <b>EQUITY</b>  |      |                        |                        |
| Contributed equity   | 16   | 80,753                 | 80,753                 |
| Financial assets reserve                                     |      | (10)                   | 18                     |
| Accumulated losses   | 17   | (51,247)               | (48,495)               |
| <b>TOTAL EQUITY</b>  |      | <b>29,496</b>          | <b>32,276</b>          |

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 2022**

|  | Contributed<br>equity<br>\$'000 | Accumulated<br>losses<br>\$'000 | Financial<br>Assets Reserve<br>\$'000 | Total<br>\$'000 |
|--|---------------------------------|---------------------------------|---------------------------------------|-----------------|
| <b>Consolidated</b>                          |                                 |                                 |                                       |                 |
| <b>Balance at 30 June 2020</b>               | <b>80,753</b>                   | <b>(47,117)</b>                 | <b>34</b>                             | <b>33,670</b>   |
| Loss for year                                | -                               | (1,378)                         | -                                     | (1,378)         |
| Other comprehensive income for the year      | -                               | -                               | (16)                                  | (16)            |
| <b>Total comprehensive loss for the year</b> | <b>-</b>                        | <b>(1,378)</b>                  | <b>(16)</b>                           | <b>(1,394)</b>  |
| <b>Balance at 30 June 2021</b>               | <b>80,753</b>                   | <b>(48,495)</b>                 | <b>18</b>                             | <b>32,276</b>   |
| <b>Balance at 30 June 2021</b>               | <b>80,753</b>                   | <b>(48,495)</b>                 | <b>18</b>                             | <b>32,276</b>   |
| Loss for year                                | -                               | (2,752)                         | -                                     | (2,752)         |
| Other comprehensive loss for the year        | -                               | -                               | (28)                                  | (28)            |
| <b>Total comprehensive loss for the year</b> | <b>-</b>                        | <b>(2,752)</b>                  | <b>(28)</b>                           | <b>(2,780)</b>  |
| <b>Balance at 30 June 2022</b>               | <b>80,753</b>                   | <b>(51,247)</b>                 | <b>(10)</b>                           | <b>29,496</b>   |

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED  
30 JUNE 2022**

|  | Note  | 30 June 2022<br>\$'000 | 30 June 2021<br>\$'000 |
|--|-------|------------------------|------------------------|
| <b>Cash Flows from Operating Activities</b>                          |       |                        |                        |
| Payments to suppliers and employees (inclusive of value added taxes) |       | (2,325)                | (1,452)                |
| Payments for business development activities                         |       | -                      | (1)                    |
| Interest received  |       | 2                      | 23                     |
| Proceeds from other income   |       | -                      | 199                    |
| <i>Net cash used in operating activities</i>                         | 26(a) | <u>(2,323)</u>         | <u>(1,231)</u>         |
| <b>Cash Flows from Investing Activities</b>                          |       |                        |                        |
| Purchase of plant & equipment  |       | (51)                   | (82)                   |
| Research and development rebate                                      |       | 445                    | -                      |
| Payments for exploration and evaluation                              |       | <u>(1,419)</u>         | <u>(976)</u>           |
| <i>Net cash used in investing activities</i>                         |       | <u>(1,025)</u>         | <u>(1,058)</u>         |
| <b>Cash Flows from Financing Activities</b>                          |       |                        |                        |
| Proceeds from Borrowing  |       | <u>1,023</u>           | -                      |
| <i>Net cash used in financing activities</i>                         |       | <u>1,023</u>           | -                      |
| <b>Net decrease in cash held</b>                                     |       | (2,325)                | (2,289)                |
| <b>Cash and cash equivalents at beginning of financial year</b>      |       | 2,816                  | 5,182                  |
| <b>Effects of exchange rate changes on cash</b>                      |       | <u>(60)</u>            | <u>(77)</u>            |
| <b>Cash and cash equivalents at end of financial year</b>            | 8     | <u><b>431</b></u>      | <u><b>2,816</b></u>    |

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 2022 was authorised for issue in accordance with a resolution of directors on 29 September 2022.

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) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As at 30 June 2022, the Group had cash and cash equivalents of \$0.431 million and had a net working capital deficiency of \$0.764 million due to a short term loan of \$1.023 million at 30 June 2022 which was converted to equity subsequent to year end. The Group incurred a loss for the year ended 30 June 2022 of \$2.752 million (30 June 2021: \$1.378 million loss) and had net cash outflows from operating and investing activities of \$3.348 million (30 June 2021: \$2.289 million). The Group's cashflow forecasts reflect that the Group will be required to raise additional working capital within the next 12 month period to enable it to meet its corporate requirements and continue to progress the financing and development of the Kanyika Project.

