Annual Report

GLOBE MINERAL RESOURCES INVESTMENT

GR 244 "Heavy Mineral Project" Group Annual Report for the Period 14/01/2011 to 13/01/2012

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Contents

Digital Data Files

Type of File	Description of file	Name of title	File name
Report file	Group annual report text	EL 27417, EL 27418 ,EL27419	GR244-12_2012_GA.pdf
Tabular Data	Locations and XRF assays of soil sampling for group annual report	EL 27417, EL 27418 ,EL27419	GR244-12_2012_GA_05_SurfaceGeochem.txt

ABSTRACT

In October 2011, a field trip to the license area was made for the purpose of collecting soil samples. The trip was also made so that geologists employed by Ao-Zhong could see the prospect area and become familiar with the prevailing conditions. In all a total of 50 samples were selected from along the road side but away from the actual road way. The processing and assay work done on the 50 samples has demonstrated that screening and high-intensity magnetic separation is capable of producing a concentrate containing all of the commercially significant minerals. The total volume of the sample was reduced to about 13.5% of the original which represents a significant saving in terms of the amount of material that needs secondary refinement. Some additional metallurgical test work is underway to assist in planning next years' proposed drilling program.The very limited data available suggests that a high-grade iron product (96% Fe_2O_3) and a high-grade iron – titanium product (Fe_2O_3 55%, TiO_2 35%) can be produced. Both concentrates have very low impurity levels.

1 Introduction

Globe Mineral Resources Investment (Globe) Heavy Mineral Project consists of three exploration licences located on the Northern Territory, South Australian border, see figure 1. The project is comprised of three licences, 27417, 27418 and 27419. The licences were applied by Imperial Granite and Minerals,(IGM).,and are currently owned 100% by Globe.

The details of the licences are displayed below:

Licence Number	Date of Grant	expire time	Size blocks/sqkm	Land Status PPL / NT Por	Owner	Covenant
27417	14/1/10	14/1/16	480 / 1489	1079 / 1091	Globe	$20,000
27418	14/1/10	14/1/16	480 / 1483	1055 / 324	Globe	$20,000
27419	14/1/10	14/1/16	208 / 640.8	1055 / 324	Globe	$20,000

In February 2010 the ownership of the licences was transferred to Universal Splendid Investments, (USI) a Chinese company. The transfer agreement included provision for the tenements to be returned to IGM after 12 months if USI decided they did not want to pursue the exploration opportunity. After some preliminary field work USI decided to return the tenements to IGM. The return was completed in March 2011.

In October 2011, the ownership of the licences was transferred to Globe.

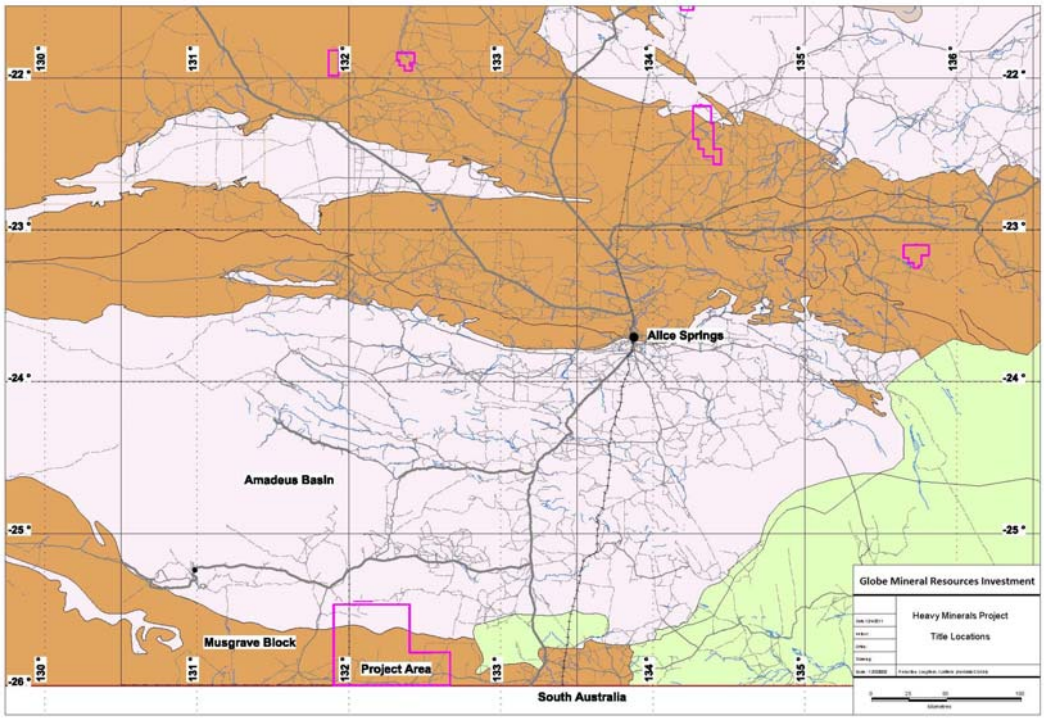

Figure 1. Locality map

2 Back Ground Information

2.1 Location and Access

The three exploration licences are located approximately 360Km south of Alice Springs with access via the Stuart Highway and the Victoria Downs Station road. The Kulgara Roadhouse is located approximately 75km to the east and provides the nearest convenient accommodation option. A well-developed road runs to the west through the southern part of the licences. A few station track of unknown quality are shown on the topographic maps. Inspection of the Google satellite data also shows the positions of several tracks and roads, figure 2.

Inspection of the topographic map indicates that the area is essentially flat with only minor drainage. North-south trending sand dunes appear to be common. Vegetation is fairly sparse in the southern portion of the licence and thicker in the north. It does not appear to be a hindrance to vehicle access.

The climate in the southern Alice Springs region consists of hot (+40deg), generally dry summers and cold dry winters. Rainfall is uncommon but can occasionally be very heavy and poses a significant hindrance to exploration.

