

ASX Announcement

2 September 2024

Offtake letter of intent for up to 32% of Kanyika's Phase 1 production

Investment Highlights

- Globe Metals & Mining signs a letter of intent to finalise a binding offtake agreement with Affilips N.V.
 - Affilips would take up to 32% (approximately 100 tonnes) of expected annual high-purity Niobium Pentoxide production from the Kanyika Project.
 - The agreement will initially be for 3 years, starting in May 2026.
 - Development of the Kanyika Project will see Globe Metals & Mining become a reliable supplier of in demand Niobium Oxide for specialised industries based in Europe.
 - Affilips exports approximately 50,000 tonnes of master alloys annually to 80 countries.
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Globe Metals & Mining Limited (ASX: GBE) ("**Globe**" or "**Company**") is pleased to announce the signing of a letter of intent with Affilips N.V. ("**Affilips**") for up to 100 tonnes of refined high purity Niobium Pentoxide. The letter of intent outlines the framework for both parties to negotiate a binding offtake agreement for 32% of the Kanyika Niobium Project Phase 1 production.

Globe's Chief Executive Officer, Paul Smith, commented:

"This letter of intent with Affilips clearly demonstrates that Globe is making good progress in its stated intention to soon have offtake agreements in place for Phase 1 production at the Kanyika Project. Such agreements are a critical component of the Project's development and the subsequent generation of sustainable cash flows. In the meantime, our efforts to put long-term offtake relationships like that forming with Affilips will be incorporated into the BFS update, which is now materially progressed.

We fully expect that this letter of intent is just the start of what will be a long and fruitful relationship between Globe and Affilips. The partnership is expected to give Globe an entrée to the lucrative European market, where Niobium is in demand by a host of specialized industrial companies. We fully expect to deliver further significant Kanyika Project development milestones over coming months."

Letter of Intent opens way for binding offtake agreement

The letter of intent provides a framework for Globe and Affilips to negotiate a binding offtake agreement for the supply of up to 32% (approximately 100 tonnes out of 313 tonnes of total annual Phase 1 production) of the high purity Niobium Pentoxide production from Phase 1 of The Kanyika Niobium Project. The initial 3-year term of the agreement would commence from 1 May 2026, when the production of Phase 1 oxide is expected to be coming through. The price paid by Affilips for this production will be negotiated depending on prevailing market conditions.

Globe and Affilips will work towards executing a binding offtake agreement by Q2 calendar 2025, with a full offtake agreement expected by 1 September 2025.

Kanyika BFS update (based on existing DFS)

The update of Globe's bankable feasibility study (BFS) is now being progressed. It will be based on the definitive feasibility study (DFS) completed and announced to the market in mid calendar 2021¹. The Affilips letter of intent on offtake is a key step in the BFS process. Globe has elected to undertake the BFS using the Hydrofluoric Acid/Solvent Extraction (HF/SX) refining technology, which brings significant advantages to the Kanyika project, including:

- an approved DFS, based on HF/SX refining in Malawi, is already in place;
- an approved EIA in Malawi using the technology is also already in place;
- using the HF/SX technology will help fast-track the development of the project; and
- using the HF/SX technology better ensures that the product quality demanded by key off-takers is delivered.

This said, Globe continues to develop the chlorination refining route as an alternate competitive option to HF/SX refining.

About Affilips

Affilips is a leading supplier of master alloys. The group is comprised of 2 production companies, KBM Master Alloys B.V. (Netherlands) and Affilips N.V. (Belgium), both of which were established in the early 1960s, and an accompanying marketing and sales arm, Affilips B.V. (Netherlands).

As a global player, Affilips exports approximately 50,000 tonnes of master alloys annually to 80 countries, catering to a diverse range of metal industries. The group ensures consistent, high-quality products through certified quality and environmental management systems, modern laboratories, and R&D facilities.

¹ Refer to ASX Announcement titled 'Kanyika Project Feasibility' made on 19 August 2021

With expertise in logistics, Affilips' metallurgical plants are strategically located near major ports, facilitating global shipping and local warehousing. Affilips in Tienen is renowned for producing aluminium-, copper-, nickel-, cobalt-, and zinc-based master alloys, used in the production of specialised metal products such as specialty steels and superalloys for aircraft engines, nuclear reactors, and other high-demand applications.

Authorisation for release

This announcement has been authorised for release by the Company's Chief Executive Officer, Paul Smith.

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About the Kanyika Niobium Project

The Kanyika Niobium Project is located in central Malawi, approximately 55km northeast of the regional centre of Kasangu and is secured by Large-Scale Mining Licence No. LML0216/21 which grants the Company security of tenure and the right to mine niobium, tantalum, zirconium and other minor metals.

Drilling programs totalling 33.8 kilometres of percussion and core drilling have defined the extent of mineralisation. Structured and progressive engineering studies have resulted in the current (JORC 2012) Mineral Resource Estimate (refer below) and given rise to significant improvements and simplifications in the process flowsheet.



The Kanyika Project will be developed in two phases, substantially de-risking the project. The project will be fully integrated on the mine site – Mining, Concentration and Refining, to produce high-purity, high-value Niobium and Tantalum oxides for direct export to western markets.

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

Table 1: MRE for KNP using a 1,500 ppm Nb₂O₅ lower cut

Category	Resource (Mt)	Nb ₂ O ₅ (ppm)	Ta ₂ O ₅ (ppm)
Measured	5.3	3,790	180
Indicated	47	2,860	135
Inferred	16	2,430	120
TOTAL	68.3	2,830	135

Table 2: MRE for KNP using a 3,000 ppm Nb₂O₅ lower cut

Category	Resource (Mt)	Nb ₂ O ₅ (ppm)	Ta ₂ O ₅ (ppm)
Measured	3.4	4,790	220
Indicated	16.6	4,120	160
Inferred	2.8	4,110	190
TOTAL	22.8	4,220	190

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 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.