

Globe
Metals & Mining

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

Half Year Financial Report
31 December 2017

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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 2017.

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, Deputy Chairperson and Chief Executive Officer
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.

COMPANY SECRETARY

Michael Fry

RESULTS

The result for the half year ended 31 December 2017 attributable to members of Globe was a net loss after tax of $0.691 Million (2016: $0.979 Million).

REVIEW OF OPERATIONS

During the half year ending 31 December 2017, 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 the project design. Arising from this, the mining and plant designs and engineering study components of the Definitive Feasibility Study are in the process of being revised and updated to incorporate the findings from improvement programs and other engineering design changes.

The Definitive Feasibility Study will remain incomplete until costing of the capital and operating costs have been tendered and accessed. Results are anticipated to be available in the second half of the 2018 financial year.

Chiziro Graphite Project

In September 2017, Globe took the decision to relinquish the Chiziro Graphite Project due to a determination that the investment required to advance the project to a decision to mine was not warranted against the considerable risks and projected return, and oversupply and overcapacity of operations in the graphite market.

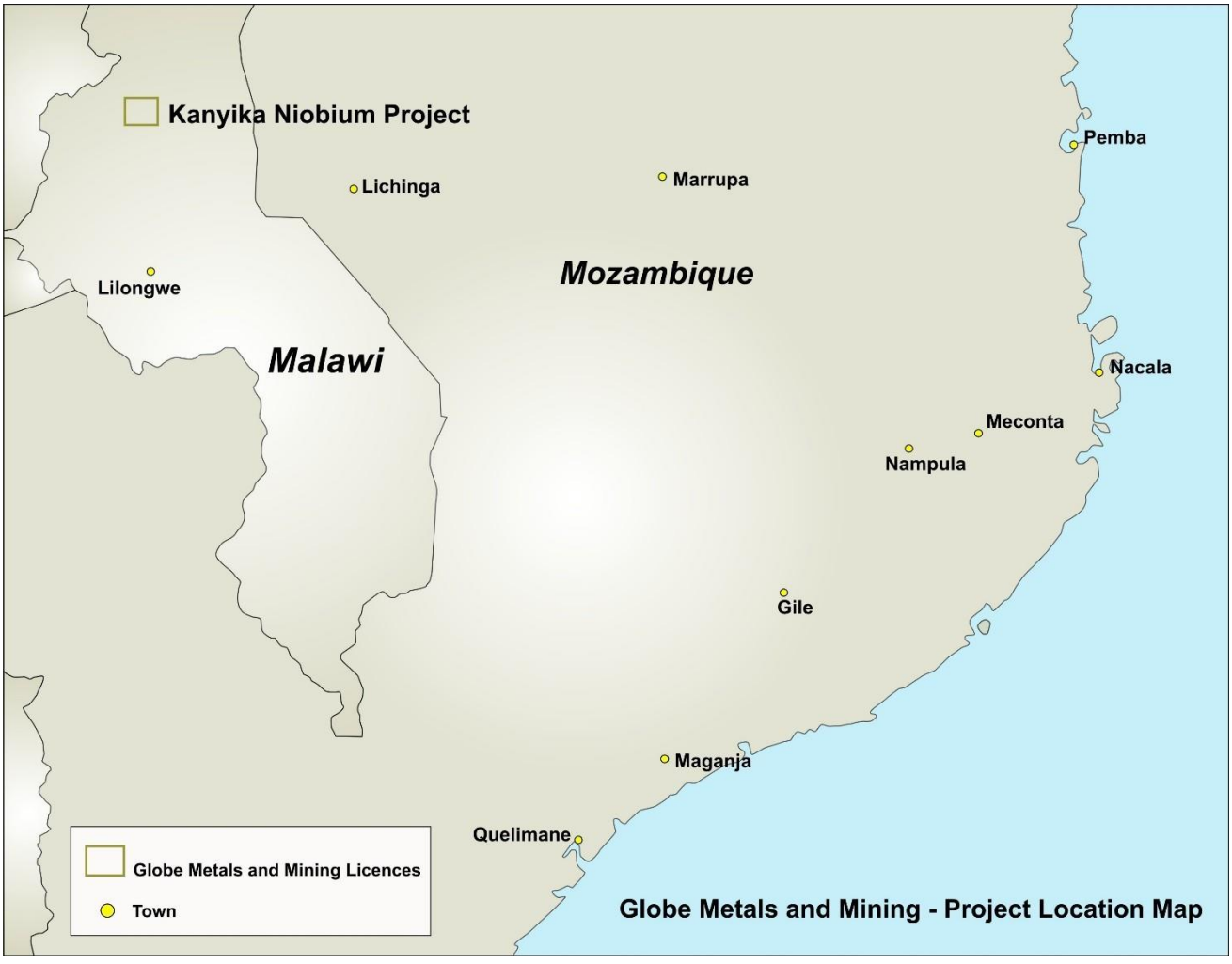
Mineral Tenement Schedule

Project	Location	Status	Tenement	Globe's interest
Kanyika Niobium (i)	Malawi	Granted	Under mining lease application	100%
Kanyika Exploration	Malawi	Granted	EPL0421/15	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 and has been approved subject to the finalisation of a Development Agreement. This agreement currently remains with the Malawi Government.

Note: EPL: Exclusive Prospecting Licence (Malawi)

Project Location Map



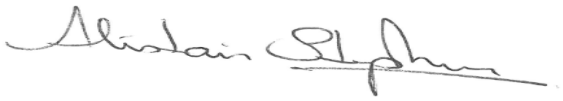
AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half year ended 31 December 2017.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Therefore, 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 12th day of March 2018

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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 2017, 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
Perth
12 March 2018

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TD:JS:GMM:005

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 December 2017

	31 December 2017 $'000	31 December 2016 $'000
Interest income	**124**	**58**
Other Income	**-**	**2**
Administrative expenses	**(171)**	**(198)**
Business Development	**-**	**(17)**
Compliance and regulatory expenses	**(60)**	**(73)**
Depreciation expenses	**(9)**	**(40)**
Directors fees	**(130)**	**(132)**
Employee benefits expenses	**(346)**	**(404)**
Occupancy expenses	**(29)**	**(49)**
Travel expenses	**(16)**	**(12)**
Foreign currency gain/(loss)	**(6)**	**(15)**
Other expenses	**(48)**	**(99)**
