

Globe
Metals & Mining

GLOBE METALS AND MINING LIMITED
ABN 33 114 400 609
AND CONTROLLED ENTITIES

Half Year Financial Report
31 December 2016

CORPORATE DIRECTORY

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

Company Secretary
Mr Michael Fry

Principal & Registered Office
137A Lake Street
Northbridge WA 6003
Telephone: (08) 9328 9368
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
Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

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

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DIRECTORS' REPORT

The directors of Globe Metals & Mining Limited ('**Globe**' or '**the Company**') submit the financial report of the Company and its controlled entities for the half year ended 31 December 2016.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

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

Directors have held office for the entire period and to date of this report unless otherwise stated.

COMPANY SECRETARY

Michael Fry was appointed Company Secretary on 1 February 2015.

RESULTS

The result for the half year ended 31 December 2016 attributable to members of Globe was a net loss after tax of $0.979 Million (2015: $4.560 Million).

DIVIDENDS

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

REVIEW OF OPERATIONS

During the half year ending 31 December 2016, Globe's main operational focus was on the advancement of its niobium project in Malawi (Africa).

Kanyika Niobium Project

During the half year, the Company continued to seek parties interested in off-take agreements for niobium and tantalum, and explored a range of financing and investment options. At the same time, the Company continued to examine opportunities for project enhancement, including reconfiguration of project arrangements.

The overall Definitive Feasibility Study remains incomplete until costed off-take agreements are in place.

Chiziro Graphite Project

During the half year ended 31 December 2016, Globe investigated opportunities for third party involvement in the Project.