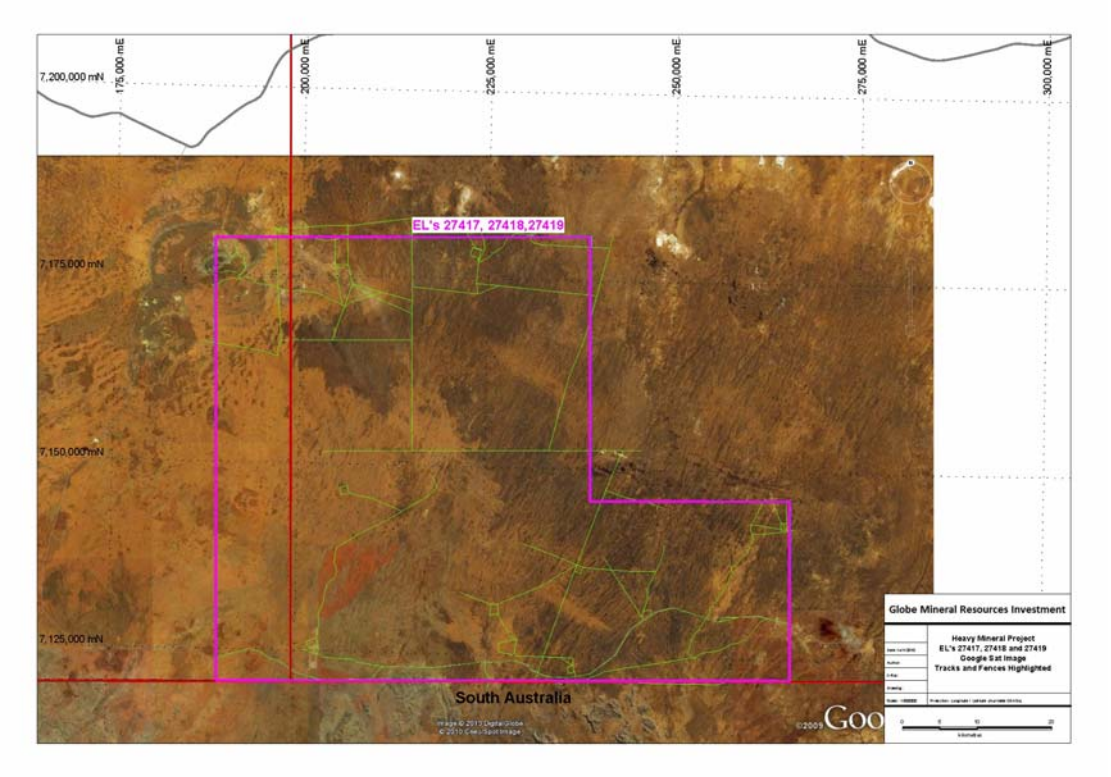

Figure 1. Google Tracks map

2.2 Regional Geology

The area covered by the three exploration licences lies on the Northern Territory, South Australian border and contains rocks belonging to the Musgrave Block and the Amadeus Basin. Drainage flows from the outcropping Musgrave Block north and northeast into the Amadeus Basin which is typically covered by a thin layer of Aeolian sand, figure 3. The extent of the Musgrave Block is clearly demonstrated in the regional airborne magnetic data, see below.

The Musgrave Block comprises numerous Mesoproterozoic geological units, including mafic-ultramafic dykes, plugs and layered intrusions of the 1080 Ma Giles Complex. The Musgrave Block also has extensive felsic intrusives such as the 1190 Ma Pitjantjatjara Suite. It is considered that the mafic-ultramafic units are a source for magnetite and ilmenite whilst the felsic intrusive may source zircon and rutile. The Musgrave Block has been extensively metamorphosed to gneissic-grade and mylonite zones are common. Large pegmatites occur within the gnessic, granite terrains.

The Amadeus Basin, in the area of interest consists of Neoproterozoic sandstone belonging to the Inindia and Winnall Beds. Both units consist of sandstone with lesser pebbly sandstone and conglomerate. They are massive too well bedded and sometimes ferruginised.

Overlying the Musgrave and Amadeus sequences is a variably thin layer of Quaternary sediments. These consist of Aeolian sands, Colluvium and sheet flood plains and Calcrete.