In addition, as a condition of the Group's mining license the Group is required to commence substantial on-site development within 18 months from when the mining license was registered, which is currently by 13 February 2023.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue its planned operations, meet its obligations as and when they fall due and thus continue as a going concern, for the following reasons:

- the Company has been issued with a Large Scale Mining Licence for the Kanyika Project which provides it with tenure of twenty-five (25) years from grant date subject to ongoing compliance with the licence terms and conditions. This underscores the project's value;
- the Company has demonstrated in the past its capability to raise equity and or debt funding as and when required;
- in August 2022, subsequent to year end, the Company secured a short term loan facility of \$500,000 from Director Tan;
- in September 2022, subsequent to year end, the Company secured a further short term loan facility of \$500,000 from Director Tan;
- in September 2022 the short term loan facility (current liability) outstanding at 30 June 2022 of \$1.023 million was converted into equity and thus is no longer required to be repaid; and
- the Group has commenced discussions with the Malawi Government to extend the date for the commencement of substantial on site development due to delays in executing a Mine Development Agreement.

The ability of the Group to continue as a going concern is dependent on the Group continuing to secure additional debt and/or equity funding to meet its working capital requirements in the next 12 months and achieving the other matters set out above.

These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

#### (ii) Compliance with IFRS

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

#### (iii) 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 2021 have significant impact on the amounts recognised in the current year or any prior year. See Note 1(w).

#### (iv) 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 are measured at fair value.

#### (v) 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.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### b. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2022. 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.

### 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. Reserves

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

### f. 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)

### g. 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. 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.

Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income. 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.

### h. 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 and short-term deposits.

### *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 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)

### i. 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 profit or loss and other 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 of disposal.

### j. 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.

### k. 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.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **i. 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.

### **m. 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.

### **n. 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.

### **o. Revenue recognition**

The Group recognises revenue when it transfers control over a product or service to a customer.

Other types of income are recognised as follows.

#### *Interest income*

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

#### *Government grants*

Refer note p. below.

#### *Other income*

Other income is generally recognised as received, or when the right to receive the payment has been established.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**p. Government grants – research and development rebate**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

*Research and development tax incentive*

The Group has adopted the income approach to accounting for research and development tax incentive pursuant to AASB120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the Group recognises the eligible expenses. Where the research and development costs are capitalised as an intangible or as exploration costs capitalised, the research and development tax incentive has been offset against the capitalised expenditure.

**q. 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 Group 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 profit or loss and other 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.

**r. 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.

**s. 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.

**t. 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.

*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)

### u. Changes in accounting policies and disclosure

#### ***New and amended standards and interpretations***

Amendments and interpretations apply for the first time as of 1 July 2021 do not have significant 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.

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 2021.

#### ***Standards issued but not yet effective***

##### **Amendments to AASB101: Classification of Liabilities as Current or Non-current**

A consequence of the first amendment is that a liability would be classified as current if its repayment conditions failed their test at reporting date, despite those conditions only becoming effective in the 12 months after the end of the reporting period. In response to this possible outcome, the AASB has proposed further amendments:

- specifying that conditions with which an entity must comply after the reporting period do not affect the classification at the reporting date
- adding presentation and disclosure requirements for non-current liabilities subject to conditions in the next 12 months
- clarifying specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date; and
- deferring the effective date of the original amendments to no earlier than 1 January 2024

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice.

##### **Reference to the Conceptual Framework – Amendment to AASB 3 Business Combination**

In March 2020, the AASB issued Amendments to AASB 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of AASB 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of AASB 137 or AASB Interpretation 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in AASB 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

##### **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to AASB 116**

In June 2020, the AASB issued amendments to AASB 116 Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

##### **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to AASB 137**

In June 2020, the AASB issued amendments to AASB 137 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

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

## 2. FINANCIAL RISK MANAGEMENT

### 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 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 long-term cash deposits and the debt is able to be converted into shares at the Company's option, (subject to shareholder approval), with a fixed interest rate therefore the risk exposure 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 \$0.431 million (2021: \$2,816 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 assets and liabilities is set out in the following table:

| 2022   | Floating interest rate<br>\$'000 | Fixed interest maturing in |                         |                          |                              | Total<br>\$'000 |
|--|----------------------------------|----------------------------|-------------------------|--------------------------|------------------------------|-----------------|
|  |                                  | 0 to 30 days<br>\$'000     | 30 to 60 days<br>\$'000 | 60 to 180 days<br>\$'000 | 180 days to 1 year<br>\$'000 |                 |
| Financial Assets   |                                  |                            |                         |                          |                              |                 |
| Cash at bank   | 431                              | -                          | -                       | -                        | -                            | 431             |
| Trade & other receivables                                    | -                                | -                          | -                       | -                        | 50                           | 50              |
| Investments at fair value through other comprehensive income | -                                | -                          | -                       | -                        | 24                           | 24              |
| Other assets   | -                                | -                          | -                       | -                        | 50                           | 50              |
|  | 431                              | -                          | -                       | -                        | 124                          | 555             |
| Weighted Average Interest Rate                               | 0.01%                            | -                          | -                       | -                        | -                            | -               |
| Trade & other creditors                                      |                                  |                            | (266)                   |                          |                              | (266)           |
| Lease liability  |                                  |                            |                         |                          | (24)                         | (24)            |
| Loan   |                                  |                            |                         | (1,023)                  |                              | (1,023)         |
|  |                                  |                            | (266)                   | (1,023)                  | (24)                         | (1,313)         |
| <b>Net financial assets</b>                                  | <b>431</b>                       | <b>-</b>                   | <b>(266)</b>            | <b>(1,023)</b>           | <b>100</b>                   | <b>(758)</b>    |

