



## **INTERIM REPORT**

# **NINE MONTHS ENDED SEPTEMBER 30, 2014 (UNAUDITED)**

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### **STATEMENT CONCERNING THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Management has compiled the unaudited interim condensed consolidated financial report as of September 30, 2014 and 2013.  
The statements have not been audited or reviewed by the Company's auditors or any other firm of chartered professional accountants.

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# Management’s Discussion and Analysis

## For the three month period and nine month period ended September 30, 2014

This Management’s Discussion and Analysis (“MD&A”) is intended to help the reader understand Globex Mining Enterprises Inc.’s. (“Globex”, the “Corporation” and “we”) results of operations, financial performance and current business environment. This MD&A, which has been prepared as of November 11, 2014 and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three month and nine month periods ended September 30, 2014, and the audited annual consolidated financial statements and the related notes, for the two years ended December 31, 2013 and December 31, 2012.

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### Overview

Globex Mining Enterprises Inc. (“Globex”) is a North American focused exploration, royalty and development Corporation with a mineral portfolio in excess of 120 early to mid-stage exploration, development and royalty properties containing: **Base Metals** (copper, nickel, zinc, and lead), **Precious Metals** (gold, silver, platinum, palladium), **Specialty Metals and Minerals** (manganese, titanium oxide, iron, molybdenum, uranium, lithium as well as rare earths and associated elements) and **Industrial Minerals** (mica, silica, as well as talc and magnesite). The Corporation currently generates royalty and/or option income from properties which contain gold, silver, copper and zinc.

Globex trades on the Toronto Stock Exchange under the symbol GMX, in Europe on the Frankfurt, Munich, Stuttgart, Berlin and Xetra exchanges under the symbol G1M and on the OTCQX International in the USA (OTCQX International) with the symbol GLBXF.

Effective on October 28, 2014, Globex obtained Articles of Continuance under the Canada Business Corporations Act and is now a Canadian federal corporation governed by the Canada Business Corporations Act and is no longer governed by the Business Corporations Act (Québec). Globex's continuance as a federal corporation was approved at Globex's annual and special meeting of shareholders held on June 12, 2014.

In connection with Globex's continuance as a federal corporation, its registered office has been changed from Rouyn-Noranda, Québec to 89 Belsize Drive, Toronto, Ontario M4S 1L3. In light of its new registered office, Globex intends to file an application with the Ontario Securities Commission to change its principal securities regulator from the Autorité des marchés financiers to the Ontario Securities Commission.

### **Chibougamau Mining Group - Spin-Out of Assets to Chibougamau Independent Mines Inc.**

On September 10, 2012, Globex and Chibougamau Independent Mines Inc. ("CIM") entered into an Arrangement which resulted in the reorganization of the capital of Globex and CIM, transfer of cash and cash equivalents, certain investments held by Globex as well as the transfer of the ten properties from Globex to CIM, subject to a 3% "Gross Metal Royalty" in favour of Globex.

On December 29, 2012, Globex completed the reorganization by way of a Plan of Arrangement under the Quebec Business Corporations Act which resulted in the transfer of cash of \$503,006, investments with a fair market value of \$72,903 and ten mining properties with a fair market value of \$6,429,175 to CIM. On January 27, 2014, the legal transfer of the ownership to 4,860,200 Mag Copper Limited shares was completed.

## **Corporate Focus**

### **Overall Business Model**

Globex seeks to create shareholder value by acquiring properties, enhancing and developing them for option, joint venture or sale, with the ultimate aim of creating value for the Corporation and its shareholders by bringing or facilitating projects to commercial production.

Optioning exploration properties allows Globex to manage its extensive mineral property portfolio. This strategy enables the Corporation to conserve cash and generate current income. Optioning also ensures properties are being explored and their titles maintained through meeting regulatory work commitments, while securing an interest in any future production.

The term Option as it relates to Globex properties generally means: In exchange for annual cash and/or share payments and an annual work commitment on the property, Globex grants the Optionee the right to acquire an interest in the optioned property.

Generally, all conditions of the agreement must be satisfied before any interest in the property accrues to the Optionee. The option contract will terminate if annual payments and/or work commitments are not met. Assuming all conditions of the option agreement are satisfied, Globex may retain a Gross Metal Royalty (GMR) or other carried or participating interest in the property. Outright property sales may include cash and/or share payments and a form of royalty interest payable when projects achieve commercial production or another negotiated milestone.

### **Strategy**

During the last two years, Globex has seen the share value of many large mining companies decline significantly while at the same time junior mining companies share prices have been decimated. This impact has been reflected in the decline of our own share price, the reduced value of our equity investments and the challenges that we face

in generating new property option arrangements.

To successfully operate within this reordered business environment, Globex has sharpened its liquidity focus and made some difficult administrative choices while at the same time continuing its acquisition exploration activities.

We continue to pursue opportunities to provide liquidity to the Corporation needed to meet its operational and exploration needs.

Overall, the Corporation's strategy is focused on:

- Advancing the Timmins Talc-Magnesite project to the pre-feasibility stage while considering all options for optimizing the extraction and processing of the resource and obtaining the highest over-all value product lines which can be achieved;
- Pursuing ongoing business activities such as:
  - Sales and optioning of properties; Despite market conditions Globex continues to control desirable assets which we continue to believe will attract partners;
  - Additional targeted exploration programs to improve our knowledge of properties in the portfolio with a view to creating more attractive assets; and
  - Identification of acquisition opportunities for properties we believe suffer from funding shortages and as such may become available.

### **Highlights for the period**

- On May 5, 2014, the Corporation completed a private placement and issued 5,307,143 "flow-through" shares at \$0.35 per share, for gross proceeds of \$1,857,500 (Quebec subscribers - \$1,607,650; Ontario subscribers - \$249,850). In addition, 1,950,000 Units were issued at a price of \$0.33 per share, for gross proceeds of \$643,500. Each Unit is comprised of 1 common share of the Corporation and one-half common share purchase warrant which result in the Issuance of 975,000 warrants. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.50 per warrant share for a period of twelve months. This financing was completed in very difficult markets.
- Globex reported a net loss and comprehensive loss of \$496,923 for the three month period ended September 30, 2014 as compared to income of \$338,623 in the corresponding in 2013. The change in the results as compared to the prior year is mainly a result in the decline in the fair value of equity investments and a provision for income and mining taxes as compared to a recovery in the previous year.
- For the nine month period ended September 30, 2014, the Corporation reported a net loss and comprehensive loss of \$1,310,261 as compared to income of \$386,394. The change in the 2014 results is mainly a result of (i) the decline in the fair value of financial assets and (ii) a provision for income and mining taxes in the current year as compared to a recovery in 2013 reflecting the impact of refiling prior year's tax returns related to withholding taxes and also a reduced recovery for the sale of tax benefits (flow-through shares).
- Revenues were \$271,692 (2013 - \$142,000) for the three month period ended September 30, 2014 which includes net option income of \$100,000 (2013 - \$142,000) and royalty income of \$171,692 (2013 - \$Nil).
- Revenues were \$958,071 (2013 - \$745,022) for the nine months ended September 30, 2014. The reduced lower net option income reflects the significant challenges that junior mining companies currently face in

arranging financing to enter option arrangements with Globex. The increase in the royalty income reflects increased zinc prices during the first nine months of 2014.

### **Forward-looking statements**

Certain information in this MD&A, including any information as to the Corporation's future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking statements." The words "expect", "will", "intend", "estimate", and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

This document may contain forward-looking statements reflecting the management's expectations with respect to future events. Actual results may differ from those expected. The Corporation's management does not assume any obligation to update or revise these forward-looking statements as a result of new information or future events except as required by law.

### **Qualified person**

All scientific and technical information contained in this management's discussion and analysis was prepared by the Corporation's geological staff under the supervision of Jack Stoch, President and CEO, who is a qualified Person under NI 43-101.

### **Exploration activities and mining properties**

The Corporation conducts exploration activities in compliance with "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards with exploration programs planned and managed by "Qualified Persons" who ensure that QA/QC practices are consistent with National Instrument (NI) 43-101 standards. On all projects, selected diamond drill core samples are marked by a geologist and subsequently split, with one-half of the core analyzed, in the case of gold, by standard fire assay with atomic absorption or gravimetric finish at an independent, registered commercial assay laboratory. The second-half of the core is retained for future reference. Other elements' concentrations are determined in an industry acceptable manner, for geochemical trace signatures and subsequently for high grade content as required.

When discussing historical resource calculations (Non - NI 43-101 compliant) available in the public domain regarding our properties, we will include source, author and date, and appropriate, cautionary language stating:

- a qualified person has not done sufficient work to verify the historical estimate as mineral resources or reserves as defined by the CIM Definition Standards for Mineral Resources and Mineral Reserves;
- the issuer is not treating the historical estimate as current mineral resources or mineral reserves; and
- the historical estimate should not be relied upon.

Exploration expenditures for the nine month period ended September 30, 2014 totalled \$1,807,676 (2013 - \$4,169,688) which reflects eligible flow-through expenditures of \$1,770,188 and non-flow through expenditures of \$37,488.

The exploration expenditures by type are detailed in note 13 to the September 30, 2014 Interim Condensed Consolidated financial statements. During the nine month period the major types of expenditures were; (a) Consulting - \$114,758 (2013 - \$258,535), (b) Drilling - \$507,524 (2013 - \$1,855,208), (c) Geology - \$106,676 (2013 -

\$445,909), (d) Laboratory analysis and sampling - \$218,336 (2013 - \$476,699), (e) Labour - \$673,610 (2013 - \$818,844), (f) Line cutting nil (2013 - \$127,933) (g) Transport and road access - \$45,818 (2013 - \$367,296), (h) Other - \$140,954 (2013 - \$457,832). In 2014, the use of external contractors was reduced and therefore in some cases, there are no comparable costs for a number of exploration activities.

During 2014, exploration expenditures were incurred on the major projects as outlined below:

Region/Property/Township	Exploration - Nine Months September 30,	
	2014	2013
<b>Ontario</b>		
• Timmins Talc-Magnesite (Deloro)	\$ 239,984	\$ 1,459,530
• Other projects	9,907	-
	<b>249,891</b>	<b>1,459,530</b>
<b>Quebec</b>		
• Eau Jaune Lake (Rale)	186,332	9,837
• Eagle Mine (Joutel)	196,884	54,507
• Fecteau Lake (Buteux)	1,825	295,427
• Champdoré (Champdore, Razilly)	50,048	8,435
• Lyndhurst (Destor)	21,469	105,466
• Nordeau East-West (Vauquelin)	69,421	1,443
• Poirier (Joutel, Poirier)	142,334	-
• Sigma East (Val d'Or)	3,193	134,394
• Smith-Zulapa (Tiblemont)	97,266	134,473
• Soisson (Soisson)	4,534	45,689
• Tavernier-Tiblemont (Tavernier)	143,808	473,714
• Turner Falls Rare Earth Property (REE) (Villedieu)	88,318	518,058
• Wood-Pandora Project (Cadillac)	180,826	531,868
• Other projects	178,127	234,537
• Quebec general exploration	180,314	162,085
	<b>1,544,699</b>	<b>2,709,933</b>
<b>Other regions</b>		
• Nova Scotia	993	225
• New Brunswick	983	-
• Other including Bell Mountain (USA).	11,110	-
<b>Total exploration expenditures</b>	<b>\$ 1,807,676</b>	<b>\$ 4,169,688</b>
Q1	\$ 569,572	\$ 1,078,474
Q2	515,690	894,417
Q3	722,414	2,196,797
<b>Total exploration expenditures</b>	<b>\$ 1,807,676</b>	<b>\$ 4,169,688</b>

Table 1

### Timmins Talc-Magnesite Project

As announced in a Press Release on January 8, 2014, on December 18, 2013, the Company received a 21 year mining lease covering the site of the proposed talc mine. This is an important milestone towards the achievement of production. A mining lease is a registered property title which facilitates financing and permitting related to mining and production operations.

Globex has completed; (a) ground-based geophysical surveys (magnetometer, VLF-EM, induced polarization and resistivity survey investigations), (b) laboratory metallurgical tests, (c) a mini pilot plant study, (d) an internal Scoping Study, (e) diamond drilling and assaying, (f) mineralogical studies, and (g) several NI 43-101 compliant reports which are available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.globexmining.com/TechReports](http://www.globexmining.com/TechReports)). These reports outline the project's current resource estimate and the 2012 preliminary economic assessment (PEA).

During 2013, the Company completed a drill program, which consisted of 53 drill holes totalling 7,500 metres. The program was designed to; (a) raise the resource in the proposed open pit area of the A Zone ore-body to reserve status; (b) better define the distribution and variability of the principal economic minerals; and (c) undertake geotechnical studies in order to facilitate design of the proposed open pit. Work in the second and third quarter of 2014 focussed on completing additional drill core QEMSCAN analysis and continuation of the talc variability study. The Centre de Technologie Minerale et de Plasturgie (CTMP) located in Thetford Mines, Qc. completed talc flotation and micronizing work on thirty five composite samples from diamond drill holes. Plastic compounding and injection molding of this material has been completed. This ongoing test program is expected be completed later this year and will provide an assessment of TTM talc's physical properties compared to existing talc products.

Expenditures incurred in the second quarter totaled \$53,793. During the third quarter, we spent \$154,155 on continuing the variability test study and initiated a further review of processing alternatives and financing requirements.