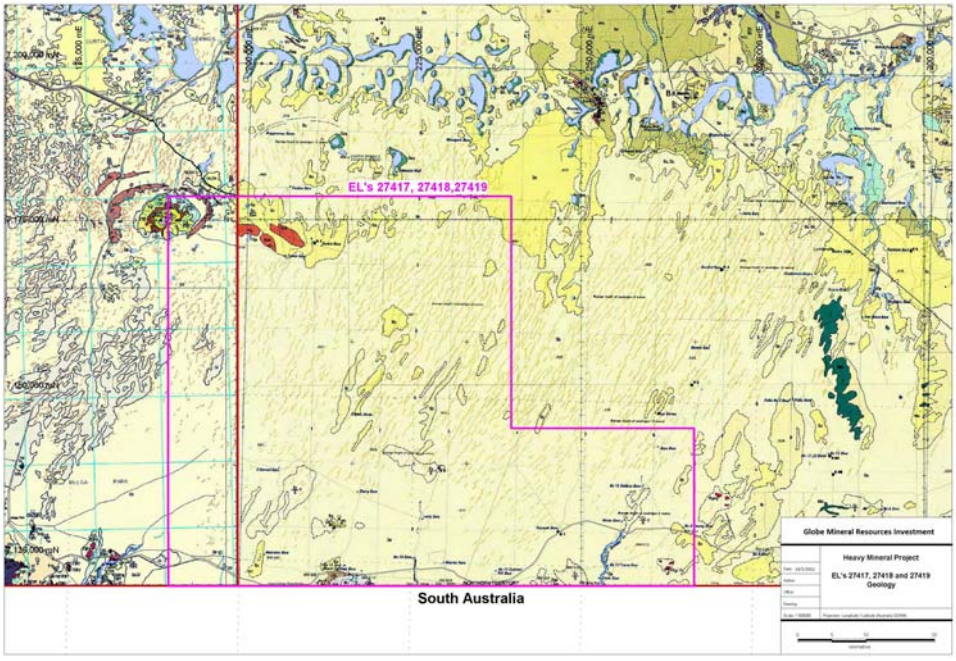

Figure 2. Geology map

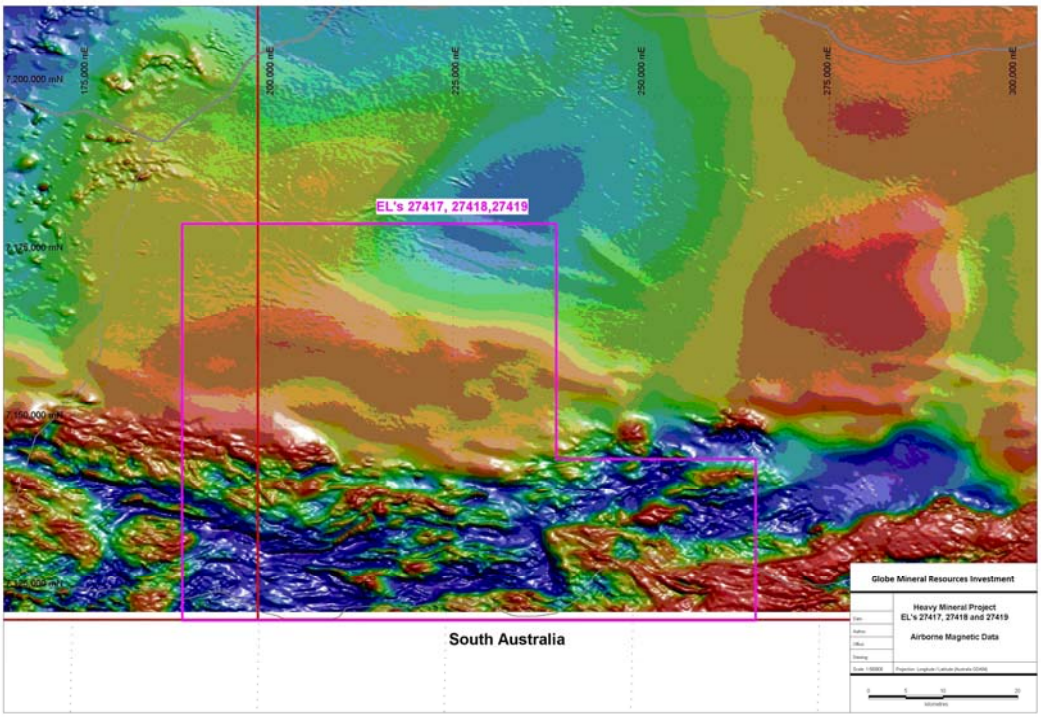

Figure 3. Airborne Magnetics

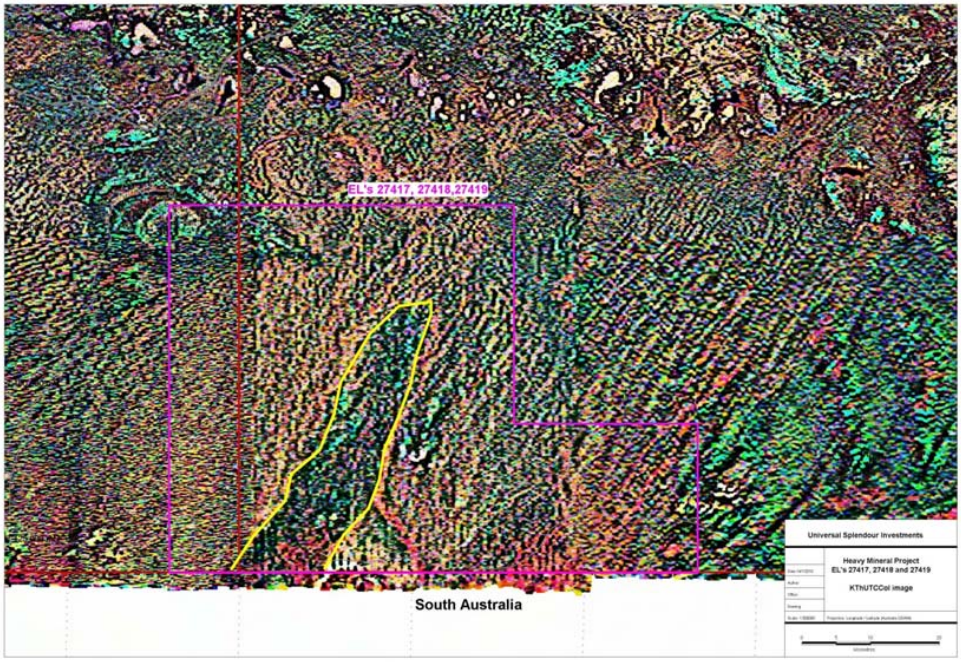

Figure 4. Radiometrics

2.3 Previous Exploration

There has only been a minor amount of exploration activity within the licence area. Prior to the first modern explorers the only activity would have been prospectors looking for obvious, outcropping mineralisation.

The first modern explorers were Otter Resources who have operated gold mines in the Tanami Goldfield. Their exploration interest was purely for gold hosted by the Sentinel Beds. In all they drilled 103 Postholes along three traverses. They only assayed their samples for gold. In their reports they mention that some holes intersected manganiferous clays and calcrete. At this stage in USI's exploration program there is no need to capture the drilling data but if results warrant the additional work the data can be captured.

The most significant exploration work done in the area has been completed by Mithril Resources. Mithral, as an exploration company specialise in Nickel sulphides and their exploration in the area of interest focused on this. In a period of two years Mithril collected over 1500 magnetic-fraction soil samples, (see figure 6). The reports do not detail the exact method of sample collection but a rare-earth powered permanent magnet was used. In general, magnetic fraction samples are collected by dragging a permanent magnet, inside a plastic bag or similar thing, over the ground. Their data is not sufficient for us to gain any information about the heavy mineral potential but it does suggest areas where exploration could be focused.