2. FINANCIAL RISK MANAGEMENT (*Cont'd*)

| 2021   | Floating<br>interest<br>rate<br>\$'000 | Fixed interest maturing in |                            |                                |                               | Total<br>\$'000 |
|--|--|----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------|
|  |  | 0 to 30<br>days<br>\$'000  | 30 to 60<br>days<br>\$'000 | 60 days<br>to 1 year<br>\$'000 | More than 1<br>Year<br>\$'000 |                 |
| Financial Assets   |  |                            |                            |                                |                               |                 |
| Cash at bank   | 816                                    | 2,000                      | -                          | -                              | -                             | 2,816           |
| Trade & other receivables<br>investments at fair value through<br>other comprehensive income | -                                      | -                          | -                          | -                              | 57                            | 57              |
| Other assets   | -                                      | -                          | -                          | -                              | 52                            | 52              |
|  | -                                      | -                          | -                          | -                              | 43                            | 43              |
|  | 816                                    | 2,000                      | -                          | -                              | 152                           | 2,968           |
| <i>Weighted Average Interest Rate</i>  | 0.01%                                  | 0.27%                      | -                          | -                              |                               |                 |
| Trade & other creditors  |  |                            | (231)                      |                                |                               | (231)           |
| Lease liability  | -                                      | -                          | -                          | (24)                           | (22)                          | (46)            |
|  | -                                      | -                          | (231)                      | (24)                           | (22)                          | (277)           |
|  | -                                      | -                          | (231)                      | (24)                           | (22)                          | (277)           |
| <b>Net financial assets</b>  | <b>816</b>                             | <b>2,000</b>               | <b>(231)</b>               | <b>(24)</b>                    | <b>(130)</b>                  | <b>2,691</b>    |

**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   |                |
|--|----------------|----------------|
|  | 2022<br>\$'000 | 2021<br>\$'000 |
| Change in loss                                   |                |                |
| - increase in interest rate by 1.5% (FY21: 0.5%) | 11             | (15)           |
| - decrease in interest rate by 1.5% (FY21: 0.5%) | (11)           | 15             |

(ii) **Interest rate and liquidity risk exposures**

**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).

The valuation of loans at fair value are based on the net present value of principal and interest when expected to be settled (Level two 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 assumptions 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.

### 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.

#### 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<sub>2</sub>O<sub>5</sub> (niobium pentoxide) and 135ppm Ta<sub>5</sub>O<sub>5</sub> (tantalum pentoxide) at a 1,500 ppm Nb<sub>2</sub>O<sub>5</sub> cut-off.

The Kanyika Niobium Project is currently at the evaluation stage.

##### Africa-Exploration

The Africa-Exploration segment included 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:

| 2022   | Africa-Kanyika | Africa-<br>Exploration | Total          |
|--|----------------|------------------------|----------------|
|  | \$'000         | \$'000                 | \$'000         |
| <b>(i) Segment performance</b>                                       |                |                        |                |
| <i>year ended 30 June 2022</i>                                       |                |                        |                |
| Revenue  | -              | -                      | -              |
| <b>Segment revenue</b>   | -              | -                      | -              |
| <b>Segment loss</b>  | (233)          | (462)                  | (695)          |
| <i>Reconciliation of segment result to group net loss before tax</i> |                |                        |                |
| Other income   |                |                        | 2              |
| Other corporate expenses   |                |                        | (2,059)        |
| <b>Net loss before tax from continuing operations</b>                |                |                        | <b>(2,752)</b> |
| <b>(ii) Segment assets</b>   |                |                        |                |
| <i>as at 30 June 2022</i>  |                |                        |                |
| Exploration expenditure  | 29,950         | -                      | 29,950         |
| Plant and equipment  | 38             | 134                    | 172            |
| Other assets   | 80             | 70                     | 150            |
| <b>Total Segment Assets</b>  | <b>30,068</b>  | <b>204</b>             | <b>30,272</b>  |
| <i>Reconciliation of segment assets to group assets</i>              |                |                        |                |
| Other corporate assets   |                |                        | 583            |
| <b>Total group assets</b>  |                |                        | <b>30,855</b>  |



4. SEGMENT INFORMATION (CONTINUED)

| 2022                         | Africa-Kanyika | Africa-<br>Exploration | Total  |
|------------------------------|----------------|------------------------|--------|
| (iii) Segment liabilities    | \$'000         | \$'000                 | \$'000 |
| <i>as at 30 June 2022</i>    |                |                        |        |
| Trade Creditors and Accruals | 100            | 44                     | 144    |
| Total Segment liabilities    | 100            | 44                     | 144    |