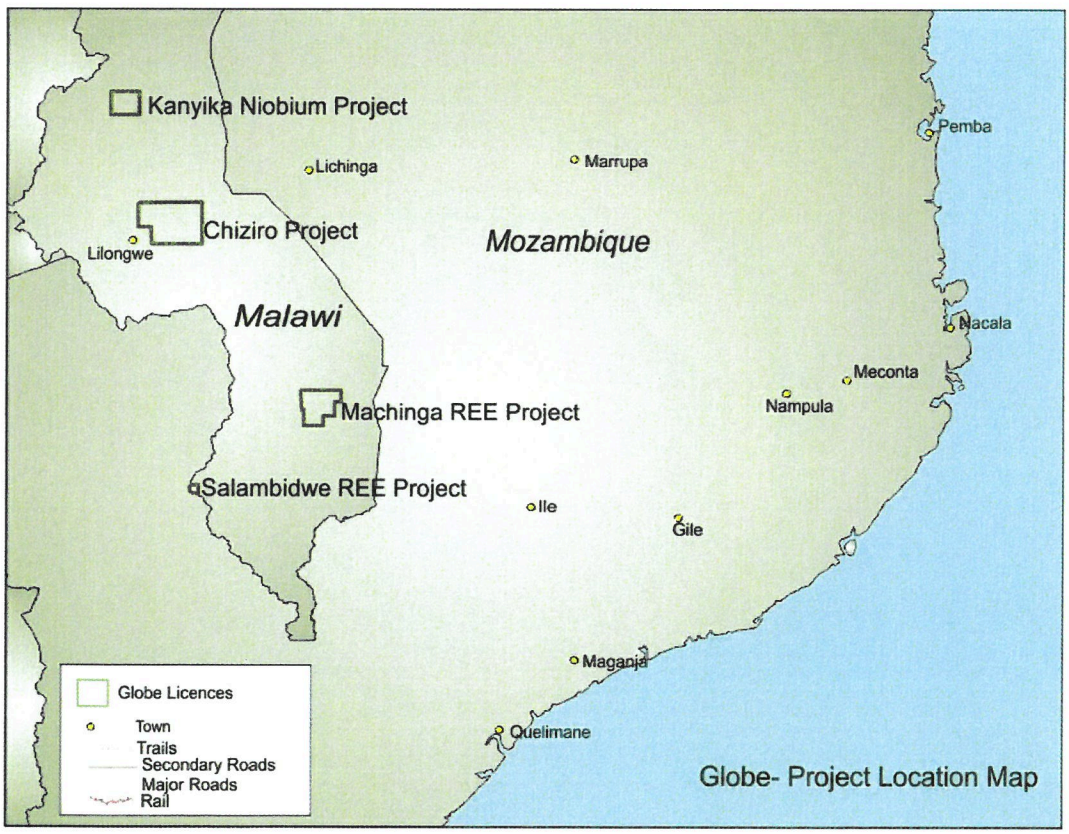
Mineral Tenement Schedule

Project	Location	Status	Tenement	Globe's interest
Kanyika Niobium (i)	Malawi	Pending	Under mining lease application	100%
Kanyika Exploration	Malawi	Granted	EPL0421/15	100%
Chiziro	Malawi	Granted	EPL0299/10R	100%

(i) a Mining lease application lodged with Malawi's Ministry of Natural resources, Energy & Mining on 5 December 2014 covering in part the area previously covered by EPL1088/05 has been approved subject to the finalisation of a Development Agreement.

Note: EPL: Exclusive Prospecting Licence (Malawi)

Project Location Map



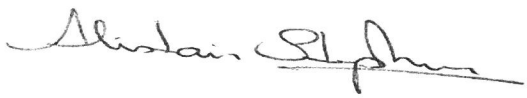
AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half year ended 31 December 2016.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/91, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report and the half-year financial report have been rounded off in accordance with that Instrument to the nearest thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of directors.



Mr Alistair Stephens
Managing Director

Dated this 15th day of March 2017

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

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Auditor's Independence Declaration to the Directors of Globe Metals & Mining Limited

As lead auditor for the review of Globe Metals & Mining Limited for the half-year ended 31 December 2016, 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 review; and

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

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

Ernst & Young

T G Dachs
Partner
15 March 2017

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GLOBE METALS AND MINING LIMITED
ABN 33 114 400 609
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 December 2016

	Note	31 December 2016 $'000	31 December 2015 $'000
Interest income		**58**	103
Other Income		**2**	-
Administrative expenses		**(198)**	(306)
Business Development		**(17)**	(187)
Compliance and regulatory expenses		**(73)**	(78)
Depreciation expenses		**(40)**	(86)
Exploration expenditure written off	3	**-**	(3,458)
Directors fees		**(132)**	(140)
Employee benefits expenses		**(404)**	(390)
Occupancy expenses		**(49)**	(60)
Travel expenses		**(12)**	(43)
Foreign currency (loss)/gain		**(15)**	123
Other expenses		**(99)**	(38)
Loss before income tax		**(979)**	(4,560)
Income tax expense		**-**	-
Loss for the half year		**(979)**	(4,560)
Other comprehensive income		-	-
Total comprehensive loss for the half year		**(979)**	(4,560)

Loss Per Share attributable to ordinary equity holders of the Company	**Cents**	**Cents**
Basic and diluted loss per share	(0.21)	(0.97)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

GLOBE METALS AND MINING LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	31 December 2016 $'000	30 June 2016 $'000
CURRENT ASSETS			
Cash and cash equivalents		**2,174**	13,245
Term deposit		**10,000**	-
Trade and other receivables		**56**	58
Other current assets		**121**	114
TOTAL CURRENT ASSETS		**12,351**	13,417
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	3	**27,054**	26,918
Financial assets		**44**	34
Plant and equipment		**245**	301
TOTAL NON-CURRENT ASSETS		**27,343**	27,253
TOTAL ASSETS		**39,694**	40,670
CURRENT LIABILITIES			
Trade and other payables		**249**	266
Provisions	4	**821**	801
TOTAL CURRENT LIABILITIES		**1,070**	1,067
TOTAL LIABILITIES		**1,070**	1,067
NET ASSETS		**38,624**	39,603
EQUITY			
Issued capital	5	**80,825**	80,825
Accumulated losses		**(42,201)**	(41,222)
TOTAL EQUITY		**38,624**	39,603