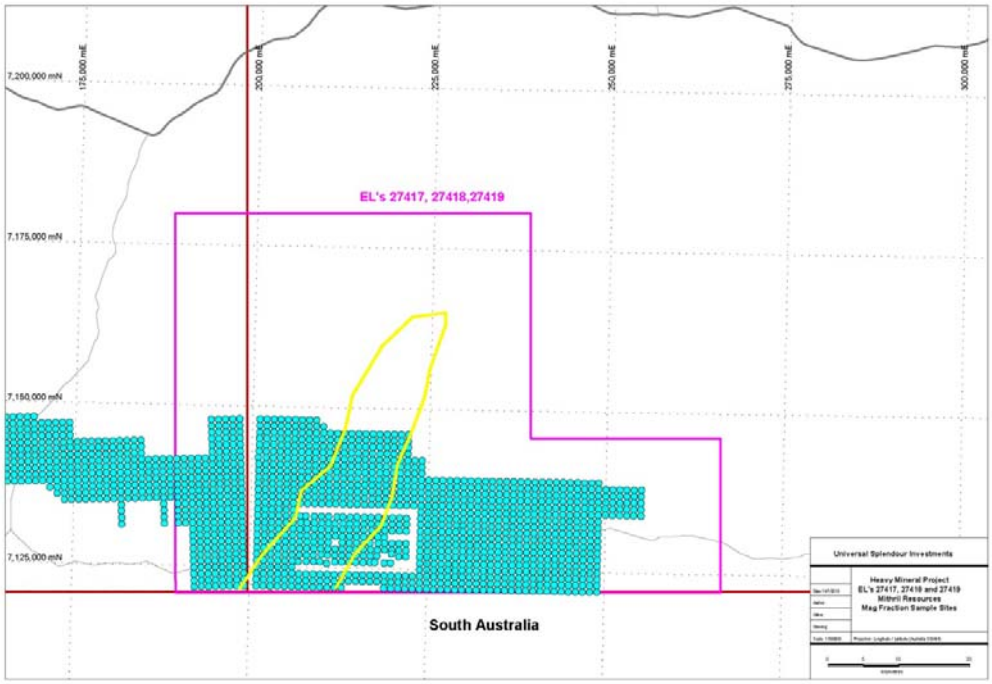

Figure 5. Mag-fraction Soil Sites

Figure 7 shows the same data as figure 6; however the data has been coloured to

reflect the titanium content. Yellow shows the magnetic-fraction samples that contain over 2% titanium. The pink dots are samples that contain over 5% titanium. Examination of figure 7 shows the higher-grade titanium samples are concentrated in the western side of USI's licence area.

In late 2006, Dr. Mike Green collected 34 bulk samples from one long east-west traverse across the area. The samples were collected by removing the top 200mm of sand and then digging the sample. The samples weighed between 2.9 and 10.4kg. The samples were sent to Diamantina Laboratories were they were separated into 4 parts: magnetite, magnetic, paramagnetic and non-magnetic. The magnetite and magnetic fractions were combined and assayed. The combined fraction represented between 1.06% and 9.45% of the sample and assayed up to 16% titanium. More recent work has indicated that a titanium-rich fraction can be recovered magnetically from the heavy mineral concentrate.

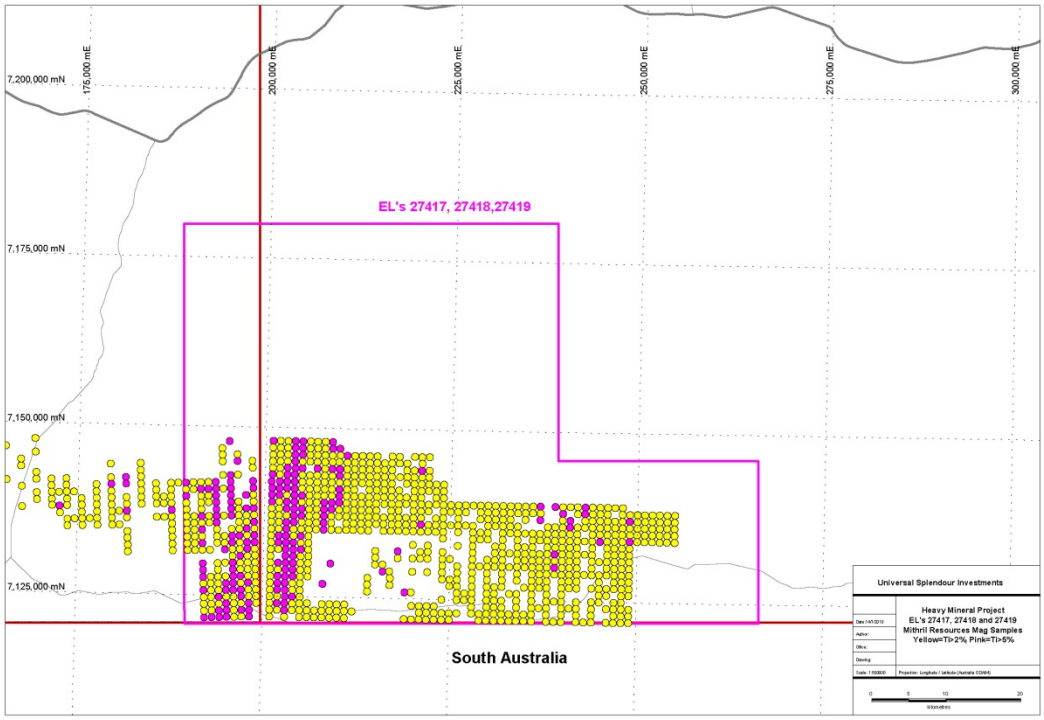

Figure 6. Titanium Content

In 2010 USI completed a detailed compilation of the previous exploration work as described above and then undertook a reconnaissance soil sampling program. The soil sampling was undertaken to confirm the tenor of results obtained by Mithral and to provide an initial sample for preliminary metallurgical test work in China.