In the third quarter of 2014, Globex received results of tests on samples of talc concentrate which sought to test for the presence of asbestos. Very strict international standards are set for the presence of asbestos contaminants in industrial products. It is critical that talc samples contain no asbestos. Thirty five (35) composite samples representing 1,679.7 metres of drill core were submitted for testing. Each sample represented an average core length of 48 m and an average horizontal core width of 30.8 m. Every concentrate sample analysis indicated that no asbestos was present. Globex is very pleased that TTM talc meets or exceeds these standards. The results confirm earlier test work by Globex which also showed that no asbestos was present in TTM talc samples.

Also in 2014, testing of a new application for the use of magnesia was started. The objective of the testing was to assess the TTM magnesite's suitability for other magnesia product streams. This information can be used in trade-off studies related to future ore processing options. The Corporation continues to review these applications.

### Current National Instrument 43-101 Technical Reports

On March 2, 2010, Globex received Micon's NI 43-101 Technical Report providing Mineral Resource Estimates of the Timmins Talc-Magnesite Deposit. The following resource tonnages and grades were outlined;

#### Mineral Resource Estimate

Category	Tonnes	Sol MgO (%)	Magnesite (%)	Talc (%)
<b>A Zone Core</b>				
Indicated	12,728,000	20.0	52.1	35.4
Inferred	18,778,000	20.9	53.1	31.7
<b>A Zone Fringe</b>				
Inferred	5,003,000	17.6	34.2	33.4
Sol MgO = Soluble magnesium oxide				

**Table 2**



## Preliminary Economic Assessment

On March 2, 2012, Globex announced via a press release a National Instrument (“NI”) 43-101-compliant Technical Report for the Preliminary Economic Assessment (“PEA”) of the TTM project. The press release commented that the PEA reflected the inputs of Globex’s team of consultants in collaboration with Jacobs Minerals Canada (“Jacobs”) and Micon International Limited (“Micon”). The full PEA report was filed on SEDAR on April 17, 2012.

Based on the previous mineral resource estimate and a mining rate used in the PEA of 500,000 tonnes per annum, the proposed mine has an identified 60-year mine life within the A zone investigated by diamond drilling during the period of 1999 - 2008. Additional infill diamond drilling was completed during the period of December 2012 to March 2013. Analytical results of sampling collected from cut cores of this work are still currently being received. The Corporation plans to update the resource calculation upon receipt of all analytical data.

The March 2, 2012 press release provides a detailed listing of the key operating assumptions as well as a summary of the projected revenues, operating and capital costs for a 20-year mining period covered by the PEA. The financial results indicate a positive after-tax NPV of \$258.0 million at a discount rate of 8%, an after-tax internal rate of return (IRR) of approximately 20% and a payback period of 5.8 years on the discounted cash flow. The reported cash operating margin averages 61% over the initial 20-year period.

During 2014 the Corporation continued analysing a series of financial models and scenarios using data from Globex's current PEA. These internal studies are designed to identify production “roll-out” options and project financing strategies.

## Quebec projects

During the third quarter of 2014, expenditures of \$551,417 (2013 - \$2,089,203) were incurred on Quebec exploration projects. The current year expenditures include follow-up drilling on projects such as the Eagle Mine, Smith-Zulapa, Tavernier-Tiblemont and the Wood-Pandora properties. They also include costs for revisiting some of our more advanced projects such as the Poirier Mine, Lyndhurst Mine and Nordeau property. The Corporation is also undertaking exploration on some of our newer acquisitions such as the Eau Jaune Lake, Champdoré, Courville and Lac Ontario properties.

Following is a brief description of work undertaken in the quarter by Globex on projects on which significant expenditures were incurred.

- **Champdoré** (Champdore/Razilly) - a 3-hole, 495 metre (‘m’) drill program was completed in late August. Drilling tested the potential for rare earth elements (REE) associated with a possible alkaline intrusion outlined by a circular magnetic anomaly. The circular magnetic feature was determined to be a gabbroic, non mineralized intrusion. An assessment report has been completed.
- **Lyndhurst** (Destor/Poularies) – work to re-evaluate deep stratigraphic drilling at the Moses VMS zone and the under-explored eastern sector of the property continues. Additionally, rehabilitation work in connection with the exploration program on the Lyndhurst property continues at the old mine site.
- **Nordeau East and West** (Vaquelin/Pershing) - after reviewing previous option holder Plato Gold Corp. drilling results at the Nordeau project undertaken from 2006 to 2011, over 1,500 m of untested core was sampled to close mineralized zones and to fill gaps between isolated gold intersections. Best individual results returned up to 8.13 gpt Au over 1.0 m. Two mineralized zones, not previously sampled in hole PG-06-21, returned 1.50 gpt Au over 11.8 m and 1.13 gpt Au over 9.0 m. A sampling report was completed.

- **Poirier** (Poirier/Joutel) - a two-hole, 1,312 m drill program to test the Q zone at depth and a satellite orebody south of the Q zone started July 28 and was completed August 11. Best results came from hole P-14-002 intersecting massive sulphide mineralization grading 4.95 % Zinc (Zn) and 8.98 gpt silver (Ag) over 6.47 m (core length) including 7.48 % Zn and 12.61 gpt Ag over 3.23 m (core length). The 2014 drilling report is being completed; no additional work is planned for 2014.
- **Smith-Zulapa** (Tiblemont) - a four hole 645 m drill program to test the lateral extension of the Smith–Zulapa mineralization was completed during the first week of August. The best results were intersected in hole SZ-14-03 (1.68 gpt Au over 1.5 m) and in hole SZ-14-04 (5.97 gpt Au over 1.5 m). The shear zones show lateral continuity to the west but the mineralization in these structures in the granodiorite host rock returned lower grades than the historical values. The drilling report has been completed and no additional work is planned for 2014.
- **Tavernier-Tiblemont** (Tiblemont) - a four hole 735 m drill program was performed during the month of July and August. Two holes tested the Maufort shear zone southern extension and the other two holes tested the lateral extension of the Blair showing. The current drilling at these two prospects did not return any gold values. A drilling report has been completed and efforts will be concentrated upon areas where our previous drilling returned economic grade and width gold intersections.
- **Turner Falls** (Villedieu/Senezergues) - Studies are on-going to reconcile the analytical results derived from Globex's high grade surface assays (commonly up to several percent TREO & Y<sub>2</sub>O<sub>3</sub>) as confirmed by detailed petrographic/microprobe analyses, and the lower REE metal concentrations in drill core. The 2013 drill report was completed but in 2014 more samples from 2013 drill core were taken and sent for analysis. Several assays returned values ranging from 1200 to 4800 ppm TREO & Y<sub>2</sub>O<sub>3</sub>. The best intersection come from hole TF-13-04 returning 0.357% TREO & Y<sub>2</sub>O<sub>3</sub> over 8.04 m. A sampling report has yet to be completed. Recently Globex acquired by staking, several high grade rare earth occurrences adjacent to the property.
- **Wood-Pandora** (Cadillac) - a four-hole drill program totaling 2,637 m started in early March and was completed in April. This program targeted possible extensions of some of the better 2012 and 2013 drill campaign gold intersections. One more hole (W14-113) was drilled in September replacing previously planned surface sampling and completing 2014 annual property assessment work requirements. The high-grade gold intersections from the 2012-2013 programs were not repeated (not uncommon with free gold), but the mineralized structures identified in previous drilling were intersected, showing continuity at depth. The following table presents some of the results related to the different mineralized structures intersected. Holes W14-109 to W14-112 were previously reported.

DDH	Zone	From m	To m	Core Length	Au (g/t)
<b>W14-109</b>	BIF	540.9	542.0	1.1	2.17
<b>W14-109</b>	S3_Cadillac_C	674.5	675.5	1.0	5.10
<b>W14-109</b>	S3_Cadillac_D	695.0	699.0	4.0	1.03
<b>W14-109</b>	S3_Cadillac_E	703.0	708.0	5.0	1.15
<b>W14-110</b>	S3_Cadillac	133.0	134.5	1.5	1.30
<b>W14-110</b>	BIF	561.0	563.0	2.0	1.19
<b>W14-110</b>	North break	667.6	675.2	7.6	1.07
<b>W14-111</b>	Piché volc.	151.0	154.0	3.0	1.05
<b>W14-111</b>	S3_Cadillac_E	209.0	210.0	1.0	4.88
<b>W14-111</b>	S3_Cadillac_D	224.2	226.0	1.8	1.75
<b>W14-111</b>	S3_Cadillac_C	247.0	252.0	5.0	2.47
<b>W14-112B*</b>	S3_Pontiac	82.0	84.15	2.15	2.84
<b>W14-112B</b>	S3_Pontiac	424.0	426.0	2.0	2.97
<b>W14-112B</b>	S3_Cadillac	622.0	624.5	2.5	1.53

DDH	Zone	From m	To m	Core Length	Au (g/t)
<b>W14-113</b>	S3_Pontiac	231.5	232.85	1.35	1.36
<b>W14-113</b>	S3_Cadillac	401.3	403	1.70	1.39
<b>W14-113</b>	S3_Cadillac	431.4	432	0.6	16.83
<b>W14-113</b>	S3_Cadillac	439.0	440.5	1.5	6.08

\*Hole W14-112 was abandoned

Wood-Pandora constitutes one of Globex's priority gold properties and is located several km west of the currently producing Agnico Eagle Lapa Gold Mine, also located along the prolific Cadillac Break. During the first quarter, Osisko our joint venture partner on this project accepted a takeover offer from Yamana Gold Inc. and Agnico Eagle Mines Limited. In the second quarter, the takeover was completed and Globex welcomed the Canadian Malartic Partnership as Globex's new partner on this project. Globex and Canadian Malartic Partnership will meet in the fourth quarter to set objectives for the 2015 campaign.

In the next quarter, drilling is planned for previously identified gold targets at the Beauchastel property and base metal VMS style targets at the Rich Lake and Vauze Mine properties for a total of approximately 2,200 metres. Field work including mapping and sampling programs will be undertaken on our Molyhill and Lac Turgeon properties. Geophysical work on certain properties planned for 2014 has been deferred to early 2015.

Assessment work reports will be completed and filed for all active 2014 projects.

### Optioned properties

A number of Globex partners working on optioned properties, have issued press releases outlining their results. The most significant results are as follows:

**Magusi and Fabie Bay (Mag Copper Limited.)** – Mag Copper Limited (Mag) is a development and exploration Corporation which has focussed on putting the past producing Fabie Bay and Magusi Mines back into production. On April 28 2011, Globex entered into an option agreement with Mag which consisted of:

- (a) making cash option payments of \$1,075,000,
- (b) Issuing 13.5 M common shares (issued),
- (c) Making an aggregate of exploration expenditures of \$10,250,000 and
- (d) Completing a Bankable Feasibility Study.
  
- (e) 3% Gross Metal Royalty, an advance royalty payment of \$50,000 starting at the fourth anniversary of the agreement, \$10,250,000 expenditure commitment on the property over a 4 year period from the closing date and the completion of a Bankable Feasibility Study within a 4 year period from the closing date. Mag Copper is a development and exploration Corporation focused on putting the past producing Fabie Bay and Magusi Mines back into production.

In addition, the original option terms include a 3% Gross Metal Royalty, 1% of which may be purchased by Mag Copper for \$5,000,000 as well as an annual advance royalty of \$50,000 starting at the 4th anniversary of the agreement and continues until commercial production is achieved.

On April 8, 2013, the terms of its option agreement with Mag were amended. Subsequently, on April 28, 2014 Mag and Globex amended the terms of the option agreement. Under the terms of the amending agreement: (i) the date for a single \$400,000 payment due to Globex has been apportioned into four \$100,000 payments, the first due April 28, 2014 (paid). The subsequent payments are due on August 31, 2014 (paid), December 31, 2014 and April 28, 2015. Additionally, staged expenditure commitments of \$8,000,000 have each been extended for a 12 month period to April 28, 2015 and 2016.

A delivery date for a bankable feasibility study on the Magusi and Fabie Bay properties has also been extended to April 28, 2017.

Globex Management will continue to monitor progress by Mag Copper.

**Bell Mountain (Lincoln Mining Corporation)** - In 2010, Globex entered into an option agreement on the Bell Mountain gold-silver property located in the Fairview mining district in Churchill County, Nevada with Laurion Mineral Exploration Inc ("Laurion") whereby Laurion could earn a 100% interest in this property. Under this arrangement Globex is entitled to receive cash, Laurion Mineral Exploration Inc. common shares, a sliding-scale gross metal royalty ("GMR") of 1% to 3% based on the price of gold, and an advanced royalty payment of \$20,000 per annum after the option has been exercised and the property transferred. The agreement also includes work commitments by Laurion on the property.

As outlined in a press release of November 28, 2012, Laurion and Lincoln Mining Corporation ("Lincoln") entered into an agreement whereby Lincoln would acquire a 100% interest in the Bell Mountain property from Laurion. Under the purchase arrangement, the Globex work commitments and the royalty arrangements remained on the property. On September 9, 2014, Laurion announced in a press release that it had consented to amend the payment terms related to the sale of the property to Lincoln which included a cash price of \$2,350,000. The amendment requires Lincoln to make specified payments on or prior to December 31, 2014 and provides Laurion with certain elections if payments are not made by January 1, 2015.

On September 15, 2014, Lincoln issued a press release announcing that it planned to conduct a non-brokered private placement of up to 17,500,000 units at a price of \$0.20 per unit ("Units") for total proceeds of up to \$3,500,000 with proceeds raised being used to complete the purchase of the Bell Mountain property.