Loss before income tax	**(691)**	**(979)**
Income tax expense	**-**	**-**
Loss for the half year	**(691)**	**(979)**
Other comprehensive loss after tax		
Items that may be reclassified to profit or loss		
Changes in the fair value of available-for-sale financial assets	12	-
Other comprehensive income after tax	**12**	**-**
Total comprehensive loss for the half year	**(679)**	**(979)**
Loss Per Share attributable to ordinary equity holders of the Company	**Cents**	**Cents**
Basic and diluted loss per share	(0.14)	(0.21)

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	31 December 2017 $'000	30 June 2017 $'000
CURRENT ASSETS			
Cash and cash equivalents		**10,458**	**11,347**
Trade and other receivables		**57**	**49**
Other current assets		**97**	**126**
TOTAL CURRENT ASSETS		**10,612**	**11,522**
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	3	**27,270**	**27,103**
Available-for-sale financial assets		**46**	**34**
Plant and equipment		**196**	**203**
TOTAL NON-CURRENT ASSETS		**27,512**	**27,340**
TOTAL ASSETS		**38,124**	**38,862**
CURRENT LIABILITIES			
Trade and other payables		**269**	**320**
Provisions	4	**582**	**590**
TOTAL CURRENT LIABILITIES		**851**	**910**
TOTAL LIABILITIES		**851**	**910**
NET ASSETS		**37,273**	**37,952**
EQUITY			
Issued capital	5	**80,825**	**80,825**
Financial Assets Reserve		**12**	**-**
Accumulated losses		**(43,564)**	**(42,873)**
TOTAL EQUITY		**37,273**	**37,952**

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

GLOBE METALS & MINING LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2017

	Contributed Equity $'000	Accumulated Losses $'000	Financial Assets Reserve $'000	Total $'000
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
Balance at 1 July 2017	**80,825**	**(42,873)**	**-**	**37,952**
Loss for the period	-	(691)	-	(691)
Other comprehensive income	-	-	12	12
Total comprehensive loss for the period	**-**	**(691)**	**12**	**(679)**
Balance at 31 December 2017	**80,825**	**(43,564)**	**12**	**37,273**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2017

	31 December 2017 $'000	31 December 2016 $'000
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of value added taxes)	(851)	(961)
Proceeds from other income	3	2
Interest received	124	45
Net cash outflow from operating activities	**(724)**	**(914)**
Cash flows from investing activities		
Payment for Term Deposit	-	(10,000)
Payments for exploration and evaluation assets	(157)	(160)
Proceeds from the sale of plant and equipment	-	26
Payments for plant and equipment	(2)	(8)
Net cash outflow from investing activities	**(159)**	**(10,142)**
Net decrease in cash and cash equivalents	(883)	(11,056)
Cash and cash equivalents at the beginning of half year	**11,347**	**13,245**
Effects of exchange rate on cash and cash equivalents	(6)	(15)
Cash and cash equivalents at the end of half year	**10,458**	**2,174**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2017

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2017 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 2017 and any public announcements made by Globe Metals & 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.