In all a total of 57 soil samples were collected and sent to Diamantina Laboratories in Western Australia for preliminary heavy mineral assessment. The samples were collected in the field using a shovel from surface. The samples were not sieved in the field or prepared in

any way. Most samples were slightly moist when collected and dispatched. The simple sample collection method was used to provide material that was as-close-as possible to the normal sand found in the region. The sampling employed by Mithral may have provided concentrates of magnetic material and other non-magnetic phases may have been left behind. Figure 8 shows the sample distribution and the percentage of TBE sinks for each sample.

Approximately one kilogram of material was collected at each sample site. At the laboratory each sample was dried at 120 degrees centigrade before being disaggregated, mixed and weighed. A 250 gram split was taken and deslimed through a 53 micron mesh. The results of the size analysis are shown in Table 1. There was no material in any of the samples in the +2mm sizing. On average 86% 0f the material lies in the -2mm +53 micron range with the rest reporting in the -53 micron fraction.

An approximately 100 gram split of the -2mm +53 micron material was separated using tetrabromoethane (TBE) which has an SG from 2.92 to 2.96 grams / centimetre cubed. The sink fraction was dried and weighed and the total percentage of sinks calculated for the total sample.

The analytical work shows that all of the samples collected contain over 2% total sinks with an average value of 4.91%. the lowest result was 2.39% and the highest 8.95.

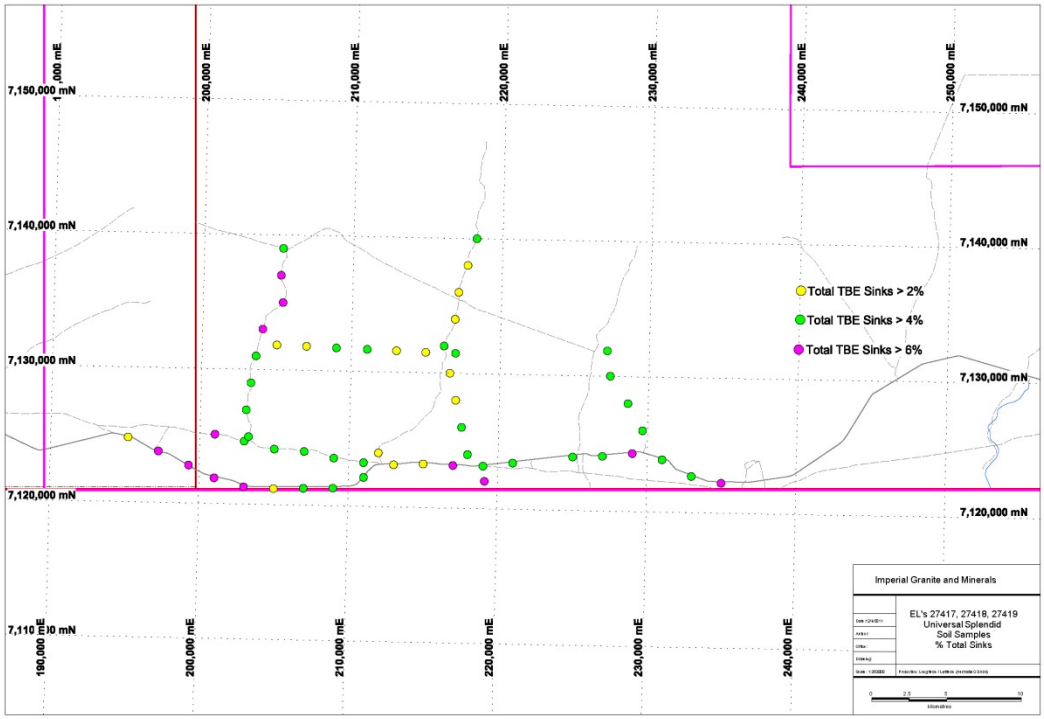

Figure 7. USI Sample Distribution

3 Surface geochemistry

3.1 Samples collection

In October 2011, a field trip to the license area was made for the purpose of collecting soil samples. The trip was also made so that geologists employed by Globe could see the prospect area and become familiar with the prevailing conditions. In all a total of 50 samples were selected from along the road side but away from the actual road way. The samples were freighted to Darwin and delivered to Bureau Veritas-Amdel for preliminary metallurgical assessment and assay.

The samples were collected at an interval of approximately 500m as shown on Figure 9. Previous sampling in the area has been completed on a much wider spacing.

The samples were collected by spade, from surface and placed into numbered calico bags. The samples were placed into protective polyweave sacks for storage and transporting. Approximately 6 samples were placed in each sack. The samples were mostly dry although slight moisture content was noted in a few samples.

Samples 49 and 50 were collected as “special” samples and were used to make up the concentrate material sent to China for metallurgical test work. The concentrate sent to china was firstly made by carefully sampling the highest-grade mineral sands recognised in the field. When the samples arrived in Darwin a hand held magnet was used to separate the magnetic material from the typical, red desert sand.