*Reconciliation of segment liabilities to group liabilities*

|                                |  |  |              |
|--------------------------------|--|--|--------------|
| Trade Creditors and Accruals   |  |  | 122          |
| Loan                           |  |  | 1,023        |
| Lease liability                |  |  | 24           |
| Provisions                     |  |  | 46           |
| <b>Total group liabilities</b> |  |  | <b>1,359</b> |

2021

(i) Segment performance

*year ended 30 June 2021*

|                 |       |      |       |
|-----------------|-------|------|-------|
| Revenue         | -     | -    | -     |
| Segment revenue | -     | -    | -     |
| Segment loss    | (197) | (54) | (251) |

*Reconciliation of segment result to group net loss before tax*

|   |  |  |                |
|---|--|--|----------------|
| Other income  |  |  | 222            |
| Other corporate expenses                              |  |  | (1,349)        |
| <b>Net loss before tax from continuing operations</b> |  |  | <b>(1,378)</b> |

(ii) Segment assets

*as at 30 June 2021*

|                         |               |            |               |
|-------------------------|---------------|------------|---------------|
| Exploration expenditure | 29,357        | -          | 29,357        |
| Plant and equipment     | 23            | 135        | 158           |
| Other assets            | 59            | 76         | 135           |
| Total Segment Assets    | <b>29,439</b> | <b>211</b> | <b>29,650</b> |

*Reconciliation of segment assets to group assets*

|                           |  |  |               |
|---------------------------|--|--|---------------|
| Other corporate assets    |  |  | 3,030         |
| <b>Total group assets</b> |  |  | <b>32,680</b> |

(iii) Segment liabilities

*as at 30 June 2021*

|                              |    |    |    |
|------------------------------|----|----|----|
| Trade Creditors and Accruals | 45 | 54 | 99 |
| Total Segment liabilities    | 45 | 54 | 99 |

*Reconciliation of segment liabilities to group liabilities*

|                                |  |  |            |
|--------------------------------|--|--|------------|
| Trade Creditors and Accruals   |  |  | 132        |
| Lease liability                |  |  | 46         |
| Provisions                     |  |  | 127        |
| <b>Total group liabilities</b> |  |  | <b>404</b> |

Geographical Information

|                              | Consolidated  |               |
|------------------------------|---------------|---------------|
|                              | 2022          | 2021          |
|                              | \$'000        | \$'000        |
| Total non-current assets of: |               |               |
| Australia                    | 41            | 121           |
| Africa                       | 30,652        | 29,582        |
| Total                        | <b>30,693</b> | <b>29,703</b> |

Consolidated

|                                    | 2022<br>\$'000 | 2021<br>\$'000 |
|------------------------------------|----------------|----------------|
| <b>5. INCOME</b>                   |                |                |
| <b>Interest income</b>             |                |                |
| - Interest received and receivable | 2              | 23             |
|                                    | <u>2</u>       | <u>23</u>      |

Consolidated

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>6. EXPENSES</b>  |                |                |
| Loss from operations before income tax has been determined after the following items: |                |                |
| Lease expenses (a)  | 54             | 30             |
| Superannuation expenses   | 49             | 48             |
| Business development  | -              | 1              |
| Depreciation  | 60             | 17             |
| Foreign exchange loss   | 60             | 30             |
| Finance Costs   |                |                |
| - Bank Charges  | 6              | 5              |
|   | <u>229</u>     | <u>131</u>     |

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

Consolidated

|                                    | 2022<br>\$'000 | 2021<br>\$'000 |
|------------------------------------|----------------|----------------|
| <b>6.a. ADMINISTRATIVE EXPENSE</b> |                |                |
| Consultant Fee                     | 730            | 264            |
| Advertising                        | 43             | 3              |
| Legal Fee                          | 133            | 12             |
| Others                             | 22             | 23             |
|                                    | <u>928</u>     | <u>302</u>     |

|                              |  | Consolidated   |                |
|------------------------------|--|----------------|----------------|
|                              |  | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>7. INCOME TAX EXPENSE</b> |  |                |                |
| 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   | 2,752          | 1,378          |
|                              | Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2021: 30%)                              | 826            | 413            |
|                              | – Deferred tax assets not recognised   | (826)          | (413)          |
|                              |  | -              | -              |

The tax benefits of the 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.

|    |   |          |          |
|----|---|----------|----------|
| d. | Deferred tax assets /(liabilities) comprise:                  |          |          |
|    | Trade & other payables  | 55       | 39       |
|    | Provision   | 14       | 38       |
|    | Tax losses available for offset against future taxable income | 10,767   | 9,970    |
|    | Net deferred tax assets                                       | 10,836   | 10,047   |
|    | Deferred tax assets not recognised                            | (10,836) | (10,047) |
|    |   | -        | -        |

The Group has tax losses carried forward of \$25.284 million (2021: \$22.752 million) of which \$5.187 million (2021: \$4,516 million) relate to the Group's Malawi subsidiaries. Under Malawi taxation legislation, tax losses of mining companies are able to be carried forward indefinitely and offset against assessable income from mining operations. Individual subsidiary company losses may not be used to offset taxable income elsewhere in the Group. The tax losses of the parent and individual subsidiary companies will only be realised if the individual entities derive future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

|   |              | Consolidated   |                |
|---|--------------|----------------|----------------|
|   |              | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>8. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS</b> |              |                |                |
|   | Cash at bank | 431            | 2,816          |
|   |              | 431            | 2,816          |