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

GLOBE METALS AND MINING LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2016

	ɔntributed Equity	Accumulated Losses	Total
	$'000	$'000	$'000
Balance at 1 July 2015	80,825	(34,339)	46,486
Loss for the period	-	(4,560)	(4,560)
Other comprehensive loss	-	-	-
Total comprehensive loss for the period	-	(4,560)	(4,560)
Balance at 31 December 2015	80,825	(38,899)	41,926
Balance at 1 July 2016	**80,825**	**(41,222)**	**39,603**
Loss for the period	-	(979)	(979)
Other comprehensive loss	-	-	-
Total comprehensive loss for the period	**-**	**(979)**	**(979)**
Balance at 31 December 2016	**80,825**	**(42,201)**	**38,624**

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

GLOBE METALS AND MINING LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2016

	31 December 2016 $'000	31 December 2015 $'000
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of value added taxes)	(961)	(1,325)
Proceeds from other income	2	36
Interest received	45	103
Net cash used in operating activities	**(914)**	(1,186)
Cash flows from investing activities		
Payment for term deposit	(10,000)	-
Payments for exploration and evaluation assets	(160)	(437)
Proceeds from the sale of plant and equipment	26	3
Payments for plant and equipment	(8)	(5)
Net cash used in investing activities	**(10,142)**	(436)
Cash flows from financing activities		
Proceeds from shares issued	-	-
Net cash provided by financing activities	**-**	-
Net decrease in cash and cash equivalents	(11,056)	(1,622)
Cash and cash equivalents at the beginning of half year	**13,245**	16,013
Effects of exchange rate on cash and cash equivalents	(15)	123
Cash and cash equivalents at the end of half year	**2,174**	14,514

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

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2016 has been prepared in accordance with *Australian Accounting Standard* AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Globe Metals and Mining Limited (the "Company") during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

New or revised standards and interpretations that are first effective in the current reporting period
The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. There are no new and revised standards that have any material impact of the Group's Financial Statements.

NOTE 2: SEGMENT INFORMATION

The consolidated entity 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 reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The consolidated entity has two reportable segments based on the development stage of the projects and of the mineral resource and exploration activities in Africa. 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 with an estimated resource of 68 million tonnes.

Africa-Exploration
For the half-year ending 31 December 2016, the Africa-Exploration segment includes the following exploration projects:

- Chiziro Graphite project in Malawi
- Kanyika exploration project in Malawi

The exploration rights in Machinga REE and Salambidwe REE projects were relinquished in the financial year ended 30 June 2016. The segment information disclosed for the half-year ending 31 December 2015 relates to the Chiziro Graphite, Machinga REE and Salambidwe REE projects.

NOTE 2: SEGMENT INFORMATION (CONT)

	Africa - Kanyika $'000	Africa - Exploration $'000	Total $'000
(i) Segment performance			
Six months ended 31 December 2016			
Segment revenue	-	-	-
Segment result	**(430)**	**(374)**	**(804)**
Reconciliation of segment result to group net loss before tax			
Unallocated items:			
• Other revenue			**60**
• Other corporate expenses			**(235)**
Net loss before tax from continuing operations			**(979)**
(ii) Segment assets			
As at 31 December 2016			
• Plant and equipment	**31**	**140**	**171**
• Exploration and evaluation expenditure	**27,054**		**27,054**
• Cash and cash equivalents	**23**	**4**	**27**
• Other assets	**89**	**5**	**94**
Total Segment assets	**27,197**	**149**	**27,346**
Reconciliation of segment assets to group assets			
• Cash and cash equivalents			**2,147**
• Term deposit			**10,000**
• Other corporate assets			**201**
Total Assets			**39,694**
(iii) Segment performance			
Six months ended 31 December 2015			
Segment revenue	-	-	-
Segment result	(250)	(3,492)	(4,192)
Reconciliation of segment result to group net loss before tax			
Unallocated items:			
• Other revenue			103
• Other corporate expenses			(471)
Net loss before tax from continuing operations			(4,560)
(iv) Segment assets			
As at 30 June 2016			
• Plant and equipment	31	181	212
• Exploration and evaluation expenditure	26,918		26,918
• Other assets	106	39	145
Total Segment assets	27,055	220	27,275
Reconciliation of segment assets to group assets			
• Cash and cash equivalents			13,245
• Other corporate assets			150
Total Assets			40,670