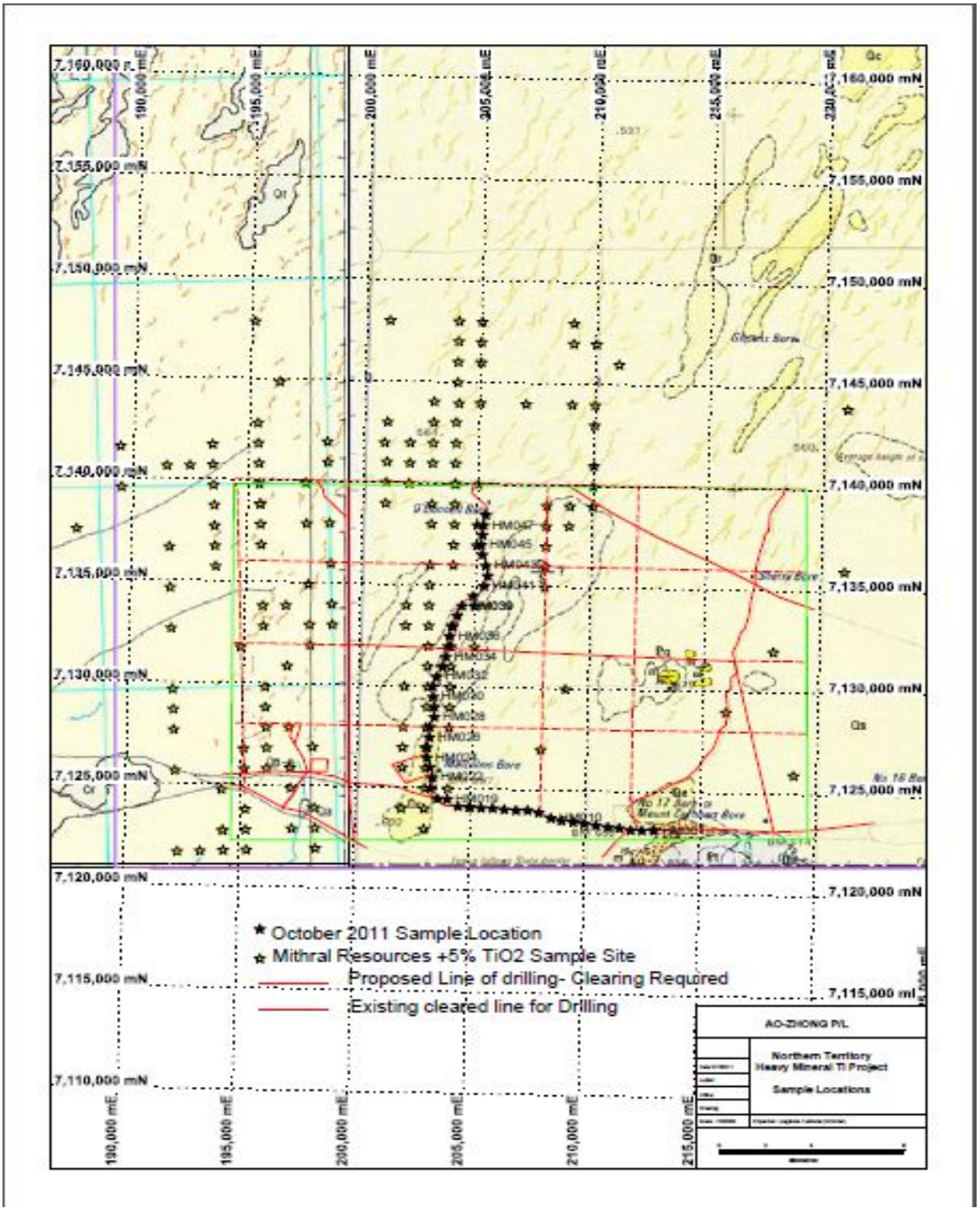

Figure 9: Sample locations and Proposed Drilling

3.2 XRF Assay

The 50 samples were assayed by the XRF method (SEE the Table 1)for a standard suite of elements associated with iron ore. The average assay results for the 50 samples are:

Al_2O_3 = 4.6%

CaO = 0.25%

K_2O = 1.59%

Fe_2O_3 = 32.7%

MgO = 0.30%

MnO = 0.49%

P_2O_5 = 0.05%

SiO_2 = 44.86%

TiO_2 = 15.12%

Zn = 0.026%

V = 0.049%

LOI = -0.14%

4 Proposed Exploration and Budget

The Northern Territory Heavy Mineral project has reached the stage where drilling is now the only real way forward. Previous surface sampling work has demonstrated that the heavy minerals are widely distributed over hundreds of square kilometres. The sample processing and assay work completed and described above has demonstrated that a high-quality iron-titanium product can be made.

To advance the project it is proposed to undertake an air-core drilling program over an area of 400 square kilometres, (25 x 16 km). The drilling will initially be done on lines positioned to take advantage of existing tracks and fence lines with holes drilled at 250m intervals. Several additional lines will have to be cleared to accomplish the drilling program. The proposed drilling lines are shown on Figure 9. The holes will be drilled until solid bedrock is encountered. Samples will be collected at either 1m or 2m intervals down hole.

Sufficient drilling has been included in the program to allow for infill drilling of higher-grade zones or to expand the coverage.

The exploration program also includes additional metallurgical test work to further refine the sampling and mineral concentration process.

Due to the remote location of the project and the absence of any useful infrastructure it is

proposed to establish a camp on site during drilling operations.

To complete the proposed drilling, assaying and metallurgy a preliminary budget has been prepared as shown in table 8. The total expected expenditure is $910,000(see Table 2).

5 Conclusions

The processing and assay work done on the 50 samples collected in 2011 has demonstrated that screening and high-intensity magnetic separation is capable of producing a concentrate containing all of the commercially significant minerals. The total volume of the sample was reduced to about 13.5% of the original which represents a significant saving in terms of the amount of material that needs secondary refinement. Some additional metallurgical test work is underway to assist in planning next years' proposed drilling program.

The very limited data available suggests that a high-grade iron product (96% Fe2O3) and a high-grade iron – titanium product (Fe2O3 55%, TiO2 35%) can be produced. Both concentrates have very low impurity levels. The target of the proposed exploration program is to define sufficient mineralisation to enable a significant mining operation.

A budget of $910,000 has been proposed for the work, the budget includes sufficient funds for the drilling and assaying along with some additional metallurgical test work.