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   |                |
|-----------------------------|----------------|----------------|
|                             | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>9. OTHER RECEIVABLES</b> |                |                |
| <b>Current</b>              |                |                |
| GST Receivable              | 23             | 29             |
| VAT Receivable              | 14             | 11             |
| Other Tax Receivable        | 13             | 17             |
|                             | <u>50</u>      | <u>57</u>      |

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

|                         | Consolidated   |                |
|-------------------------|----------------|----------------|
|                         | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>10. OTHER ASSETS</b> |                |                |
| <b>Current</b>          |                |                |
| Prepayments             | 66             | 61             |
| Accrued Interest        | -              | -              |
| Security Deposits       | 41             | 34             |
| Other                   | 7              | 9              |
|                         | <u>114</u>     | <u>104</u>     |

|                                | Consolidated                   |                 |                 |
|--------------------------------|--------------------------------|-----------------|-----------------|
|                                | Plant &<br>Equipment<br>\$'000 | Other<br>\$'000 | Total<br>\$'000 |
| <b>11. PLANT AND EQUIPMENT</b> |                                |                 |                 |
| <b>Year ended 30 June 2022</b> |                                |                 |                 |
| Opening net book amount        | 188                            | 60              | 248             |
| Additions                      | 41                             | 10              | 51              |
| Depreciation charge            | (21)                           | (4)             | (25)            |
| Closing net book amount        | <u>208</u>                     | <u>66</u>       | <u>274</u>      |
| <b>At 30 June 2022</b>         |                                |                 |                 |
| Cost                           | 782                            | 162             | 944             |
| Accumulated depreciation       | (574)                          | (96)            | (670)           |
| Net book value                 | <u>208</u>                     | <u>66</u>       | <u>274</u>      |
| <b>Year ended 30 June 2021</b> |                                |                 |                 |
| Opening net book amount        | 124                            | 59              | 183             |
| Additions                      | 79                             | 3               | 82              |
| Depreciation charge            | (15)                           | (2)             | (17)            |
| Closing net book amount        | <u>188</u>                     | <u>60</u>       | <u>248</u>      |
| <b>At 30 June 2021</b>         |                                |                 |                 |
| Cost                           | 741                            | 152             | 893             |
| Accumulated depreciation       | (553)                          | (92)            | (645)           |
| Net book value                 | <u>188</u>                     | <u>60</u>       | <u>248</u>      |

|   | Consolidated   |                |
|---|----------------|----------------|
|   | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>12. EXPLORATION AND EVALUATION EXPENDITURE</b>         |                |                |
| <b>Non-Current</b>  |                |                |
| Costs carried forward in respect of areas of interest in: |                |                |
| Exploration and evaluation phases – at cost               | 29,950         | 29,357         |
| <b>Exploration and evaluation expenditure total</b>       | <b>29,950</b>  | <b>29,357</b>  |
| <i>comprising:</i>  |                |                |
| Kanyika Niobium Project                                   | 29,950         | 29,357         |
| <b>Total exploration and evaluation phases – at cost</b>  | <b>29,950</b>  | <b>29,357</b>  |
| Opening balance   | 29,357         | 28,349         |
| Exploration expenditure capitalised during the year       | 1,454          | 1,008          |
| Research and development rebate                           | (445)          | -              |
| Exploration expenditure written off                       | (416)          | -              |
| <b>At reporting date</b>                                  | <b>29,950</b>  | <b>29,357</b>  |

#### **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 2022.

The amount written off relates to the cost capitalised on the license EPL0421/15R2 which expired during the year.

It is noted that on 13 August 2021 Globe's wholly owned subsidiary, Globe Metals & Mining (Africa) Limited (**GMMA**) was granted Large Scale Mining Licence LM0216/21. LM0216/21 is valid for twenty-five (25) years and entitles GMMA the exclusive right to prospect for and mine minerals(s) in the licence area on the terms and conditions attaching to the licence. The most material of these terms and conditions are listed below.

The licensee shall:

1. Pay annual charges prescribed under the Mines and Minerals (Mineral Rights) Regulations 1981 and mineral royalties in accordance with the Mines and Minerals Act.
2. Have a right to mine and process pyrochlore
3. Endeavour to give employment preferentially to citizens of Malawi
4. Endeavour to procure goods and services produced and manufactured in Malawi provided that they can be obtained at competitive terms and in comparable quality.
5. Submit reports to the Registrar of Mineral Tenements as required
6. Comply with all conditions imposed under Part VIII of the Mines and Minerals Act (No. 8 of 2019); including the requirements of s174(1)(a) and (b), as follows:

“174(1) Subject to subsections (4) and (6), a holder of a large-scale mining licence shall:

- (a) commence substantial on-site mine development within eighteen (18) months measured from the date that the mining licence is registered;
- (b) commence substantial mineral production no later than sixty (60) months from the date that the mining licence is registered development with eighteen (18) months measured from the date that the mining licence is registered.”