Lincoln has indicated that its primary focus is to advance its two gold-silver properties in Nevada, the Pine Grove Property and the Bell Mountain properties, towards production. Permitting and survey work has been underway since May 2014.

Globex management will continue to monitor progress by Lincoln including exploration expenditures on the property in order to protect its interest in Bell Mountain as well as advance royalty payments and future GMRs.

**Farquharson Property (Integra Gold Corp "Integra")** In January 2012, Integra entered into an option to acquire a 100% interest in the renamed the Donald Property (Globex's Farquharson Property) located in Bourlamaque Township, Quebec, adjacent to the Corporation's flagship Lamaque property. Under the arrangement, Globex was entitled to receive cash option payments, common shares and a 3% GMR.

Globex has not, to date, received reports of new exploration on the property which is located in the south east corner of the Lamaque property, just east of the Triangle and No. 4 Plug zones. During the quarter, Integra completed an extensive drilling project on the Triangle zone with positive results.

In a press release dated September 3, 2014, Integra Gold announced its plans to acquire Sigma-Lamaque Milling Facility and Mine by entering into an Asset Purchase Agreement to acquire the property from Samson Bélair/Deloitte & Touche Inc. (the "Vendor"), acting as court-appointed receiver of the assets of Century Mining Corporation ("Century"). The assets to be acquired include a permitted 2,200 tonne per day ("tpd") milling complex and tailings facility as well as permitted underground infrastructure including three portals, mechanical shop, office, dry, equipment, and all mining concessions and mineral claims on the past-producing Property.

## Property acquisitions, sales and options

### Property acquisitions

During the nine month period ended September 30, 2014, the carrying value of the properties in Quebec increased by \$144,197 representing cash outlays of \$26,403 (2013 - \$5,793), the issuance of 450,000 shares with an ascribed value of \$118,000 and offsetting option income of \$206.

On August 27, 2014, Globex announced the acquisition of 100% interest in the Santa Anna gold deposit located in La Reine Township, Quebec near the town of La Sarre. Two separate transactions were completed in order to acquire the property. A total of 450,000 shares and 150,000 share purchase warrants were paid to two vendors. The warrants are exercisable for Globex shares at a price of \$0.45 per share for a period of two years. The shares which were issued under these transactions were valued at \$0.26 per share representing the contract prices at the execution of the arrangements.

The Santa Anna gold deposit is made up of multiple gold bearing quartz veins within the Manley granitic stock.

Detailed drilling, stripping, trenching and bulk sampling has outlined an historical, non NI 43-101 compliant resource of 1,278,532 tonnes grading 2.97 g/t Au (122,098 ounces) including 356,721 tonnes of which was considered open pittable, with a grade of 2.42 g/t Au (27,764 ounces) (Source: NI 43-101 Technical Evaluation Report, Santa Anna Project, La Reine Township, Quebec by Pierre O'Dowd, P. Geo., May 2008, for Vantex Resources Limited, (SIGEOM # GM 63742), referencing work by AltaVista Mines in 1998). These historical resources predate NI 43-101 regulations and should not be relied upon to conform to current NI 43-101 regulations.

The Corporation plans to compile all available information and review the project to determine the opportunities for increasing and qualifying resources at the property.

### Sales and options

#### Net option income September 30, 2014

Property, Agreements Summary	Net Option Income	Recovery of Property Acquisition	Recovery of Exploration Expenditures
<b>Sales and Options</b>			
• Visible Gold Mines, sale of Cadillac West Claims (Cash Option of \$22,500).	\$ 22,021	\$ 206	\$ 273
<b>Option and sale payments under Agreements from prior years</b>			
• Integra Gold Corp, Farquharson Property <sup>1</sup> (Cash and shares - \$39,750).	-	-	39,750
• Mag Copper Limited, Fabie Bay/Magusi Property (Cash - \$200,000)	200,000	-	-
	\$ 222,021	\$ 206	\$ 40,023
Q1 – 2014	\$ -	\$ -	\$ 39,750
Q2 – 2014	122,021	206	273
Q3 – 2014	100,000	-	-
	\$ 222,021	\$ 206	\$ 40,023

#### Notes:

1. Property was renamed by Integra Gold Corp. to the Donald Property.

During the nine month period ended September 30, 2014, Globex generated gross option income of \$262,250 (2013 - \$675,500) which reflects cash of \$252,500 and 50,000 shares with an initial fair value of \$9,750 from

Integra Gold Corp. In accordance with the Corporation's revenue recognition policy, \$206 was recorded as a recovery of property acquisition costs and \$40,023 as a recovery of exploration expenditures resulting in net option income of \$222,021 (2013 - \$675,500).

During 2013 and in the current year, Globex has not received option payments under the 2011 Fontana Property Option Agreement. On September 18, 2014, the agreement was amended with Globex to receive \$50,000 on November 30<sup>th</sup> in each year from 2014 to 2018. It is also scheduled to receive \$100,000 on November 30, 2019 and \$200,000 on November 30, 2020 and November 30, 2021.

On October 14, 2014, Globex entered into an agreement with Midatlantic Minerals Inc. ("Midatlantic") which would enable it to acquire five cells (HA!HA! Silica property, located in Boileau Township, Quebec) from Globex. The agreement provides for the payment of an advanced production royalty of \$10,000 per year commencing on October 14, 2015 and an ongoing royalty of \$1.25 per ton of rock mined and removed or sold from both the Globex cells and the adjoining Midatlantic cells. In the first four years of production minimum royalty payments of \$10,000, \$15,000, \$20,000, \$25,000 per year are guaranteed and \$25,000 per year thereafter.

## Royalties

The Corporation's Annual Information Form, and website [www.globexmining.com](http://www.globexmining.com) provide Property Descriptions, a list of Royalty Interests, as well as the Optionee's related to the various properties.

## Summary of quarterly results

The following table shows selected results by quarter for the last eight quarters:

	2014			2013			2012	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total revenues	\$ 271,692	\$ 383,668	\$ 302,711	\$ 5,187	\$ 142,000	\$ 462,500	\$ 140,522	\$ 302,916
Total expenses	371,249	595,854	376,958	1,232,339	535,287	455,060	530,752	1,190,820
Other income (expenses)	(230,562)	(182,355)	(24,275)	263,260	233,044	194,883	(7,143)	5,826,784
Income (loss) <sup>(1)</sup>	(496,923)	(542,520)	(270,818)	(1,231,200)	338,623	358,299	(310,528)	4,952,406
Income (loss) per common share								
- Basic and diluted	(0.01)	(0.01)	(0.01)	(0.04)	0.01	0.01	(0.01)	0.21

Note:

1. Attributable to common shareholders of the Corporation.

The loss of \$496,923 in the third quarter of 2014 compares to a loss of \$542,520 in the second quarter of this year. The reduction in the loss of \$45,597 reflects the combined impacts of lower revenues, reduced expenses (including lower share based compensation), and an increase in other expenses as a result of the decline in the fair value of equity investments.

The loss of \$542,520 in the second quarter of 2014 compares to a loss of \$270,818 in the first quarter of 2014. The increase in the loss reflects the impact of increased expenses of \$218,896 mainly related to share-based compensation and an increase in other expenses of \$158,080 including a decline in the fair value of financial assets.

The loss of \$270,818 in the first quarter of 2014 compares to a loss of \$1,231,200 in the fourth quarter of 2013. The reduction in the first quarter loss as compared to 2013 fourth quarter loss is mainly a result of a reduction in the impairment provision of \$837,480.

The loss of \$1,231,200 in the fourth quarter ended December 31, 2013 compares to income of \$338,623 in the third quarter of 2013. The loss in the fourth quarter as compared to income in the third quarter is mainly a result of the reduced revenues in the quarter and the impairment provision of \$920,884 provided against mining properties and deferred exploration.

The income of \$338,623 in the third quarter ended September 30, 2013 compares to income of \$358,299 in the second quarter ended June 30, 2013. In the third quarter of 2013, the Corporation recorded revenues of \$142,000. The Corporation recorded a recovery of income and mining taxes of \$498,866 (2012 - \$224,224).

The income of \$358,299 in the second quarter ended June 30, 2013 compares to a loss of \$310,528 in the first quarter ended March 31, 2013. In the second quarter of 2013, the Corporation recorded revenues of \$462,500 which include revenues of \$350,000 related to the sale of properties to Chibougamau Independent Mines Inc. ("CIM"). The Corporation recorded a recovery of income and mining taxes of \$155,976 (2012 - \$24,704).

The loss in the first quarter ended March 31, 2013 of \$310,528 compares to the income of \$4,952,406 in the quarter ended December 31, 2012. In the fourth quarter of 2012, the Corporation recorded a gain on spin-out of assets to CIM.

The income in the fourth quarter ended December 31, 2012 of \$4,952,406 compares to the loss of \$672,135 in the third quarter ended September 30, 2012. The increase in income reflects the gain on spin-out of assets to CIM offset by an increase in the impairment provisions for mineral properties and deferred exploration, as well as the recovery of income and mining taxes.

## **Results of operations for the three months and nine months ended September 30, 2014**

### **Revenues**

During the three month period ended September 30, 2014, revenues of \$271,692 were \$129,692 higher than the \$142,000 reported in the comparable period last year.

During the nine month period ended September 30, 2014, revenues totalled \$958,071 which was \$213,049 higher than the \$745,022 reported in the comparable period in 2013. In 2014, the Corporation reported net option income of \$222,021 (2013 - \$675,500) and Metal royalty income of \$736,050 (2013 - \$69,522). Globex is entitled to gross metal royalty based on the value of metal produced at Nyrstar's Mid-Tennessee zinc operations. If the zinc price is greater than US \$0.90 per pound on the final payment date which follows one month after the production period then Globex is entitled to a royalty payment. During the nine month period ended September 30, 2014, the Zinc prices averaged U.S. \$0.97 per pound (2013- U.S. \$0.87) which resulted in the higher royalty payments in the current year.

### **Total expenses**

In the third quarter of 2014, the total expenses were \$371,249 compared to \$535,287 in 2013. The reduction reflects a reduction in salaries, administrative costs and share based payments.

During the nine month period ended September 30, 2014, total expenses were \$1,344,061 as compared to \$1,521,099 in the comparable period ended September 30, 2013 reflecting a total reduction of \$177,038. The statements show a reduction in salary, administration and depreciation expenses with an increase in professional fees and outside services.

### **Salary**

- The decrease in salaries of \$33,634 from \$133,332 in the quarter ended September 30, 2013 to \$99,698 in the period ended September 30, 2014 reflects a reduction in administrative staff and executive compensation.

The reduction in the salary costs from \$465,710 in the nine month period ended September 30, 2013 to \$341,714 in the nine month period ended September 30, 2014 also reflects a reduction in administrative staff and executive compensation.

#### **Administration**

- During the three month period ended September 30, 2014, the administration expenses totalled \$70,071 compared to \$63,983 in the comparable period in 2013.
- In the nine month period ended September 30, 2014, the administration expenses totalled \$218,688 compared to \$307,356 in the comparable period last year. The decrease of \$88,668 represents a reduction in office costs of \$21,195, a reduction in convention and meeting costs of \$29,560 advertising and shareholder information of \$25,850 and a reduction in other administrative expenses of \$12,063.

#### **Professional fees and outside services**

- For the three month period ended September 30, 2014, the professional fees and outside services were \$137,661 compared to \$59,443 in the same three month period in 2013.
- During the nine month period ended September 30, 2014, professional fees and outside services totalled \$317,491 compared to \$296,630 in the comparable period, representing an increase of \$20,861.

#### **Depreciation and amortization**

- The depreciation and amortization expense for the three month period ended September 30, 2014 totalled \$15,078 as compared to \$16,817 and the depreciation and amortization expense for the nine month period ended September 30, 2014 was \$43,637 as compared to \$50,037 in 2013.

#### **Share-based compensation and payments**

- For the three month period ended September 30, 2014, the total share-based compensation and payments amounted to \$35,175 (September 30, 2013 – \$199,206). The reduction in the expense in 2014 mainly represents the lower number of options issued which fully vested (2014 - 197,500 options granted; 2013 - 660,000 options granted).
- During the nine month period ended September 30, 2014, the share-based compensation expense was \$253,392 as compared to \$251,556 in the same period in 2013. In 2014, 2,097,500 options were granted, at a weighted average strike price of \$0.24 per share (fair value of \$0.11 per option grant) whereas in 2013 - 800,000 options were granted at a weighted average strike price of \$0.58 per share (fair value of \$0.30 per option granted).

#### **Impairment of mineral properties and deferred exploration expenses**

- The impairment provision is made against properties for which claims have lapsed or no immediate future expenditures are planned. General exploration expenditures are also expensed as incurred under this accounting policy. The provision of \$40,534 in the three month period ended September 30, 2014 is consistent with the expense of \$58,932 in the comparable period last year.
- During the nine month period ended September 30, 2014, the Corporation recorded a provision of \$191,797 as compared to \$162,085 in the comparable in 2013.



### **Other income (expenses)**

- Other income (expenses) reflects interest income, joint venture loss, the increase (decrease) in fair value of financial assets, management services including administrative, compliance, corporate secretarial, risk management support and advisory services provided to CIM.
- During the three month period ended September 30, 2014, Globex recorded other expenses of \$230,562 as compared to other income of \$233,044 in the comparable period in 2013. The difference between the results in the respective periods is mainly a result of recording a decrease in the fair value of financial assets in 2014 of \$241,256 as compared to an increase of \$186,863 last year.
- In the nine month period ended September 30, 2014, the Corporation reported other expenses of \$437,192 as compared to other income of \$420,784 in the comparable period in 2013. The difference is mainly a result of a decrease in the fair value of financial assets of \$504,387 (2013 - increase in fair value of \$89,938) and reduced management services income of \$37,800 (2013 - \$252,000). The lower management services income is a result of a low level of support for CIM in the current year as there has been virtually no exploration activity in 2014.