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Half year ended 31 December 2016 $'000	Year ended 30 June 2016 $'000	Half-year ended 31 December 2015 $'000
Non-Current			
Costs carried forward in respect of areas of interest in:			
Exploration and evaluation phases – at cost	**27,054**	26,918	27,740
Opening balance	**26,918**	30,879	30,879
Exploration expenditure capitalised during half year	**136**	630	319
Exploration expenditure written off[(a)]	**-**	(4,591)	(3,458)
At reporting date	**27,054**	26,918	27,740

(a) Relates to the Chiziro Graphite Project, Machinga & Salimbidwe areas of interest, which were written down to nil during the year ended 30 June 2016. Note that only the Machinga & Salimbidwe areas of interest were written down to nil during the half-year ended 31 December 2015.

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;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- 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, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 4: PROVISIONS

	December 2016 $'000	June 2016 $'000
Current		
Employee benefit provisions	**121**	114
Provision for foreign tax	**700**	687
	821	801

Movement in the provision for foreign tax is comprised as follows:

	Half-year ended 31 December 2016 $'000	Year ended 30 June 2016 $'000	Half-year ended 31 December 2015 $'000
Opening balance	**687**	741	741
Add: provision raised during the year	**-**	456	3
Less: Amounts previously provided for replaced by assessment	**-**	(356)	-
(Less)/Add: foreign currency exchange adjustment	**13**	(154)	(205)
	700	687	539

The provision for foreign tax is based upon assessments received which the Company is defending. The provision has been estimated by the Company in accordance with the requirements of Australian Accounting Standards.

NOTE 5: ISSUED CAPITAL

	31 December 2016		30 June 2016	
	$'000	Number	$'000	Number
Fully paid ordinary shares	80,825	469,729,062	80,825	469,729,062

NOTE 6: COMMITMENTS

(a) Exploration commitments

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

	31 December 2016 $'000	31 December 2015 $'000
Not longer than one year	672	958
Longer than one year, but not longer than 5 years	-	479
	672	1,437

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Consolidated 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) Operating lease expenditure commitments

Operating lease expenses relate to leases for office and staff accommodation in Malawi, and office accommodation in Perth:

	31 December 2016 $'000	31 December 2015 $'000
Not longer than one year	121	37
Longer than one year, but not longer than 5 years	86	-
	207	37

The Company's corporate head office relocated in January 2017 at 137 Lake Street, Perth WA 6000. The agreement operates on a 3 year term.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

There are no material contingent assets and liabilities that exist as at reporting date.

NOTE 9: DIVIDENDS

No dividends have been paid or provided for the period.

DIRECTORS' DECLARATION

In the directors' opinion:

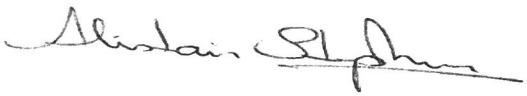
(a) The financial statements set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date, and

(b) there are reasonable grounds to believe that Globe Metals and Mining Limited will be able to pay its debts as and when they become due and payable.

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



Mr Alistair Stephens
Managing Director

Dated this 15th day of March 2017

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

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To the members of Globe Metals & Mining Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Globe Metals & Mining Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Globe Metals & Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Globe Metals & Mining Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

T G Dachs
Partner
15 March 2017

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