As at the date of this report, the Company is in compliance with the licence conditions. Insofar as the requirement to commence substantial on-site mine development within eighteen (18) months measured from the date that the mining licence is registered is concerned, the Company has advised the Malawi Government that the failure to execute the Mine Development Agreement has delayed on-site development. If required, the Company will formally seek an extension.

Pursuant to the Mines and Minerals Act, the Malawi Government is entitled to a 10% free equity interest, subject to formally notifying GMMA of its desire to take up its entitlement. As at the date of this report, Globe or GMMA are yet to receive any such notice. The Mine Development Agreement when executed acknowledges the Malawi Government's 10% equity interest.

#### **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.

|                                     | Consolidated   |                |
|-------------------------------------|----------------|----------------|
|                                     | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>13. TRADE AND OTHER PAYABLES</b> |                |                |
| <b>Current</b>                      |                |                |
| Trade creditors                     | 10             | 21             |
| Other creditors and accruals        | 256            | 210            |
|                                     | <b>266</b>     | <b>231</b>     |

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.

|                             | Consolidated   |                |
|-----------------------------|----------------|----------------|
|                             | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>14. PROVISIONS</b>       |                |                |
| <b>Current</b>              |                |                |
| Employee benefit provisions | 46             | 127            |
|                             | <b>46</b>      | <b>127</b>     |

|                         | Consolidated   |                |
|-------------------------|----------------|----------------|
|                         | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>15. LOAN</b>         |                |                |
| <b>Current</b>          |                |                |
| Loan including interest | 1,023          | -              |
|                         | <b>1,023</b>   | <b>-</b>       |

The key terms of the March 2022 Facility Loan are as follows:

|                        |   |
|------------------------|---|
| Loan Amount:           | A\$1,000,000  |
| Interest Rate:         | 8% per annum  |
| Default Interest Rate: | 20% per annum   |
| Term:                  | 6 months  |
| Repayment:             | Repayable in cash or by the issue of fully paid ordinary shares at a price of 6.35 cents per share, subject to shareholder approval. At any time on or before the Maturity Date, the Group may, by notice (Conversion Notice) to the Lender, elect to convert some or all of the Money Owing (Conversion Amount) into Shares in the Borrower by way of the Borrower issuing Shares to the Lender, provided that the Borrower shall have prior to issuing the Conversion Notice obtained all shareholder, regulatory and other approvals necessary to enable the conversion of the Money Owing into Shares as contemplated under such Conversion Notice. |

|                               | Consolidated  |                    |               |                    |
|-------------------------------|---------------|--------------------|---------------|--------------------|
|                               | 2022          |                    | 2021          |                    |
|                               | \$'000        | Number             | \$'000        | Number             |
| <b>16. CONTRIBUTED EQUITY</b> |               |                    |               |                    |
| Fully paid ordinary shares    | 80,753        | 465,922,373        | 80,753        | 465,922,373        |
|                               | <b>80,753</b> | <b>465,922,373</b> | <b>80,753</b> | <b>465,922,373</b> |

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

|   | Consolidated  |                    |               |                    |
|---|---------------|--------------------|---------------|--------------------|
|   | 2022          |                    | 2021          |                    |
|   | \$'000        | Number             | \$'000        | Number             |
| Fully paid ordinary shares at beginning of reporting year | 80,753        | 465,922,373        | 80,753        | 465,922,373        |
| <b>Balance at the end of reporting year</b>               | <b>80,753</b> | <b>465,922,373</b> | <b>80,753</b> | <b>465,922,373</b> |

**(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.

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 capital risk management policy remains unchanged from the 30 June 2021 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.

|   | Consolidated    |                 |
|---|-----------------|-----------------|
|   | 2022<br>\$'000  | 2021<br>\$'000  |
| <b>17. ACCUMULATED LOSSES</b>                             |                 |                 |
| <b>(a) Accumulated losses</b>                             |                 |                 |
| Accumulated losses at the beginning of the financial year | (48,495)        | (47,117)        |
| Net loss attributable to shareholders                     | (2,752)         | (1,378)         |
| Accumulated losses at the end of the financial year       | <b>(51,247)</b> | <b>(48,495)</b> |

## 18. 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 * |      |
|---|--------------------------|---------------------------------|-----------------|------------------|------|
|   |                          |                                 |                 | 2022             | 2021 |
| 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.