### **Income and mining taxes (recovery)**

- An income and mining tax expense of \$166,804 for the three month period ended September 30, 2014 has been recorded as compared to a recovery of \$498,866 in the comparable period in 2013. The expense in the current quarter represents current taxes of \$50,504 for U.S. withholding taxes on royalty payments from Nyrstar and the deferred tax expense of \$116,300 related to the renunciation of tax benefits to subscribers. In 2013, a recovery of current taxes of \$271,672 was recorded as a result of tax refilings and a net recovery of \$227,194 related to the sale of tax benefits under flow-through arrangements.
- During the nine month period ended September 30, 2014, a provision of \$487,079 has been reported as compared to a recovery of \$741,687 in the comparable period in 2013. The provision in 2014 reflects a current tax expense of \$219,050 (September 30, 2013 - recovery of \$287,441) related to withholding taxes on net metal royalties and deferred income tax and mining duties of \$268,029 (September 30, 2013 - recovery of deferred income and mining taxes of \$454,246) related to the sale of tax benefits.
- The deferred income and mining tax provisions in the current year reflects management's best estimate of future tax rates substantially enacted and current tax planning strategies. It also reflects the impact of non-deductible items (share-based payments, impairment provisions on non-financial assets, a decrease in fair value of financial assets) as well as tax planning strategies to minimize the taxable income inclusion for shares received under mining option agreements executed on Globex mineral properties.

## **Financial position**

### **Total assets**

At September 30, 2014, the total assets were \$25,936,054 which represents an increase of \$1,370,721 from \$24,565,333 at December 31, 2013. The net increase mainly reflects the impact of the proceeds from the financing that closed on May 5, 2014.

Cash and cash equivalents, investments, and accounts receivable totalled \$764,387 at September 30, 2014 (December 31, 2013 - \$1,223,323) representing 2.9% of the total assets.

Cash reserved for exploration was \$2,178,045 at September 30, 2014 (December 31, 2013 - \$2,090,732). The net change reflects the impact of the May 5, 2014 “flow-through financing” of \$1,857,500 and the qualified “flow-through” expenditures of \$1,770,187 during 2014.

At September 30, 2014 deferred exploration expenses totalled \$18,958,483 (December 31, 2013 - \$17,382,627) a net increase of \$1,575,856.

#### **Total liabilities**

At September 30, 2014, the current liabilities were \$346,043 as compared to \$644,625 at December 31, 2013. The reduction of \$298,582 mainly reflects the settlement of the dividend payable of \$243,010 to CIM.

The Other Liabilities represent the excess of the proceeds received from flow-through share issuances as compared to the fair value at the share issuance date. The other liabilities were \$209,075 at December 31, 2013 and were reported as \$297,413 at September 30, 2014.

#### **Deferred tax liabilities**

The deferred tax liabilities were \$4,368,115 at September 30, 2014 as compared to \$3,966,050 at December 31, 2013. The increase mainly reflects the impact of the renunciation of tax benefits to subscribers under flow-through share arrangements.

The liability represents management’s best estimate of future taxes that will be payable if income is earned, based on substantially enacted legislation as well as current operating plans and tax strategies. The majority of the liability arises as a result of Canadian Eligible Exploration Expenditures which have been renounced to shareholders under flow-through arrangements and therefore not available as a reduction in future taxable income.

#### **Owners’ equity**

Owners’ equity, consisting of Share capital, Warrants, Deficit, and Contributed Surplus – Equity settled reserve totalled \$20,648,351 (December 31, 2013 - \$19,468,382). The change reflects the impact of the 7,707,143 common shares and 1,125,000 warrants issued during the period, share-based compensation related to stock options issued, as well as the loss attributable to shareholders. Details of the changes are provided in the Interim Condensed Consolidated Statement of Equity.

#### **Share capital**

At September 30, 2014, the Share capital of the Corporation totalled \$52,872,841 which represented an increase of \$2,194,936 from December 31, 2013 and represented 41,243,755 common shares outstanding.

#### **Liquidity, working capital**

At September 30, 2014, the Corporation had cash and cash equivalents of \$362,568 (December 31, 2013 - \$164,380) and cash reserved for exploration of \$2,178,045 (December 31, 2013 - \$2,090,732). Investments of \$205,154 (December 31, 2013 - \$942,801) mainly reflect shares, recorded at fair value, in optionee companies received as consideration under mining option agreements.

At September 30, 2014, the Corporation’s working capital (based on current assets minus current liabilities) was \$2,743,140 (December 31, 2013 - \$2,765,352). The Corporation believes that based on the current cash and working capital position and its access to liquidity sources, it has sufficient resources readily available to meet its current exploration spending commitments and corporate and administrative requirements for the next twelve months.

Globex does not have any long-term debt or similar contractual commitments.

## **Cash Flow**

During first nine months of 2014, the Operating activities used \$250,483 (September 30, 2013 – generated \$503,347) while the Financing Activities generated \$2,341,213 (2013 - Nil) and the Investing activities totalled \$1,805,229 (2013 - \$4,200,007).

The Operating, Financing, and Investing activities for the nine month period ended September 30, 2014 resulted in a net increase in cash and cash equivalents of \$285,501 (2013 – decrease in cash of \$3,696,660).

## **Financial instruments**

### **Capital risk management**

The Corporation manages its common shares, stock options and retained earnings (deficit) as well as contributed surplus - Equity settled reserve as capital.

The Corporation's business is subject over the next several years to the availability of equity capital to finance the acquisition, exploration and development of major projects. The availability of equity capital to resource companies is affected by commodity prices as well as global economic conditions. Currently the equity market for junior exploration companies is negative. These conditions are beyond the control of Management and will have a direct effect on the Corporation's ability to raise equity capital.

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objectives of enhancing projects, properties or the development of properties to the benefit of all shareholders.

As a Canadian exploration Corporation, its principal sources of funds consist of; (a) Options income on properties; (b) Metal royalty income; (c) Investment income; (d) proceeds from the issuance of common and flow-through shares and (e) other working capital items.

The Corporation manages the capital structure and makes adjustments to it in light of operating results, changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, enter into joint venture property arrangements or dispose of properties.

The Corporation's investment policy is to invest its cash in low risk highly liquid short-term interest-bearing investments, selected with a duration which is expected to align with the Corporation's planned expenditures.

In order to facilitate the management of its capital requirements, the Corporation prepares annual expenditure budgets that are updated as necessary. The annual and updated budgets are approved by the Board of Directors. For capital management purposes, the Corporation has developed two objectives which are as follows:

- Retain cash and cash equivalents, cash reserved for exploration and accounts receivable which are equal to or greater than the committed exploration expenditures;
- Retain equity investments and debt instruments, with a combined fair market value, which are greater than twelve months of projected operating and administrative expenditures.

The Corporation may need additional capital resources to complete or carry out its exploration and development

plans for the next twelve months. The Corporation is currently actively pursuing a number of options including option and sale of properties as well as other financing activities.

The Corporation is not subject to any externally imposed capital requirement. The Corporation's overall strategy remains unchanged from 2013.

### Financial risk management objectives

The Corporation's financial instruments are exposed to certain financial risk including credit risk, liquidity risk, foreign exchange risk, and interest rate risk.

#### (a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totalled \$2,540,613 at September 30, 2014 (December 31, 2013 - \$2,255,112). These funds are subject to a combination of the \$100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"): CDIC, a federal Crown Corporation as well as a guarantee of \$1,000,000 provided by the Canadian Investors Protection Fund ("CIPF").

The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and cash equivalents are in place with major financial institutions.

The maximum exposure to credit risk was:

	September 30, 2014	December 31, 2013
Cash and cash equivalents	\$ 362,568	\$ 164,380
Cash reserved for exploration expenses	2,178,045	2,090,732
Investments	205,154	942,801
Accounts receivable <sup>(i)</sup>	196,665	116,142
	<b>\$ 2,942,432</b>	<b>\$ 3,314,055</b>

(i) Accounts receivable of \$196,665 (December 31, 2013 - \$116,142) consist of trade receivables of \$113,486 (December 31, 2013 - \$22,758), and taxes recoverable of \$83,179 (December 31, 2013 - \$93,384). The trade receivables are secured by property interests.

#### (b) Liquidity risk

Liquidity risk represents the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation mitigates liquidity risk through its capital structure and by continuously monitoring actual and projected cash flows. The Corporation finances its exploration activities through flow-through shares, operating cash flows and the utilization of its liquidity reserves.

The Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as any material transactions outside of the ordinary course of business.

Contractual maturities of financial liabilities are all under one year.

#### (c) Equity market risk

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in a number of Optionee companies which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently these amount to \$205,154 (December 31, 2013 - \$942,801). Based on the balance outstanding at September 30, 2014, a 10% increase or decrease would impact Income and loss by \$20,515 (December 31, 2013 - \$94,280).

#### (d) Fair value measurements recognized in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable data (unobservable inputs).

<b>September 30, 2014</b>	Level 1		Level 2		Level 3	Total Financial Assets at fair Value		
Financial assets								
Equity investments	\$	161,955	\$	43,199	\$	-	\$	205,154
Reclamation bonds		-		132,354		-		132,454
	\$	161,955	\$	175,553	\$	-	\$	337,508

There were no transfers between level 1 and level 2 during the year.

The level 2 financial assets have been measured using the quoted price of the related shares on the market which has been determined non-active.

For all other financial assets and liabilities, the fair value is equal to the carrying value.

<b>December 31, 2013</b>	Level 1		Level 2		Level 3	Total Financial Assets at fair Value		
Financial assets								
Equity investments	\$	267,801	\$	675,000	\$	-	\$	942,801
Reclamation bonds		-		127,039		-		127,039
	\$	267,801	\$	802,039	\$	-	\$	1,069,840

There were no transfers between level 1 and level 2 during the period. .

#### Outstanding share data

At December 31, 2013, the Corporation had 33,536,612 shares outstanding. On May 5, 2014, the Corporation completed a private placement by issuing an aggregate of 5,307,143 "flow-through" shares at a price of \$0.35 per share, for gross proceeds of \$1,857,500 (fair market value - \$1,592,142) and 1,950,000 Units at a price of \$0.33 per share, for gross proceeds of \$643,500. Each Unit is comprised of 1 common share of the Corporation and one-half

common share purchase warrant which result in the Issuance of 975,000 warrants. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.50 per warrant share for a period of twelve months. In connection with the private placement, Globex paid finder's fees to certain registered dealers in the aggregate of \$125,050.

On August 27, 2014, the Corporation issued 450,000 Common share in two separate transactions in connection with the acquisition of the Santa Anna Gold Deposit. The Globex shares had an ascribed value of \$0.26 per share. In addition, 150,000 share purchase warrants were issued. These warrants are exercisable at a price of \$0.45 per share for a period of two years.

At September 30, 2014, and November 11, 2014, the Corporation had 41,243,755 common shares issued and outstanding which represented an increase of 7,707,143 from December 31, 2013. In addition, at September 30, 2014, the Corporation had 1,125,000 Warrants outstanding (December 31, 2013 – Nil), 3,067,500 (December 31, 2013 - 1,300,000) stock options outstanding for fully diluted common share capital of 45,436,255 (December 31, 2013 - 34,836,612).

At September 30, 2014, no additional options (December 31, 2013 - 1,767,500) options were available for grant in addition to the common share purchase options currently outstanding.

## Risks and uncertainties

The Corporation, like all other mining exploration companies, is exposed to a variety of financial and environmental risks as well as operational and safety risks. It is also subject to risks related to other factors, such as metal prices and financial market conditions. Further details with respect to the following risks are outlined in the Corporation's December 31, 2013 Annual Information form:

- Financing Risk
- Financial Market Risk
- Volatility of Stock Price and Limited Liquidity
- Permits and licences
- Government Regulations
- Environmental Risks
- Title Matters
- Metal Prices
- Key Personnel

The Corporation's Annual Information provides a detailed description of Financing Risks and as evidenced by the recent private placement, it has been successful, but that does not guarantee success in the future.

In the June 2014 Budget, the Quebec Government proposed changes to the "flow-through" share regime which could result in a reduction in the deductions available to Quebec investors. The proposals indicate that the deductions would be allocated as follows:

- A base deduction of 100% of Canadian exploration expenses of Canadian developments expenses;
- Where the investor is an individual, in addition to the base deduction of 100%:
  - In the case of mining exploration expenses incurred in Quebec:
    - an initial additional deduction of 10%,
    - a second additional deduction of 10% for surface expenses.

These proposed changes compare with the previous regime which provided additional deductions of 50% to Quebec investors. These proposals could adversely impact Globex's success in raising "flow-through" funds in the future.

## Related party information

Related party payable	September 30, 2014	December 31, 2013
Jack Stoch Geoconsultant Services Limited ("GJSL")	\$ (6,717)	\$ (6,700)
Eco Refractory Solutions Inc.	-	748
WorldWide Magnesium Corporation.	-	453
Duparquet Assets Limited	<b>282,849</b>	282,700
	<b>\$ 276,132</b>	<b>\$ 277,201</b>

### Chibougamau Independent Mines Inc.

CIM is considered a related party as Globex Management consisting of the President and CEO, Executive Vice-President and Chief Financial Officer hold the same positions with both entities. In addition, the President and CEO hold a large number of common shares of both organizations and therefore can significantly influence the operations of both entities.