Table 1 XRF assay result

Sample type	Sample No.	Easting	Northing	Al2O3 (%)	CaO (%)	K2O (%)	Fe2O3 (%)	MgO (%)	MnO (%)	P2O5(%)	SiO2 (%)	TiO2 (%)	Zn (%)	V (%)	LOI (%)
sand	HM001	213000	7123124	16.68	0.38	2.66	17.42	0.65	0.28	0.07	55.46	5.63	0.02	0.021	1.52
sand	HM002	212485	7123126	7.1	0.3	2.56	18.12	0.45	0.3	0.06	63.41	6.43	0.015	0.016	0.72
sand	HM003	212001	7123123	6.36	0.28	2.39	18.24	0.34	0.3	0.04	64.31	6.93	0.015	0.017	0.65
sand	HM004	211493	7123213	4.47	0.18	1.77	26.14	0.22	0.43	0.05	56.58	10.28	0.02	0.019	-0.08
sand	HM005	210996	7123252	4.51	0.15	2.1	20.98	0.16	0.35	0.04	63.81	8.32	0.015	0.016	-0.11
sand	HM006	210478	7123327	4.58	0.09	1.83	25.96	0.16	0.43	0.04	56.21	10.61	0.02	0.017	-0.08
sand	HM007	209978	7123405	4.19	0.12	1.79	25.29	0.15	0.44	0.04	57.55	10.79	0.02	0.014	-0.34
sand	HM008	209493	7123480	3.95	0.12	1.65	30.06	0.18	0.55	0.04	50.08	13.47	0.03	0.019	-0.24
sand	HM009	208975	7123535	3.71	0.12	1.5	33.95	0.17	0.62	0.05	45.7	15.11	0.035	0.022	-0.55
sand	HM010	208510	7123649	4.21	0.12	1.95	24.22	0.14	0.43	0.04	57.41	10.64	0.025	0.017	-0.09
sand	HM011	207998	7123907	3.97	0.12	1.7	29.82	0.16	0.55	0.04	51.27	13.26	0.025	0.015	-0.41
sand	HM012	207501	7124005	4.11	0.11	1.63	31.48	0.17	0.59	0.05	47.68	14.36	0.03	0.019	-0.21
sand	HM013	206999	7123995	4.24	0.12	1.67	32.07	0.17	0.58	0.05	47.89	13.9	0.03	0.017	-0.35

Sample type	Sample No.	Easting	Northing	Al2O3 (%)	CaO (%)	K2O (%)	Fe2O3 (%)	MgO (%)	MnO (%)	P2O5(%)	SiO2 (%)	TiO2 (%)	Zn (%)	V (%)	LOI (%)
sand	HM014	206482	7124020	4.54	0.14	1.93	28.27	0.17	0.52	0.05	52.19	12.5	0.025	0.016	-0.35
sand	HM015	205985	7124081	4.31	0.14	1.8	29.49	0.17	0.56	0.05	50.21	13.89	0.03	0.021	-0.3
sand	HM016	205471	7124092	4.77	0.1	1.87	28.46	0.18	0.53	0.05	50.15	13.86	0.025	0.022	-0.04
sand	HM017	204967	7124116	3.47	0.1	1.46	34.5	0.17	0.65	0.04	44.47	16.6	0.03	0.022	-0.86
sand	HM018	204474	7124413	3.36	0.1	1.35	29.65	0.2	0.5	0.04	50.48	14.58	0.025	0.034	-0.37
sand	HM019	203994	7124201	3.29	0.09	1.24	35.73	0.22	0.58	0.04	42.51	17.33	0.03	0.044	-0.65
sand	HM020	203565	7124496	3.52	0.14	1.41	30.04	0.21	0.46	0.04	49.12	14.08	0.025	0.037	-0.48
sand	HM021	203252	7125003	3.45	0.37	1.15	39.48	0.39	0.58	0.04	35.86	19.59	0.03	0.065	-0.73
sand	HM022	203315	7125525	4.84	1.82	1.6	29.28	0.48	0.47	0.06	43.87	14.32	0.025	0.041	2.82
sand	HM023	203179	7126031	4.34	1.25	1.42	35.06	0.46	0.54	0.05	38.99	17.4	0.025	0.05	0.67
sand	HM024	203063	7126515	4.54	0.31	1.52	33.23	0.37	0.52	0.05	42.29	16.67	0.025	0.05	0.23
sand	HM025	203061	7127006	4.25	0.27	1.44	36.57	0.38	0.59	0.05	38.73	18.25	0.03	0.048	-0.56
sand	HM026	203144	7127506	5.16	0.87	1.54	32.6	0.5	0.5	0.05	41.64	16	0.025	0.049	0.75
sand	HM027	203151	7128017	5.97	0.59	1.73	31.42	0.53	0.49	0.07	41.46	15.19	0.03	0.047	2

Sample type	Sample No.	Easting	Northing	Al2O3 (%)	CaO (%)	K2O (%)	Fe2O3 (%)	MgO (%)	MnO (%)	P2O5(%)	SiO2 (%)	TiO2 (%)	Zn (%)	V (%)	LOI (%)
sand	HM028	203348	7128512	3.78	0.2	1.31	36.31	0.31	0.47	0.05	40.99	17.23	0.025	0.074	-0.53
sand	HM029	203332	7129006	3.83	0.18	1.46	33.77	0.26	0.49	0.04	43.41	16.42	0.025	0.06	-0.55
sand	HM030	203264	7129503	4.21	0.15	1.61	34.03	0.26	0.45	0.04	43.74	15.8	0.025	0.07	-0.47
sand	HM031	203233	7130013	4.08	0.21	1.38	38.99	0.33	0.5	0.05	35.97	18.33	0.03	0.079	-0.51
sand	HM032	203409	7130507	4.74	0.19	1.62	36.6	0.32	0.49	0.06	39.66	16.84	0.025	0.069	-0.37
sand	HM033	203626	7130995	4.73	0.17	1.65	34.55	0.29	0.44	0.05	42.52	15.83	0.025	0.073	-0.1
sand	HM034	203777	7131510	4.04	0.13	1.37	38.08	0.3	0.45	0.05	38.76	17.33	0.025	0.084	-0.62
sand	HM035	203866	7132007	4.5	0.15	1.47	35.88	0.29	0.46	0.05	40.76	16.71	0.025	0.077	-0.4
sand	HM036	203926	7132510	4.47	0.21	1.41	37.33	0.33	0.49	0.05	38.53	17.14	0.035	0.076	-0.34
sand	HM037	204042	7132999	4.23	0.17	1.44	36.47	0.34	0.41	0.05	40.96	16.42	0.025	0.087	-0.56
sand	HM038	204216	7133520	4.46	0.22	1.5	37.12	0.36	0.45	0.05	39.13	16.8	0.025	0.082	-0.55
sand	HM039	204423	7134003	4.43	0.22	1.6	35.72	0.34	0.45	0.05	41.5	16.3	0.025	0.079	-0.52
sand	HM040	204901	7134494	4.22	0.19	1.33	35.29	0.3	0.46	0.06	38.68	16.61	0.025	0.067	0.36
sand	HM041	205352	7135012	3.8	0.16	1.38	38.15	0.3	0.54	0.05	37.56	18.82	0.03	0.069	-0.69