## 19. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

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

## 20. 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 2022 and 2021 :

|                   |   |
|-------------------|---|
| Alice Wong        | Non-Executive Chairperson                               |
| Grant Hudson      | Chief Executive Officer (Appointed on 10 January 2022)  |
| Alistair Stephens | Managing Director and CEO (Resigned on 09 January 2022) |
| William Hayden    | Non-Executive Director (Resigned on 31 December 2021)   |
| Bo Tan            | Non-Executive Director                                  |
| Ricky Lau         | Non-Executive Director                                  |
| Michael Barrett   | Non-Executive Director (Appointed on 17 December 2021)  |
| Michael Choi      | Non-Executive Director (Appointed on 17 December 2021)  |
| Rex Zietsman      | Chief Technical Officer (Appointed on 11 January 2022)  |
| Michael Fry       | Chief Financial Officer and Company Secretary           |

### (b) Remuneration of key management personnel

|                                  | Consolidated     |                |
|----------------------------------|------------------|----------------|
|                                  | 2022             | 2021           |
|                                  | \$               | \$             |
| Short term employee benefits     | 1,089,143        | 899,389        |
| Post-employment                  | 15,172           | 47,457         |
| Long term employee benefits      | 6,943            | 48,564         |
| Termination/Resignation payments | 98,494           | -              |
|                                  | <b>1,209,752</b> | <b>995,410</b> |

Detailed remuneration disclosures are provided in the remuneration report on pages 9 to 14.

### (c) Loans to and from key management personnel

There were no outstanding unsecured loans to Key management personnel at 30 June 2022 (2021: Nil).

As at 30 June 2022, there was \$1.023 million payable to Director Bo Tan in relation to unsecured loans outstanding from key management personnel (2021: Nil). Refer to Note 15 for further details.

### (d) Other transactions with key management personnel

There were no other transactions with Key Management Personnel during the year ended 30 June 2022 or in existence at 30 June 2022 (2021: Nil), other than a loan of \$1.0 million provided by Director Bo Tan. Refer to Note 15 for further details.



|   | Consolidated  |               |
|---|---------------|---------------|
|   | 2022          | 2021          |
|   | \$            | \$            |
| <b>21. AUDITORS' REMUNERATION</b>   |               |               |
| <b>Fees to Ernst &amp; Young (Australia)</b>  |               |               |
| - Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities | 65,663        | 63,075        |
| <b>Total fees to Ernst &amp; Young (Australia) (A)</b>  | <b>65,663</b> | <b>63,075</b> |
| <b>Fees to other overseas member firms of Ernst &amp; Young (Australia)</b>   |               |               |
| - Fees for auditing the financial report of any controlled entities   | 25,824        | 30,533        |
| <b>Total fees to overseas member firms of Ernst &amp; Young (Australia) (B)</b>   | <b>25,824</b> | <b>30,533</b> |
| <b>Total auditor's remuneration (A) + (B)</b>   | <b>91,487</b> | <b>93,608</b> |

## 22. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2022 (30 June 2021: nil), and the interval between 30 June 2022 and the date of this report.

## 23. 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 |            |
|--|--------------|------------|
|  | 2022         | 2021       |
|  | \$'000       | \$'000     |
| Not longer than one year                             |              | 161        |
| Longer than one year, but not longer than five years | -            | -          |
|  |              | <b>161</b> |

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 |           |
|--|--------------|-----------|
|  | 2022         | 2021      |
|  | \$'000       | \$'000    |
| Not longer than one year                             | 71           | 43        |
| Longer than one year, but not longer than five years | -            | -         |
| Longer than five years                               | -            | -         |
|  | <b>71</b>    | <b>43</b> |

Lease expenses relate to the leases for office and staff accommodation in Malawi.

## 24. 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 20.
- (c) *Other related party transactions:*  
Nil.

## 25. 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, except for the following:

### Additional \$500,000 Loan Facility received from Director Bo Tan

On 5 August 2022, the Company executed a loan agreement with Director Bo Tan under which Mr Tan has agreed to provide a further loan facility in the amount of A\$500,000 to assist the Company with its short-term working capital requirements. The loan is unsecured and is repayable in cash or by the issue of fully paid ordinary shares in the Company at a price of 6.35 cents per share, subject to shareholder approval.

### Issue of 16,397,666 Shares following Shareholder Approval of Conversion of March 2022 Facility

On 14 September 2022, the Company held a general meeting of shareholders at which meeting shareholders approved the conversion of the March 2022 Facility provided by Director Bo Tan of \$1,000,000, plus interest accrued, into fully paid ordinary shares in the Company; resulting in the issue to Director Bo Tan of 16,397,666 Shares. The Shares were issued on 16 September 2022.

### Issue of 1,250,000 Options to each of Directors Lau, Tan, Barrett and Choi following Shareholder Approval

On 14 September 2022, the Company held a general meeting of shareholders at which meeting shareholders approved the issue of 1,250,000 Options to four of the Company's non-executive directors, being Mr Ricky Lau, Mr Bo Tan, Mr Michael Barrett and Mr Michael Choi. The Options are exercisable at A\$0.13 and expire on 30 June 2026. For the full terms and conditions attaching to the Options refer the Notice of General Meeting dated 12 August 2022. The Options were issued on 27 September 2022.