### Management Services

On December 29, 2012, Globex entered into a Management Services Agreement with CIM under which the Corporation agree to provide management services including administrative, compliance, corporate secretarial, risk management support and advisory services to CIM.

Management services income of \$1,800 (2013 - \$Nil) for the three month period ended September 30, 2014 and \$37,800 (2013 - \$252,000) for the nine month period ended September 30, 2014 represents Globex's estimate of the specific costs related to performing these services plus a mark-up in accordance with the Management Services Agreement.

In 2013, CIM was in the early stages of development whereas due to a lack of financing, currently the activities are at a very low level and therefore the time and effort directed to CIM by Globex Management has been significantly reduced.

### Management compensation

The total compensation for the respective periods paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation (Management personnel includes President and CEO, Executive Vice-President, Vice-President Operations, as well as Chief Financial Officer, Treasurer and Corporate Secretary) follows:

	Three months ended		Six months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Salary cost				
Salaries and other benefits <sup>(i)</sup>	\$ 88,554	\$ 93,669	\$ 245,493	\$ 305,518
Fair value of share-based compensation	<b>34,632</b>	-	<b>196,875</b>	-
	<b>\$ 123,186</b>	\$ 93,669	<b>\$ 442,368</b>	\$ 305,518

(i) The Vice-President Operations is an independent contractor and his compensation is included Other professional fees in the Expenses by nature (note 18) to the Interim Condensed Consolidated Financial Statements at September 30, 2014.

In 2013, the President and CEO (Jack Stoch) as well as Executive Vice-President (Dianne Stoch) reduced their combined salaries and benefits. This resulted in a reduction in salaries and other benefits of \$38,000 in the three month period ended September 30, 2014 and a reduction of approximately \$96,000 in their combined salaries in

the nine month period ended September 30, 2014 as compared to the same period in 2013.

On June 16, 2014, 1,900,000 options were re-issued to Directors, Management and Employees of the Corporation with 1,410,000 options vesting immediately. This grant included 1,715,000 options to Directors and Management personnel.

On September 17, 2014, 192,500 options were re-issued to the President and CEO which is reflected in the share based compensation of \$34,632 for the three month period. The share based compensation for the nine month period ended September 30, 2014 reflects the share based compensation related to options issued to directors and key management personnel. No options were issued to these individuals in the comparable period in 2013.

## **Disclosure Controls and Procedures and Internal Controls over Financial Reporting**

Management is responsible for establishing and maintaining adequate disclosure controls and procedures (“DCP”) as well as internal controls over financial reporting (“ICFR”) as described in our 2013 annual MD&A.

The Corporation’s Chief Executive Officer and Chief Financial Officer, with the participation of management last completed an evaluation of the design and operating effectiveness of the Corporation’s DCP’s and ICFR’s as at December 31, 2013. Based on that assessment, management concluded that the Corporation’s ICFR were operating effectively at December 31, 2013. Management is currently in the process of evaluating the impact of the adoption of the 2013 COSO Model which becomes effective in December 2014. Based on the work to date, Management believes that the adoption of the revised framework should not have a significant impact on the evaluation of the ICFR’s.

During the three month and nine month periods ended September 30, 2014, the CEO and CFO have evaluated whether there were changes to the ICFR that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation. The evaluation was based on the Internal Control over Financial Reporting - Guidance for Smaller Public Companies issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

## **Outlook**

Despite the publication of a positive Preliminary Economic Assessment and receipt of our mining lease on our Timmins Talc-Magnesite project, raising funds to complete a Preliminary Feasibility Study and to undertake the first phase of construction for the project is proving challenging. We have received significant interest, but have yet to raise all the necessary funds.

We continue to search for an appropriate property/partner or financing vehicle to exploit our patented technology for the recovery of gold from refractory gold ores and tailings and have signed a number of confidentiality agreements with interested parties. Numerous contacts have been made, but we have so far been unable to conclude a deal, in part because potential partners do not have the needed funds.

Although challenged by the scarcity of financing which impacts other junior mining companies, we have benefited from the recent increases in zinc prices which generated a significant stream of monthly royalties to fund our operations. Our view is that the current zinc prices will now rise more slowly for the remainder of 2014 and perhaps stabilize in 2015 as mines originally scheduled for shut down may continue production for a longer than expected period due to the increased zinc price. Despite the challenges in the junior mining sector, Globex believes it is positioned with a combination of first class assets as well as the human and corporate resources necessary to achieve the strategic objectives outlined in our Corporate Focus. Our belief is supported by the financing that closed on May 5, 2014, which was oversubscribed.



We have concentrated to some degree on acquiring valuable assets that have been and continue to become available due to current difficult market conditions.

Lastly, we are actively exploring a goodly number of our assets and will be undertaking significant drill programs over the summer months.

### **Additional information**

This analysis should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2013 and December 31, 2012 and additional information, including the Annual Information Form (AIF), which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Further, the Corporation posts all publicly filed documents, including the AIF and this MD&A, on its website [www.globexmining.com](http://www.globexmining.com) in a timely manner.

If you would like to obtain, at no cost to you, a copy of the 2013 and/or 2012 MD&A, then please send your request to:

Globex Mining Enterprises Inc.  
86, 14th Street, Rouyn-Noranda, Quebec J9X 2J1  
Telephone: 819.797.5242 Fax: 819.797.1470  
Email: [info@globexmining.com](mailto:info@globexmining.com)

### **Authorization**

The contents and the dissemination of this Management's Discussion and Analysis have been approved by the Board of Directors of the Corporation on November 11, 2014.

**GLOBEX MINING ENTERPRISES INC.**
**Interim Condensed Consolidated Statements of Income (Loss)  
and Comprehensive Income (Loss)**  
(Unaudited - In Canadian dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2014	2013	2014	2013
<b>Continuing operations</b>					
<b>Revenues</b>	17	\$ 271,692	\$ 142,000	\$ 958,071	\$ 745,022
<b>Expenses</b>					
Salaries		99,698	133,332	341,714	465,710
Administration	18	70,071	63,983	218,688	307,356
Professional fees and outside services	18	137,661	59,443	317,491	296,630
Depreciation and amortization	11	15,078	16,817	43,637	50,037
Share-based compensation and payments		35,175	199,206	253,392	251,556
Impairment of mineral properties and deferred exploration expenses	12, 13	40,534	58,932	191,797	162,085
Loss (gain) on foreign exchange		(26,968)	3,574	(22,658)	(12,275)
		<b>371,249</b>	<b>535,287</b>	<b>1,344,061</b>	<b>1,521,099</b>
<b>Loss from operations</b>		<b>(99,557)</b>	<b>(393,287)</b>	<b>(385,990)</b>	<b>(776,077)</b>
<b>Other income (expenses)</b>					
Interest income		5,726	5,756	12,137	18,130
Joint venture income (loss)	10	38	1,379	(526)	1,379
Increase (decrease) in fair value of financial assets		(241,256)	186,863	(504,387)	89,938
Management services	21	1,800	-	37,800	252,000
Other		3,130	39,046	17,784	59,337
		<b>(230,562)</b>	<b>233,044</b>	<b>(437,192)</b>	<b>420,784</b>
<b>Loss before taxes</b>		<b>(330,119)</b>	<b>(160,243)</b>	<b>(823,182)</b>	<b>(355,293)</b>
<b>Income and mining taxes (recovery)</b>	16	<b>166,804</b>	<b>(498,866)</b>	<b>487,079</b>	<b>(741,687)</b>
<b>Income (loss) and comprehensive income (loss) for the period</b>		<b>\$ (496,923)</b>	<b>\$ 338,623</b>	<b>\$ (1,310,261)</b>	<b>\$ 386,394</b>
<b>Income (loss) per common share</b>					
Basic and diluted	19	\$ (0.01)	\$ 0.01	\$ (0.03)	\$ 0.01
<b>Weighted average number of common shares outstanding</b>					
		<b>40,997,374</b>	<b>27,896,018</b>	<b>37,603,731</b>	<b>27,896,018</b>
<b>Shares outstanding at end of period</b>		<b>41,243,755</b>	<b>27,896,018</b>	<b>41,243,755</b>	<b>27,896,018</b>

The accompanying notes are an integral part of these financial statements

**GLOBEX MINING ENTERPRISES INC.**
**Interim Condensed Consolidated Statements of Cash Flows**  
(Unaudited - In Canadian dollars)

		Nine months ended Septembre 30,	
	Notes	2014	2013
<b>Operating activities</b>			
Income (loss) and comprehensive income (loss) for the period		\$ (1,310,261)	386,394
Adjustments for:			
Disposal of mineral properties for shares		(9,750)	(53,000)
Decrease in fair value of financial assets		504,387	(89,938)
Depreciation and amortization	11	43,637	50,037
Foreign exchange rate variation on USA net assets		(6,714)	(3,757)
Impairment of mineral properties and deferred exploration expenses	12, 13	191,797	162,085
Current tax expense (recovery)		219,050	(287,441)
Deferred income and mining taxes (recovery)		268,029	(454,246)
Income and mining taxes recovery (paid)		(199,243)	(7,981)
Share-based compensation and payments		253,392	251,556
		<b>1,264,585</b>	<b>(432,685)</b>
Share of net loss (income) from investment in joint venture	10	526	(1,379)
Changes in non-cash operating working capital items	22	(205,333)	551,017
		<b>(250,483)</b>	<b>503,347</b>
<b>Financing activities</b>			
Issuance of common shares	20	2,501,000	-
Share capital issue costs		(159,787)	-
		<b>2,341,213</b>	<b>-</b>
<b>Investing activities</b>			
Acquisition of properties, plant and equipment	11	(10,310)	(5,793)
Related party payable	21	(1,069)	139,376
Recovery (investments) in joint venture	23	-	(122,921)
Deferred exploration expenses	13	(1,807,676)	(4,169,688)
Mineral properties acquisitions	12	(26,403)	(40,981)
Proceeds on mineral properties optioned		40,229	-
		<b>(1,805,229)</b>	<b>(4,200,007)</b>
Net increase (decrease) in cash and cash equivalents		285,501	(3,696,660)
Cash and cash equivalents, beginning of period		2,255,112	4,896,981
<b>Cash and cash equivalents, end of period</b>		<b>\$ 2,540,613</b>	<b>\$ 1,200,321</b>
Cash and cash equivalents		\$ 362,568	\$ 822,627
Cash reserved for exploration		2,178,045	377,694
		<b>\$ 2,540,613</b>	<b>\$ 1,200,321</b>
Supplementary cash flows information (note 22)			

The accompanying notes are an integral part of these financial statements

**GLOBEX MINING ENTERPRISES INC.**

**Interim Condensed Consolidated Statements of Financial Position**

(Unaudited - In Canadian dollars)

	Notes	Septembre 30, 2014	December 31, 2013
<b>Assets</b>			
Current assets			
Cash and cash equivalents	5	\$ 362,568	\$ 164,380
Cash reserved for exploration	6	2,178,045	2,090,732
Investments	7	205,154	942,801
Accounts receivable	8	196,665	116,142
Prepaid expenses and deposits		146,751	95,922
		<b>3,089,183</b>	<b>3,409,977</b>
Reclamation bonds	9	132,354	127,039
Investment in joint venture	10	142,293	142,819
Properties, plant and equipment	11	474,666	507,993
Mineral properties	12	3,139,075	2,994,878
Deferred exploration expenses	13	18,958,483	17,382,627
		<b>\$ 25,936,054</b>	<b>\$ 24,565,333</b>
<b>Liabilities</b>			
Current liabilities			
Payables and accruals	14	\$ 327,634	\$ 401,615
Dividend payable	4	-	243,010
Current income tax		18,409	-
		<b>346,043</b>	<b>644,625</b>
Related party payable	21	276,132	277,201
Other liabilities	15	297,413	209,075
Deferred tax liabilities	16	4,368,115	3,966,050
<b>Owners' equity</b>			
Share capital	20	52,872,841	50,677,905
Warrants	20	41,902	-
Deficit		(36,389,882)	(35,079,621)
Contributed surplus - Equity settled reserve		4,123,490	3,870,098
		<b>20,648,351</b>	<b>19,468,382</b>
		<b>\$ 25,936,054</b>	<b>\$ 24,565,333</b>

The accompanying notes are an integral part of these financial statements

Approved by the board

**"Jack Stoch"**

Jack Stoch, Director

**"Dianne Stoch"**

Dianne Stoch, Director

**GLOBEX MINING ENTERPRISES INC.**
**Interim Condensed Consolidated Statements of Equity**

(Unaudited - In Canadian dollars)

	Notes	Nine months ended Septembre 30,		Year ended December 31,
		2014	2013	2013
<b>Common shares</b>				
Beginning of period		\$ 50,677,905	\$ 48,278,353	\$ 48,278,353
Fair value of shares issued under private placements	20	2,235,642	-	2,538,270
Fair value of shares issued in exchange for mineral property	20	118,000	-	-
Fair value of warrants	20	(41,902)	-	-
Share issuance costs, net of taxes (September 30, 2014 - \$42,983 ; December 31, 2013 - \$51,046)	20	(116,804)	-	(138,718)
End of period		\$ 52,872,841	\$ 48,278,353	\$ 50,677,905
<b>Warrants</b>				
Issued under private placement and mineral property acquisition	20	\$ 41,902	\$ -	\$ -
<b>Contributed surplus - Equity settled reserve</b>				
Beginning of period		\$ 3,870,098	\$ 3,614,903	\$ 3,614,903
Share-based compensation		253,392	225,666	229,305
Share-based payments		-	25,890	25,890
End of period		\$ 4,123,490	\$ 3,866,459	\$ 3,870,098
<b>Deficit</b>				
Beginning of period		\$ (35,079,621)	\$ (34,234,815)	\$ (34,234,815)
Income (loss) attributable to shareholders		(1,310,261)	386,394	(844,806)
End of period		\$ (36,389,882)	\$ (33,848,421)	\$ (35,079,621)
<b>Total Equity</b>		<b>\$ 20,648,351</b>	<b>\$ 18,296,391</b>	<b>\$ 19,468,382</b>

The accompanying notes are an integral part of these financial statements

# Notes to the Interim Condensed Consolidated Financial Statements

## Periods ending September 30, 2014 and 2013

(in Canadian dollars)

### 1. General business description

Globex Mining Enterprises Inc. ("Globex", "Corporation") is a North American focused exploration, royalty and development corporation with a mineral portfolio in excess of 120 early to mid-stage exploration and development properties containing: Base Metals (copper, nickel, zinc, lead), Precious Metals (gold, silver, platinum, palladium), Specialty Metals and Minerals (manganese, iron, molybdenum, uranium, lithium as well as rare earths and associated elements) and Industrial Minerals (mica, apatite as well as talc, titanium, and magnesite). The Corporation currently generates royalty and/or option income from properties which contain gold, silver, copper, and zinc.