The Group have also considered all standards issued but not yet effective and concluded that none of these standards will have any material impact on 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
The Africa-Exploration segment includes the following exploration projects:

- Chiziro Graphite project in Malawi
- Kanyika Niobium project in Malawi

NOTE 2: SEGMENT INFORMATION (CONT)

(i) Segment performance	**Africa - Kanyika $'000**	**Africa - Exploration $'000**	**Total $'000**
Six months ended 31 December 2017			
Segment revenue	**-**	**-**	**-**
Segment result	**(447)**	**(319)**	**(766)**
Reconciliation of segment result to group net loss before tax			
Unallocated items:			
• Other revenue			**124**
• Other corporate expenses			**(37)**
Net loss before tax from continuing operations			**(679)**
(ii) Segment assets			
As at 31 December 2017			
• Plant and equipment	**27**	**136**	**163**
• Exploration and evaluation expenditure	**27,270**	**-**	**27,270**
• Cash and cash equivalents	**17**	**16**	**33**
• Other assets	**85**	**12**	**97**
Total Segment assets	**27,399**	**164**	**27,563**
Reconciliation of segment assets to group assets			
• Cash and cash equivalents			**10,458**
• Other corporate assets			**103**
Total Assets			**38,124**
(iii) 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)
(iv) Segment assets			
As at 30 June 2017			
• Plant and equipment	29	137	166
• Exploration and evaluation expenditure	27,103	-	27,103
• Other assets	98	15	113
Total Segment assets	27,230	152	27,382
Reconciliation of segment assets to group assets			
• Cash and cash equivalents			11,347
• Other corporate assets			133
Total Assets			38,862

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Half year ended 31 December 2017 $'000	Year Ended 30 June 2017 $'000	Half year ended 31 December 2016 $'000
Non-Current			
Costs carried forward in respect of areas of interest in:			
Exploration and evaluation phases – at cost	**27,270**	27,103	27,054
Opening balance	**27,103**	26,918	26,918
Exploration expenditure capitalised during half year	**167**	190	136
Write-off of exploration expenditure[(a)]	**-**	(5)	-
At reporting date	**27,270**	27,103	27,054

(a) Write off for the comparative period relates to the Chiziro Graphite Project area of interest.

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 2017 $'000	June 2017 $'000
Current		
Employee benefit provisions	**76**	77
Provision for foreign tax	**506**	513
	582	590

NOTE 4: PROVISIONS (cont'd)

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

	December 2017 $'000	June 2017 $'000	December 2016 $'000
Opening balance	**513**	687	687
Add: provision raised during the year	**3**	1	-
Less: Amounts previously provided for replaced by assessment	**-**	(145)	-
(Less)/Add: foreign currency exchange adjustment	**(10)**	(30)	13
	506	513	700

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 2017		30 June 2017	
	$'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 2017 $'000	31 December 2016 $'000
Not longer than one year	**318**	886
Longer than one year, but not longer than 5 years	**-**	135
	318	1,021

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.

NOTE 6: COMMITMENTS (cont'd)

(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 2017 $'000	31 December 2016 $'000
Not longer than one year	**113**	121
Longer than one year, but not longer than 5 years	**47**	86
	160	207

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE
There have been no events subsequent to reporting date of a material nature requiring disclosure.

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:

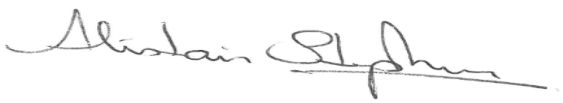
(a) The financial statements set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:

(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 2017 and of its performance for the half year ended on that date, and

(b) there are reasonable grounds to believe that Globe Metals & 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.



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Mr Alistair Stephens
Managing Director

Dated this 12th day of March 2018

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

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year 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 31 December 2017, 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not 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 31 December 2017 and of its consolidated financial 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*.

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 control as the directors determine is 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, anything has come to our attention that causes us to 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 Group's consolidated financial position as at 31 December 2017 and its consolidated financial 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 the Group, 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.

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Building a better working world

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



T G Dachs
Partner
Perth
12 March 2018

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