### Further Additional \$500,000 Loan Facility received from Director Bo Tan

On 27 September 2022, the Company executed a loan agreement with Director Bo Tan under which Mr Tan has agreed to provide a further loan facility, which will be drawn down if required, in the amount of A\$500,000, to assist the Company with its short-term working capital requirements. The loan is unsecured and is repayable in cash or by the issue of fully paid ordinary shares in the Company at a price of 6.35 cents per share, subject to shareholder approval.

|  | Consolidated   |                |
|--|----------------|----------------|
|  | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>26. RECONCILIATION OF LOSS AFTER INCOME TAX TO<br/>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b> |                |                |
| <b>(a) Reconciliation of cash flow used in operations with loss after tax</b>                        |                |                |
| - Loss after income tax  | (2,752)        | (1,378)        |
| Non-cash flows in loss from operations   |                |                |
| - Exploration expenditure written off  | 416            |                |
| - Depreciation   | 60             | 17             |
| Changes in assets and liabilities  |                |                |
| - Increase / (Decrease) in receivables and other current assets                                      | (12)           | 30             |
| - Increase / (Decrease) in trade and other payables and provisions                                   | (35)           | 100            |
| <b>Net cash outflows from operating activities</b>   | <b>(2,323)</b> | <b>(1,231)</b> |

### **(b) Non-cash investing and financing activities**

There were no non-cash investing and financing activities during the year and 2021.

Consolidated

|   | 2022<br>\$'000      | 2021<br>\$'000      |
|---|---------------------|---------------------|
| <b>27. LOSS PER SHARE</b>   |                     |                     |
| (a) Loss used in the calculation of basic and diluted loss per share  | (2,752)             | (1,378)             |
|   | Number of<br>Shares | Number of<br>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 2022 is nil (2021: nil).

Parent

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>28. PARENT ENTITY INFORMATION</b>            |                |                |
| <b><i>Statement of comprehensive income</i></b> |                |                |
| Profit after income tax                         | 156            | 1,099          |
| Other comprehensive income                      | 28             | 16             |
| Total comprehensive income                      | 184            | 1,115          |
| <b><i>Statement of financial position</i></b>   |                |                |
| Total current assets                            | 316            | 2,715          |
| Total assets                                    | 13,734         | 12,636         |
| Total current liabilities                       | 140            | 249            |
| Total liabilities                               | 1,185          | 271            |
| Net assets                                      | 12,549         | 12,365         |
| Equity  |                |                |
| Contributed equity                              | 80,753         | 80,753         |
| Financial assets reserve                        | (10)           | (18)           |
| Accumulated losses                              | (68,194)       | (68,370)       |
| Total equity                                    | 12,549         | 12,365         |

*Guarantees entered into by the parent entity*

The parent entity had no guarantees as of 30 June 2022 or 30 June 2021.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2022 or 30 June 2021.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 or 30 June 2021.

*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

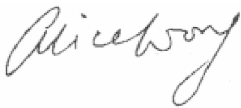
In the directors' opinion:

- a) the financial statements and notes set out on pages 18 to 43 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 2022 and of its performance for the financial year ended on that date, and
- b) subject to the matters set out in Note 1(a)(i) to the financial report, 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.



Dated 30<sup>th</sup> day of September 2022



**Building a better  
working world**

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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 2022, 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 2022 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.

#### **Material uncertainty related to going concern**

We draw attention to Note 1a(i) in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

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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 matter below, provide the basis for our audit opinion on the accompanying financial report.

### Carrying amount of capitalised exploration and evaluation assets for the Kanyika Niobium Project

| Why significant   | How our audit addressed the key audit matter  |
|---|---|
| <p>As disclosed in Note 12 to the financial report, as at 30 June 2022, the Group held capitalised exploration and evaluation expenditure assets of \$29,950,000 relating to the Kanyika Niobium Project.</p> <p>The carrying amount of exploration and evaluation expenditure assets is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure asset may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year the Group determined that there had been no indicators of impairment of the exploration and evaluation asset relating to the Kanyika Niobium Project.</p> <p>Given the size of the balance relative to the Group's total assets and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.</p> | <p>We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying amount of exploration and evaluation assets relating to the Kanyika Niobium Project to be tested for impairment. In performing our audit procedures, we:</p> <ul style="list-style-type: none"> <li>▶ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as licence agreements.</li> <li>▶ Considered the Group's intention to carry out exploration and evaluation activity in the relevant exploration area which included an assessment of the Group's cash-flow forecast provided for expenditure for planned exploration and evaluation activities, and enquiring with senior management and Directors as to the intentions and strategy of the Group.</li> </ul> <p>Considered the Group's assessment of whether the commercial viability of extracting mineral resources had been demonstrated and whether it was appropriate to continue to classify the capitalised expenditure for the area of interest as an exploration and evaluation asset.</p> <ul style="list-style-type: none"> <li>▶ Considered whether there was any other data or information that indicated the carrying amount of the capitalised exploration and evaluation asset would not be recovered in full from successful development or by sale.</li> <li>▶ Assessed the adequacy of the disclosure in Note 12 to the financial report.</li> </ul> |



## 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 2022 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 the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Globe Metals and Mining Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

### 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.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Gavin Buckingham'.

Gavin Buckingham  
Partner  
Perth  
30 September 2022

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