Globex was incorporated in the province of Quebec and following the approval of shareholders on June 12, 2014, it was continued under the Canada Corporations Act, effective October 28, 2014. Its head office is located at 89 Belsize Drive, Toronto, Ontario M4S 1L3 and principal business offices are located at 86, 14th Street, Rouyn-Noranda, Quebec, J9X 2J1, Canada.

On September 10, 2012, Globex and Chibougamau Independent Mines Inc. ("CIM") entered into an Arrangement which resulted in the reorganization of the capital of Globex and CIM, transfer of cash and cash equivalents, certain investments held by Globex as well as the transfer of ten properties from Globex to CIM subject to a 3% "gross metal royalty" in favour of Globex.

On December 29, 2012 (the "Effective Date"), Globex completed the reorganization by way of a Plan of Arrangement under the Business Corporations Act (Québec) which resulted in the transfer of cash of \$503,006, investments with a fair market value of \$72,903 and ten mining properties with a fair market value of \$6,429,175 to CIM, for an aggregate value of \$7,005,084 to CIM.

The Arrangement was designed to maximize shareholder value on the exploration and evaluation assets forming part of the Chibougamau Mining Camp. Globex will continue to hold its other mineral resource properties.

Globex trades on the Toronto Stock Exchange under the symbol GMX, in Europe on the Frankfurt, Munich, Stuttgart, Berlin and Xetra exchanges under the symbol G1M and on the OTCQX International in the USA with the symbol GLBXF.

The Corporation seeks to create shareholder value by acquiring mineral properties, enhancing them and either optioning, selling or joint venturing them or developing them to production.

### 2. Basis of presentation and going concern

#### Basis of Presentation

These interim condensed consolidated financial statements were prepared on a going concern basis, under the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through the Interim Condensed Consolidated Statement of Income (loss) and Comprehensive Income (loss). All financial information is presented in Canadian dollars.

## 2. Basis of presentation and going concern (continued)

The Corporation's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The application of International Financial Reporting Standards (IFRS) on a going concern basis may be inappropriate, since there is a doubt as to the appropriateness of the going concern assumption.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Corporation's interest in the underlying mineral claims, the ability of the Corporation to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposal thereof.

These interim condensed consolidated financial statements have been prepared on a going-concern basis which contemplates that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. This assumption is based on the current net assets of the Corporation and management's current operating plans.

These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

### Statement of compliance

These interim condensed consolidated financial statements have been prepared by Management in accordance with *IAS 34 Interim Financial Reporting*. The disclosure contained in these interim condensed consolidated financial statements does not include all the requirements in *IAS 1, Presentation of Financial Statements*. Accordingly, the interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2013.

The preparation of interim condensed consolidated financial statements in accordance with *IAS 34* requires the use of certain critical judgments and accounting estimates. It also requires management to exercise judgment when applying the Corporation's accounting policies.

The Corporation's Board of Directors approved these interim condensed consolidated financial statements for the periods ended September 30, 2014 and September 30, 2013 on November 11, 2014.

## 3. Summary of significant accounting policies

### (a) New and revised International Financial Reporting Standards issued, adopted.

These interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements (Note 4) of the Corporation for the year ended December 31, 2013 with the exception that the Corporation has adopted the following standards which are effective for annual periods on or after January 1, 2014:

### 3. Summary of significant accounting policies (continued)

#### *Amendments to IAS 36, Impairment of Assets:*

In May 2013, the IASB adopted amendments that more accurately reflect the IASB's previous decision to require:

- the disclosure of the recoverable amount of impaired assets; and
- additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount.

The amendments are effective for annual periods on or after January 1, 2014. This amendment did not have an impact on the Corporation's interim condensed consolidated financial statements.

#### *IFRIC 21 - Levies:*

This new interpretation was issued by the IASB in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of *IAS 37 - Provisions, Contingent Liabilities and Contingent*

The main features of IFRIC 21 are as follows:

- defines a levy as an outflow of resources or economic benefits that is imposed by governments in accordance with laws and/or regulations, other than (a) those within the scope of *IAS 12 Income Taxes* and (b) fines or other penalties that are imposed for breaches of the legislation.
- the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation; and
- the liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

This interpretation is effective for annual periods on or after January 1, 2014. This interpretation did not have an impact on the Corporation's interim condensed consolidated financial statements.

#### **(b) New and revised International Financial Reporting Standards issued, but not yet effective**

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective, and have not been applied in preparing these interim condensed consolidated financial statements.

#### *IFRS 9 - Financial Instruments (replacement of IAS 39):*

In July 2014, the IASB completed the final element of the comprehensive responses to the financial crisis with the publication of IFRS 9 Financial Instruments. The package of improvements introduced to IFRS 9 includes a logical model for classification and measurement, a single, forward – looking "expected loss" impairment model and a substantially reformed approach to hedge accounting.

The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.



### 3. Summary of significant accounting policies (continued)

#### *IFRS 15 – Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which establishes the principles that an entity shall apply to report useful information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

IFRS 15, replaces a number of standards and interpretations including IAS 18 *Revenue* which provides the guidance that the Corporation currently employs in recording Option revenue and Net Metal Revenues.

IFRS 15 is effective for annual periods beginning on or after January 1, 2017. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

### 4. Plan of Arrangement and dividend payable

	September 30, 2014	December 31, 2013
Dividend Payable		
Investments	\$ -	\$ 243,010
	\$ -	\$ 243,010

In accordance with the Plan of Arrangement, during the first quarter of 2013, Globex designated 4,860,200 Mag Copper Limited shares to be transferred to CIM which had an aggregate fair market value of \$72,903. During 2013, the fair value increased by \$170,107 which has been reflected in the \$243,010 dividend payable at December 31, 2013.

The transfer of the legal ownership was completed on January 27, 2014.

### 5. Cash and cash equivalents

	September 30, 2014	December 31, 2013
Bank balances	\$ 362,568	\$ 164,380

### 6. Cash reserved for exploration

	September 30, 2014	December 31, 2013
Bank balances	\$ 149,595	\$ 90,732
Short-term deposits	2,028,450	2,000,000
	\$ 2,178,045	\$ 2,090,732

The Corporation raises flow-through funds for exploration under subscription agreements which require the Corporation to incur prescribed resource expenditures. The Corporation must use these funds for exploration of mining properties in accordance with restrictions imposed by the financing. If the Corporation does not incur the resource expenditures, then it will be required to indemnify these shareholders for any tax and other costs payable by them.

## 7. Investments

	<b>September 30, 2014</b>	December 31, 2013
Equity investments <sup>(i,ii)</sup>	<b>\$ 205,154</b>	\$ 942,801

- (i) At September 30, 2014, includes 8.6 million Mag Copper Limited shares valued at \$43,199; 3.7 million Laurion Mineral Exploration Inc. shares valued at \$37,000; 150,000 Integra Gold Corp. shares valued at \$34,500, 1 million Xmet Inc. shares valued at \$35,000 and other equity investments received under option agreements which total \$55,455. The 8.6 million Mag Copper Ltd. shares held by Globex represented 11% of the outstanding shares at September 30, 2014.
- (ii) At December 31, 2013, includes 13.5 million Mag Copper Limited shares valued at \$675,000; 3.7 million Laurion Mineral Exploration Inc. shares valued at \$55,500; 100,000 Integra Gold Corp shares valued at \$18,000, 1 million Xmet Inc. shares valued at \$130,000 and other equity investments received under option agreements which total \$64,301. The 13.5 million Mag Copper Ltd. shares held by Globex represented 17.9% of the outstanding shares at December 31, 2013.

## 8. Accounts receivable

	<b>September 30, 2014</b>	December 31, 2013
Trade receivables	<b>\$ 113,486</b>	\$ 22,758
Taxes receivable	<b>83,179</b>	93,384
	<b>\$ 196,665</b>	\$ 116,142

Trade receivables of \$113,486 consist primarily of amounts recoverable under joint venture arrangements and royalties. These items are all current and the Corporation anticipates full recovery of these amounts.

The taxes receivable of \$83,179 represent harmonized and Quebec sales tax ("GST", "HST", "QST") receivable from Canadian taxation authorities.

## 9. Reclamation bonds

	<b>September 30, 2014</b>	December 31, 2013
Nova Scotia bond - Department of Natural Resources	<b>\$ 57,974</b>	\$ 57,974
Option reimbursement	<b>(50,000)</b>	(50,000)
Net Nova Scotia bond	<b>7,974</b>	7,974
Washington State bond - Department of Natural Resources	<b>124,380</b>	119,065
	<b>\$ 132,354</b>	\$ 127,039

The reclamation and environmental bonds were posted by the Corporation to secure clean-up expenses in the event of mine closure or property abandonment as required by regulations or laws in the various jurisdictions. The reclamation and environmental bonds are carried at amortized cost and represent management's estimate of their right to reimbursement. Changes in the carrying value of the rights are recognized in income or loss in the period in which these changes occur.

## 10. Investment in joint venture

<b>Balance, December 31, 2013</b>	<b>\$ 142,819</b>
Add:	
Globex's 50% share of DAL's net income for the nine month period ended September 30, 2014	<b>(526)</b>
<b>Balance, September 30, 2014</b>	<b>\$ 142,293</b>

The Corporation holds a 50% interest in the ownership of Duparquet Assets Limited "DAL", a separate legal entity. The Corporation's investment in DAL is classified as a joint venture under IFRS 11, *Joint Arrangements*. As a result, the standard requires the Corporation to account for its investment in DAL using the equity method.

## 11. Properties, plant and equipment

	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer Systems	Total
<b>Cost</b>						
<b>2013</b>						
January 1,	\$ 497,627	\$ 81,310	\$ 146,274	\$ 56,177	\$ 220,802	\$ 1,002,190
Additions	-	-	-	-	10,001	10,001
December 31,	\$ 497,627	\$ 81,310	\$ 146,274	\$ 56,177	\$ 230,803	\$ 1,012,191
<b>2014</b>						
Additions	-	6,900	-	-	3,410	10,310
<b>September 30,</b>	<b>\$ 497,627</b>	<b>\$ 88,210</b>	<b>\$ 146,274</b>	<b>\$ 56,177</b>	<b>\$ 234,213</b>	<b>\$ 1,022,501</b>
<b>Accumulated depreciation</b>						
<b>2013</b>						
January 1,	\$ (60,500)	\$ (44,408)	\$ (106,386)	\$ (28,635)	\$ (197,208)	\$ (437,137)
Additions	(13,838)	(11,438)	(14,650)	(8,148)	(18,986)	(67,060)
December 31,	\$ (74,338)	\$ (55,846)	\$ (121,036)	\$ (36,783)	\$ (216,194)	\$ (504,198)
<b>2014</b>						
<b>Additions</b>	<b>(10,379)</b>	<b>(8,813)</b>	<b>(10,989)</b>	<b>(6,110)</b>	<b>(7,346)</b>	<b>(43,637)</b>
<b>September 30,</b>	<b>(84,717)</b>	<b>(64,659)</b>	<b>(132,025)</b>	<b>(42,893)</b>	<b>(223,540)</b>	<b>(547,835)</b>
<b>Carrying value</b>						
<b>2013</b>						
January 1,	\$ 437,127	\$ 36,902	\$ 39,888	\$ 27,542	\$ 23,594	\$ 565,053
December 31,	\$ 423,289	\$ 25,464	\$ 25,238	\$ 19,394	\$ 14,609	\$ 507,993
<b>2014</b>						
<b>September 30,</b>	<b>\$ 412,910</b>	<b>\$ 23,551</b>	<b>\$ 14,249</b>	<b>\$ 13,284</b>	<b>\$ 10,673</b>	<b>\$ 474,666</b>

## 12. Mineral properties

	Nova Scotia	Ontario	Quebec	Other	Total
Balance, beginning of period	\$ 18,857	\$ 47,771	\$ 2,979,303	\$ -	\$ 3,045,931
Additions	-	-	41,581	-	41,581
Impairment provisions	-	-	(69,779)	-	(69,779)
Recoveries	-	-	(22,855)	-	(22,855)
December 31, 2013	\$ 18,857	\$ 47,771	\$ 2,928,250	\$ -	\$ 2,994,878
<b>Additions<sup>(1)</sup></b>	<b>40</b>	<b>-</b>	<b>144,363</b>	<b>-</b>	<b>144,403</b>
<b>Impairment provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recoveries</b>	<b>-</b>	<b>-</b>	<b>(206)</b>	<b>-</b>	<b>(206)</b>
<b>September 30, 2014</b>	<b>\$ 18,897</b>	<b>\$ 47,771</b>	<b>\$ 3,072,407</b>	<b>\$ -</b>	<b>\$ 3,139,075</b>

(1) The Santa Anna Gold deposit was acquired in two separate transactions, which resulted on August 27, 2014, in the issuance of 450,000 Globex shares with an average ascribed value of \$0.26 per share. In addition, 150,000 share purchase warrants were issued. The warrants are exercisable for Globex shares at a price of \$0.45 per share for a period of two years.