Sample type	Sample No.	Easting	Northing	Al2O3 (%)	CaO (%)	K2O (%)	Fe2O3 (%)	MgO (%)	MnO (%)	P2O5(%)	SiO2 (%)	TiO2 (%)	Zn (%)	V (%)	LOI (%)
sand	HM042	205507	7135501	4.44	0.24	1.48	36.17	0.32	0.5	0.05	39.55	17.1	0.025	0.067	-0.28
sand	HM043	205416	7135999	4.18	0.24	1.49	35.95	0.33	0.48	0.05	39.14	17.39	0.025	0.071	-0.26
sand	HM044	205254	7136531	4.64	0.18	1.59	35.57	0.31	0.48	0.06	40.17	16.89	0.025	0.071	-0.07
sand	HM045	205192	7137024	3.88	0.16	1.38	36.02	0.29	0.46	0.05	40.97	16.97	0.025	0.076	-0.47
sand	HM046	205226	7137510	3.72	0.15	1.21	40.2	0.33	0.49	0.05	35.74	19.05	0.03	0.091	-0.6
sand	HM047	205270	7138000	3.93	0.14	1.4	36.68	0.3	0.44	0.06	40.7	16.89	0.025	0.084	-0.6
sand	HM048	205359	7138500	4.18	0.2	1.19	41.86	0.38	0.5	0.05	33.58	19.36	0.025	0.099	-0.73
sand	HM049	204992	7124108	1.4	0.09	0.23	60.68	0.29	1.16	0.05	8.2	30.6	0.05	0.045	-2.27
sand	HM050	212991	7123139	8.79	0.32	2.7	16.03	0.57	0.26	0.06	63.48	5.19	0.015	0.017	1.39

Table 2: Proposed Budget

Activity	Unit	Unit cost $	Description	Total $
Drilling Services				
• **Air-core**	metre	15	Air core drilling to bedrock (10000m)	150,000
Laboratory Services				
• **Preparation**	Sample	35	Dry and pulverise samples (5000)	175,000
• **Assay**	Sample	25	Assay samples for element concentrations	125,000
• **Freight**	Sample	5	Move heavy samples from the field to the lab	25,000
Earth Works				
• **Grader / loader**	Hour	160	Prepare lines for drilling	16,000
Metallurgy				
• **Preliminary tests**	Sample	5000	Larger scale separation Tests 3 x 100kg samples	15,000
Technical Services				
• **Senior Geologist**	Day	1200	Regional prospecting and sampling (50 days)	60,000
• **Geologist**	Day	850	Supervise Drill rig and sampling(50 days)	42,500
• **Fieldie (1)**	Day	450	Regional prospecting and sampling (50 days)	22,500
• **Fieldie (2)**	Day	450	Sample Preparation and processing(50 days)	22,500
• **Fieldie (3) Cook**	Day	450	General assistant and cook(50 days)	22,500
Field Costs				
• **Accommodation**	Night	200	Geo + fieldies, 40 nights	8000
• **Meals**	Day	60	Geo + fieldies 250 days	15,000
• **Expenses**	Day	10	Geo + fieldies, 150 days	1,500
Motor Vehicles				
• **Vehicle Hire (2)**	Day	160ea	Travel and on-site 100 days	32,000
• **Fuel**	Litre	1.80	Estimate litres 5000	9,000
Travel				
• **Senior Geologist**	Day	1200	Fly to and from site (4 days)	4,800
• **Geologist**	Day	850	Fly to and from site (4 days)	3,400
• **Fieldie**	Day	450	Drive Darwin to Alice, return (8 days)	3,600
• **Accommodation**	Night	200	Fieldie, one night each way 8 nights)	1,600
• **Meals**	Man day	60	Fieldie travelling (8 days)	480
• **Airfares**	Trip	400	Geologists Darwin – Alice Return (8 flights)	3,200
Equipment				
• **Purchase**	Unit		Sat Phone, camping gear, water bottles, generator	25,000
• **Repairs**	Unit		Tables, tents, beds etc	
• **Equipment Hire**	Day	50	Water Tank 50 days	2,500
• **Safety Equipment**	Unit	100	Sun Screen / Safety Glasses / consumables	1000
Consumables				
• **Bags**	Each	1	Hold and protect samples (5000)	5,000
• **Flagging**	Roll	7	Indicate sample sites (40)	2800
• **Pegs**	Each			
• **Marker Pens**	Box	30	Mark sample site pegs, number sample bags(10)	900
• **Other**				
Rehabilitation				
• **Earth moving**	Hour	160	Repair and scarify tracks 20	3,200
• **Field Team**	Hour	120	Vehicle, Fieldies to empty bags, remove rubbish	9,600
Overheads				
• **Reporting**	Days	1200	Geologist to compile data, report and planning(20)	24,000
• **Plan Printing**	Each	25	Pre and Post field trip Large format A1(20)	500
• **Office Consumables**		50	Typing and formatting (10)	500
			Total	833,500
Contingency 10%				83,350
			Rounded Total	**910,000**