## 13. Deferred exploration expenses

	New Brunswick	Nova Scotia	Ontario	Quebec	Other	Total
Balance, beginning of period	\$ 139,095	\$ 124,890	\$ 5,095,050	\$ 8,305,484	\$ -	\$ 13,664,519
Additions	-	2,799	1,493,262	3,303,567	8,628	4,808,256
Impairment provisions	-	(1,083)	(6,000)	(997,479)	(8,628)	(1,013,190)
Recoveries	-	-	-	(76,958)	-	(76,958)
December 31, 2013	139,095	126,606	6,582,312	10,534,614	-	17,382,627
<b>Additions</b>	<b>982</b>	<b>993</b>	<b>249,892</b>	<b>1,544,699</b>	<b>11,110</b>	<b>1,807,676</b>
<b>Impairment provisions</b>	<b>-</b>	<b>-</b>	<b>(373)</b>	<b>(180,314)</b>	<b>(11,110)</b>	<b>(191,797)</b>
<b>Recoveries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,023)</b>	<b>-</b>	<b>(40,023)</b>
<b>September 30, 2014</b>	<b>\$ 140,077</b>	<b>\$ 127,599</b>	<b>\$ 6,831,831</b>	<b>\$ 11,858,976</b>	<b>\$ -</b>	<b>\$ 18,958,483</b>

The impairment provision reflects the expensing of general exploration and management's review of the exploration properties and future planned activities.

### 13. Deferred Exploration Expenses (continued)

	September 30, 2014	December 31, 2013
Balance - beginning of period	\$ 17,382,627	\$ 13,664,519
Current exploration expenses		
Consulting	114,748	258,535
Core shack, storage and equipment rental	17,285	91,667
Drilling	507,524	1,855,208
Environment	1,395	172,242
Geology	106,676	445,909
Geophysics	59,163	(52,691)
Laboratory analysis and sampling	218,336	476,699
Labour	673,610	818,944
Line cutting	-	127,933
Mapping	-	41,337
Mining property tax and permits	31,328	82,587
Prospecting and surveying	-	72,693
Reports, maps and supplies	31,793	49,897
Transport and road access	45,818	367,296
Total current exploration expenses	1,807,676	4,808,256
Impairment provisions	(191,797)	(1,013,190)
Option revenue offset	(40,023)	(76,958)
	(231,820)	(1,090,148)
Current net deferred exploration expenses	1,575,856	3,718,108
Balance - end of period	\$ 18,958,483	\$ 17,382,627

### 14. Payables and accruals

	September 30, 2014	December 31, 2013
Trade payable and accrued liabilities	\$ 249,565	\$ 332,317
Sundry liabilities	78,069	69,298
	\$ 327,634	\$ 401,615

### 15. Other liabilities

	September 30, 2014	December 31, 2013
Balance, beginning of period	\$ 209,075	\$ 836,144
Additions during the period	265,357	230,546
Reduction related to the incurrence of qualified exploration expenditures	(177,019)	(857,615)
Balance, end of period	\$ 297,413	\$ 209,075

## 16. Income taxes

### Income and mining tax expense (recovery)

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Current tax expense (recovery)				
Tax expenses (recovery) for the period	\$ 50,504	\$ (271,672)	\$ 219,050	\$ (287,441)
Deferred tax provision for income tax and mining duties	186,822	120,643	445,048	247,273
Recovery of income and mining taxes as a result of the sale of tax benefits (flow-through shares)	(70,522)	(347,837)	(177,019)	(701,519)
	116,300	(227,194)	268,029	(454,246)
	\$ 166,804	\$ (498,866)	\$ 487,079	\$ (741,687)

### Deferred tax balances

	December 31, 2013	Recognized in income or loss	Recognized in equity	Other	September 30, 2014
Temporary differences					
Deferred tax assets					
Non-capital losses carry forward	\$ 1,056,595	\$ 178,531	\$ -	\$ -	\$ 1,235,126
Share issue expenses	123,637	(39,666)	42,983	-	126,954
Properties, plant & equipment	53,778	22,841	-	-	76,619
Financial assets at FVTPL	339,275	67,840	-	-	407,115
	1,573,285	229,546	42,983	-	1,845,814
Less valuation allowance	(339,275)	(67,840)	-	-	(407,115)
	1,234,010	161,706	42,983	-	1,438,699
Deferred tax liabilities					
Mining properties and deferred exploration expenses	(5,200,060)	(606,754)	-	-	(5,806,814)
Deferred tax liabilities	\$ (3,966,050)	\$ (445,048)	\$ 42,983	\$ -	\$ (4,368,115)

## 17. Revenues

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net option income	\$ 100,000	\$ 142,000	\$ 222,021	\$ 675,500
Metal royalty income	171,692	-	736,050	69,522
	\$ 271,692	\$ 142,000	\$ 958,071	\$ 745,022

## 18. Expenses by nature

The following is a breakdown of the nature of expenses included in administration expenses and professional fees and outside services:

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
<b>Administration</b>				
Office expenses	\$ 29,522	\$ 37,160	\$ 122,054	\$ 143,249
Conventions and meetings	22,013	12,515	50,627	80,187
Advertising and shareholder information	1,994	5,501	11,215	37,065
Other administration expenses	16,542	8,807	34,792	46,855
	\$ 70,071	\$ 63,983	\$ 218,688	\$ 307,356
<b>Professional fees and outside services</b>				
Investor relations	\$ 43,363	\$ 27,115	\$ 79,664	\$ 114,405
Legal fees	20,153	2,828	53,562	26,910
Audit and accounting fees	30,371	28,500	102,071	88,457
Other professional fees	43,774	1,000	82,194	66,858
	\$ 137,661	\$ 59,443	\$ 317,491	\$ 296,630

## 19. Income (loss) per share

Basic income (loss) per common share is calculated by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. Diluted income per common share is calculated by dividing the net income applicable to common shares by the weighted average number of common shares outstanding during the period, plus the effects of dilutive common share equivalents such as warrants and stock options. Diluted net income per share is calculated using the treasury method, where the exercise of options is assumed to be at the beginning of the period and the proceeds from the exercise of options and the amount of compensation expense measured, but not yet recognized in income are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

### Basic and diluted loss per share

The following table sets forth the computation of basic and diluted loss per share:

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
<b>Numerator</b>				
Income (loss) for the period	\$ (496,923)	\$ 338,623	\$ (1,310,261)	\$ 386,394
<b>Denominator</b>				
Weighted average number of common shares - basic	40,997,374	27,896,018	37,603,731	27,896,018
Effect of dilutive shares				
Stock options ("in the money") <sup>(i)</sup>	-	-	-	-
Weighted average number of common shares - diluted	40,997,374	27,896,018	37,603,731	27,896,018
<b>Income (loss) per share</b>				
Basic	\$ (0.01)	\$ 0.01	\$ (0.03)	\$ 0.01
Diluted	\$ (0.01)	\$ 0.01	\$ (0.03)	\$ 0.01

(i) At September 30, 2014 and 2013, stock options have not been included in the diluted loss per share as they are anti-dilutive.

## 20. Share capital

### Common shares

#### Authorized - Unlimited common shares with no par value

#### Changes in capital stock

	September 30, 2014		December 31, 2013	
	Number of shares	Capital Stock	Number of shares	Capital Stock
Fully paid common shares				
Balance, beginning of period	33,536,612	\$ 50,677,905	27,896,018	\$ 48,278,353
Private placements <sup>(i)</sup>				
Flow through shares	5,307,143	1,592,142	5,640,594	2,538,270
Common Share Units	1,950,000	643,500	-	-
Fair value of warrants	-	(32,173)	-	-
Shares issued in connection with a mineral property acquisition <sup>(ii)</sup>				
Fair value of warrants	-	(9,729)	-	-
Share issuance costs <sup>(iii)</sup>	-	(116,804)	-	(138,718)
Balance, end of period	41,243,755	\$ 52,872,841	33,536,612	\$ 50,677,905

#### 2014 Issuances

(i) The Corporation issued 5,307,143 flow-through shares under a private placement closing on May 5, 2014. The shares were issued at a price of \$0.35 per share for total proceeds of \$1,857,500 and the fair market value was determined as \$1,592,142 representing the closing price of the shares on May 2, 2014.

In addition, the Corporation issued 1,950,000 Common Share Units at \$0.33 per share for gross proceeds of \$643,500. Each Unit is comprised of one common share of the Corporation and one-half common share purchase warrant. In addition to the issuance of common shares this resulted in the issuance of 975,000 warrants. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.50 per warrant share for a period of twelve months.

(ii) On August 27, 2014, the Corporation issued 450,000 Common Shares in two separate transactions in connection with the acquisition of the Santa Anna Gold Deposit. The Globex shares had an ascribed value of \$0.26 per share. In addition, 150,000 share purchase warrants were issued. The warrants are exercisable at a price of \$0.45 per share for a period of two years.

#### Share Issuance costs

(iii) Net of taxes of \$42,983.

#### 2013 Issuances

(i) The Corporation issued 4,610,930 flow-through shares under a private placement with closings on October 21, October 31, and December 11, 2013. The shares were issued at a price of \$0.50 per share for total proceeds of \$2,305,465 (fair market value - \$2,074,919).

In addition, 1,029,664 common shares were issued at a price of \$0.45 per share for total proceeds of \$463,351.

#### Share Issuance costs

(ii) Net of taxes of \$51,047.

At September 30, 2014, 36,100 (December 31, 2013 - 36,100) common share are held in escrow. These shares were issued as consideration for a property, which has since been abandoned, thus the shares will remain in escrow.



## 20. Share capital (continued)

### Warrants

	September 30, 2014		December 31, 2013	
	Number of warrants	Fair Value	Number of warrants	Fair Value
Balance - beginning of period	-	\$ -	-	\$ -
Issued in connection with the private placement <sup>(i)</sup>	975,000	32,173	-	\$ -
Issued in connection with a mineral property acquisition <sup>(ii)</sup>	150,000	9,729		
Balance - end of period	1,125,000	\$ 41,902	-	\$ -

(i) As outlined above, under the private placement which closed on May 5, 2014, 975,000 warrants were issued. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.50 per warrant for a period of twelve months.

The warrants have been valued using the Black-Scholes Model with the following assumptions:

- Stock Price - \$0.30 per share
- Annualized volatility - 67.5%
- Exercise Price - \$0.50 per share
- Annual rate of dividends - Nil.
- Expected life 12 months
- Interest rate -1.5%.

The fair value of each warrant has been estimated at \$0.033 per warrant which results in a fair value for the 975,000 warrants of \$32,173.

(ii) As outlined above, in connection with a property acquisition, on August 27, 2014, 150,000 share purchase warrants were issued. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.45 per warrant for a period of twenty four months.

The warrants have been valued using the Black-Scholes Model with the following assumptions:

- Stock Price - \$0.29 per share
- Annualized volatility - 64.14%
- Exercise Price - \$0.45 per share
- Annual rate of dividends - Nil.
- Expected life 24 months
- Interest rate -1.09%.

The fair value of each warrant has been estimated at \$0.0648 per warrant which results in a fair value for the 150,000 warrants of \$9,729.

### Stock options

Under the Corporation's stock option plan (the "Plan"), the Board of Directors may, from time to time, grant stock options to directors, officers, employees of and service providers to, the Corporation and its subsidiaries. Stock options granted under the Plan may have a term of up to ten years, as determined by the Board of Directors at the time of granting the stock options.

At September 30, 2014, no options may be granted in addition to the common share purchase options currently outstanding (December 31, 2013 - 1,767,500).

## 20. Share capital (continued)

The following is a summary of option transactions under the Plan for the relevant periods:

	September 30, 2014		December 31, 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance - beginning of period	1,300,000	\$ 0.59	1,927,900	\$ 1.22
Cancelled	-	-	(1,392,900)	1.44
Price Modification on 550,000 Options <sup>(i)</sup>	-	(0.36)	-	-
Expired	(330,000)	0.40	(35,000)	1.07
Granted - Directors and employees	2,097,500	0.24	750,000	0.81
Granted - Service providers	-	-	50,000	1.09
Balance - end of period	3,067,500	\$ 0.28	1,300,000	\$ 0.59
Options exercisable	2,577,500	\$ 0.29	1,210,000	\$ 0.61

- (i) On June 16, 2014, 500,000 Option Contracts which had been issued on September 9, 2013, at a strike price of \$0.54 per share were cancelled and replaced with new contracts with a strike price of \$0.24 per share. These contracts expire on June 16, 2019.

On June 16, 2014, 30,000 options issued to a Service Provider on January 31, 2013 at a strike price of \$1.50 per share were cancelled and replaced with the same number of options with a strike price of \$0.50 per share and an expiry date of June 16, 2017. At the same time, 20,000 options issued on January 31, 2013 at a strike price of \$1.25 per share were cancelled and replaced with the same number of options with a strike price of \$0.50 per share and an expiry date of June 16, 2017.

In accordance with IFRS 2, these cancellations and re-issuances contracts were treated as a modification to equity-settled share-based payment arrangements. The changes of award values as a result of the modifications totalling \$32,892 have been expensed in the nine month period ended September 30, 2014.

### Option Grants

On June 16, 2014, 1,900,000 option contracts were issued at a strike price of \$0.24 per share with 1,410,000 vesting immediately. These contracts expire on June 16, 2019.

On September 17, 2014, 197,500 Option Contracts were issued at a strike price of \$0.205 per share. These contracts expire on September 17, 2019.

The following table summarizes information regarding the stock options outstanding and exercisable as at September 30, 2014:

Range of prices	Number of options outstanding	Number of options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
\$ 0.20 - 0.29	2,597,500	2,107,500	4.74	\$ 0.23
0.40 - 0.59	270,000	270,000	3.00	0.51
0.63 - 0.92	200,000	200,000	1.10	0.63
	3,067,500	2,577,500	4.27	\$ 0.29

## 20. Share capital (continued)

### Stock-based compensation and payments

The Corporation uses the fair value method for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is charged to operations, with an offsetting credit to contributed surplus, over vesting periods (which can vary from immediate vesting to 3 years).

Globex uses the Black-Scholes model to estimate fair value using the following weighted average assumptions:

	Nine months ended	
	September 30, 2014	September 30, 2013
Expected dividend yield	Nil	Nil
Expected stock price volatility	59.5%	64.4%
Risk free interest rate	1.35%	1.66%
Expected life	5 years	5.32 years
Weighted average fair value of granted options	\$0.11	\$0.30

During the nine month period ended September 30, 2014, the total expense related to stock-based compensation costs and payments amounting to \$253,392 has been recorded and presented separately in the Interim Condensed Consolidated statements of Income (loss) and Comprehensive Income (loss) (September 30, 2013 - \$251,556).

### Restricted Share Unit Plan

On April 11, 2012, the Board of Directors adopted a Restricted Share Unit Plan (the "RSU Plan") for the Corporation's executives and key employees, subject to regulatory approval. The RSU Plan is designed to attract and retain qualified individuals, to serve as executives and key employees of the Corporation and its subsidiaries and to promote the alignment of interests of such executives and key employees, on the one hand, and the shareholders of the Corporation, on the other hand. A maximum of 600,000 common shares may be issued from treasury under the RSU Plan.

Under the RSU Plan, from time-to-time, the Board of Directors may, in its sole discretion, upon the recommendation of the Compensation Committee after consultation with the Chief Executive Officer of the Corporation, may grant RSUs to executives and key employees in lieu of a bonus or other similar arrangements.

The RSU Plan was approved by the Shareholders on June 1, 2012 and subsequently on June 19, 2012, the TSX confirmed that it had listed and reserved 600,000 common shares of the Corporation for issuance under the Plan.

To date, no shares have been issued under the RSU Plan.

## 20. Share capital (continued)

### Shareholders' Rights Plan

On June 12, 2014, the Shareholders approved the adoption of a new Shareholder Rights Plan (the "Rights Plan"). The Rights Plan was adopted to: (i) provide shareholders and the Board of Directors with adequate time to consider and evaluate any take-over bid made for the outstanding shares of the Corporation; (ii) provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives to any such take-over bid; (iii) encourage the fair treatment of shareholders in connection with any take-over bid made for the outstanding shares of the Corporation; and (iv) generally prevent any person from acquiring beneficial ownership of or the right to vote more than 20% of the outstanding shares of the Corporation (or where such person already owns more than 20% of the shares, from acquiring ownership of or the right to vote any additional shares) while this process is ongoing or entering into arrangements or relationships that have a similar effect.

The Rights Plan will be in effect until the close of business on the date of the first annual meeting of the shareholders of the Corporation following the third anniversary of the date of the Rights Plan (June 12, 2014).

The objective of the Rights Plan is to ensure, to the extent possible, that all of the Corporation's shareholders will be treated equally and fairly in connection with any take-over bid for the Corporation.

The Rights Plan is designed to prevent the use of coercive and/or abusive take-over techniques and to encourage any potential acquirer to negotiate directly with the Board of Directors for the benefit of all of the Corporation's shareholders. In addition, the Rights Plan is intended to provide increased assurance that a potential acquirer would pay an appropriate control premium in connection with any acquisition of the Corporation.

The Rights Plan utilizes the mechanism of a "Permitted Bid" (as defined therein) to attempt to ensure that a person seeking to acquire beneficial ownership of 20% or more of the Corporation's shares gives shareholders and the Board of Directors sufficient time to evaluate the transaction, negotiate with the proposed acquirer, encourage competing bids to emerge, and ensure that all alternatives to the transaction designed to maximize shareholder value have been considered.

The Rights Plan will provide the Board of Directors with time to review any unsolicited take-over bid that may be made and to take action, if appropriate, to enhance shareholder value. The Rights Plan attempts to protect the Corporation's shareholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions, failing which such bidders are subject to the dilutive features of the Rights Plan. By creating the potential for substantial dilution of a bidder's position, the Rights Plan encourages an offeror to proceed by way of a Permitted Bid or to approach the Board of Directors with a view to negotiation.

## 21. Related party information

	September 30, 2014	December 31, 2013
<b>Related party payable</b>		
Jack Stoch Geoconsultant Services Limited ("GJSL")	\$ (6,717)	\$ (6,700)
Eco Refactory Solutions Inc.	-	748
WorldWide Magnesium Corporation	-	453
Duparquet Assets Limited	282,849	282,700
	<b>\$ 276,132</b>	<b>\$ 277,201</b>

## 21. Related party information (continued)

### Chibougamau Independent Mines Inc.

CIM is considered a related party as Globex Management consisting of the President and CEO, Executive Vice-President and Chief Financial Officer hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations and therefore can significantly influence the operations of both entities.

### Management Services

On December 29, 2012, Globex entered into a Management Services Agreement with CIM under which the Corporation agreed to provide management services including administrative, compliance, corporate secretarial, risk management support and advisory services to CIM.

Management Services fees of \$1,800 (2013 – Nil) for the three month and \$37,800 (2013 – \$252,000) for the nine month period ended September 30, 2014 represent Globex's estimate of the specific costs related to performing these services plus a mark-up in accordance with the Management Services Agreement.

### Management compensation

The total compensation for the respective periods paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation (Management personnel includes President and CEO, Executive Vice-President, Vice-President Operations, as well as Chief Financial Officer, Treasurer and Corporate Secretary) follows:

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Salary cost				
Salaries and other benefits <sup>(i)</sup>	\$ 88,554	\$ 93,669	\$ 245,493	\$ 305,518
Fair value of share-based compensation	34,632	-	196,875	-
	\$ 123,186	\$ 93,669	\$ 442,368	\$ 305,518

(i) The Vice-President Operations is an independent contractor and his compensation is included Other professional fees in the Expenses by nature (note 18) to the Interim Condensed Consolidated Financial Statements at September 30, 2014.

On June 16, 2014, 1,900,000 options were issued to Directors, Management and Employees of the Corporation with 1,410,000 options vesting immediately. This grant included 1,715,000 options to Directors and Management personnel.

On September 17, 2014, 192,500 options were re-issued to the President and CEO which is reflected in the share based compensation of \$34,632 for the three month period. The share based compensation for the nine month period ended September 30, 2014 reflects the share based compensation related to options issued to directors and key management personnel. No options were issued to these individuals in the

## 22. Supplementary cash flows information

### Changes in non-cash working capital items

	Nine months ended	
	September 30, 2014	September 30, 2013
Accounts receivable	\$ (80,523)	\$ 81,355
Prepaid expenses and deposits	(50,829)	(19,181)
Payables and accruals	(73,981)	488,843
	<b>\$ (205,333)</b>	<b>\$ 551,017</b>

### Non-cash financing and investing activities

	Nine months ended	
	September 30, 2014	September 30, 2013
Disposal of mineral properties for investments	\$ 9,750	\$ -
Transfer of investments to CIM <sup>(i)</sup>	243,010	72,903
Share capital and warrant issuance for mineral property acquisition	118,000	-
	<b>\$ 370,760</b>	<b>\$ 72,903</b>

(i) The transfer of the legal ownership of 4,860,200 Mag Copper Limited shares was completed on January 27, 2014.

## 23. Financial instruments

### Capital risk management

The Corporation manages its common shares, stock options and retained earnings (deficit) as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objective of enhancing projects, properties or the development of properties to the benefit of all stakeholders. As a Canadian exploration Corporation, its principal sources of funds consist of; (a) Option income on properties; (b) Metal royalty income; (c) Investment income; (d) proceeds from the issuance of common and flow-through shares and (e) other working capital items.

The Corporation manages the capital structure and makes adjustments to it in light of operating results in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation issues shares, enters into joint venture property arrangements or disposes of properties.

The Corporation's investment policy is to invest its cash in low risk highly liquid short-term interest-bearing instruments selected with a duration which is expected to align with the Corporation's planned expenditures.

In order to facilitate the management of its capital requirements, the Corporation prepares annual expenditure budgets that are updated as necessary. The annual and updated budgets are approved by the Board of Directors. For capital management purposes, the Corporation has developed two objectives which are as follows:

- Retain cash and cash equivalents, cash reserved for exploration expenditures and accounts receivable which are equal to or greater than the committed exploration expenditures,
- Retain equity investments and debt instruments with a combined fair market value which are greater than twelve months of projected operating and administrative expenditures.

## 23. Financial instruments (continued)

The Corporation may need additional capital resources to complete or carry out its exploration and development plans for the next twelve months.

The Corporation is not subject to any externally imposed capital requirements. The Corporation's overall strategy remains unchanged from 2013.

The fair values of the Corporation's cash and cash equivalents, cash reserved for exploration, accounts receivable, accounts payable and accrued charges approximate their carrying values due to their short-term nature. The equity investments have been adjusted to reflect the fair market value at the period end based on quoted market rates.

The Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, foreign exchange risk, and interest rate risk.

### Financial risk management objectives

#### (a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totalled \$2,540,613 as at September 30, 2014, (December 31, 2013 - \$2,255,112). These funds are subject to a combination of the \$100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"): CDIC, a federal Crown Corporation as well as a guarantee of \$1,000,000 provided by the Canadian Investors Protection Fund ("CIPF").

The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and cash equivalents are in place with major financial institutions.

The maximum exposure to credit risk was:

	<b>September 30, 2014</b>	December 31, 2013
Cash and cash equivalents	\$ 362,568	\$ 164,380
Cash reserved for exploration	2,178,045	2,090,732
Investments	205,154	942,801
Accounts receivable <sup>(i)</sup>	196,665	116,142
	<b>\$ 2,942,432</b>	<b>\$ 3,314,055</b>

(i) Accounts receivable of \$196,665 (December 31, 2013 - \$116,142) consist of trade receivables of \$113,486 (December 31, 2013 - \$22,758) and taxes recoverable of \$83,179 (December 31, 2013 - \$93,384). The trade receivables are secured by property interests.

#### (b) Liquidity risk

Liquidity risk represents the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through its capital structure and by continuously monitoring actual and projected cash flows. The Corporation finances its exploration activities through flow-through shares, operating cash flows and the utilization of its liquidity reserves.

The Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as any material transactions out of the ordinary course of business.

Contractual maturities of financial liabilities are all under one year.

## 23. Financial instruments (continued)

### (c) Equity market risk

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in a number of Optionee companies which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently these amount to \$205,154 (December 31, 2013 - \$942,801). Based on the balance outstanding at September 30, 2014, a 10% increase or decrease would impact income and loss by \$20,515 (December 31, 2013 - \$94,280).

### (d) Fair value measurements recognized in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<b>September 30, 2014</b>	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Equity investments	\$ 161,955	\$ 43,199	\$ -	\$ 205,154
Reclamation bonds	-	132,354	-	132,354
<b>Total financial assets</b>	<b>\$ 161,955</b>	<b>\$ 175,553</b>	<b>\$ -</b>	<b>\$ 337,508</b>

There were no transfer between level 1 and level 2 during the period.

The level 2 equity investments have been measured using the quoted price of the shares on the market which has been determined to be non-active.

For all other financial assets and liabilities, the fair value is equal to the carrying value.

<b>December 31, 2013</b>	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Equity investments	\$ 267,801	\$ 675,000	\$ -	\$ 942,801
Reclamation bonds	-	127,039	-	127,039
<b>Total financial assets</b>	<b>\$ 267,801</b>	<b>\$ 802,039</b>	<b>\$ -</b>	<b>\$ 1,069,840</b>

There were no transfer between level 1 and level 2 during the year.



## **24. Commitments and contingencies**

At the period end, the Corporation had no outstanding commitments other than in the normal course of business other than its commitment to incur qualified exploration expenditures to meet its flow-through obligations as described in note 6. At this time, Management anticipates meeting that obligation and as a result, no additional disclosures are required.