GLOBEX

# ANNUAL REPORT 2015

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# President's Message to Shareholders

Although 2015 seemed to start with a level of optimism we had not felt in 2014, it became quickly evident that the year would be challenging, not only for Globex and our peers but for the entire mining sector. Metal commodity prices continued to decline and with them so did share prices and investor interest. The economic outlook throughout 2015 was limited by continued sluggishness in the economy and the record lows for oil prices.

Overall despite the poor market performance of the sector, Globex's share price remained generally stable and showed a positive response to the increasing gold price by year end. The major challenge for Globex in 2015 was the drop in zinc prices which caused our Mid-Tennessee metal royalty income to fall and by mid-year cease. The Corporation responded by finding ways to reduce corporate and administrative costs. Ongoing capital raising remained difficult but late in the year we secured an additional $1,000,000 in flow-through funding to allow for plans and budgets to be committed for 2016.

As I write this letter I can say that the Corporation has seen interest in its properties by potential partners and work by some of our current partners increase. Positive results are being reported by optionee Renforth Resources Inc. at our Parbec Gold Property, where a new resource estimate has been completed and at the St. Urbain Silica Royalty property where Rogue Resources Inc. has announced the start of a Preliminary Economic Assessment among others. Renewed inquiries about our portfolio of gold properties is encouraging and we believe this to be a result of the quality of these assets, the sustained US$1,200 gold price and the exchange rate advantages offered by potential development of our properties here in Canada. In addition, there has been significant interest in several of our industrial mineral and base metal projects.

In 2015 and early 2016 we have continued to have an eye to improving our asset portfolio by adding higher grade targets and better defined resources to the projects we can offer for sale or option. Our 2015 Annual Information Form describes the newly added gold properties; Montalembert in Quebec; and Devil's Pike in New Brunswick. In early March 2016, we acquired the Francoeur-Arntfield gold properties whose mineral resources in the case of Francoeur, are accessed by surface infrastructure including the shaft and production hoist which was acquired with the property.

Also as outlined in our MD&A, we continue to believe that advancing the Timmins Talc-Magnesite ("TTM") project towards production through financing or sale remains one of our important opportunities. For 2016, we have commissioned a new resource estimate and additional talc quality studies to enhance the marketability of the property and its products. Based on our 2014 test work, TTM's talc products will outperform comparable North American products.

We continue to employ a highly qualified exploration team to manage our properties, field exploration, property review and assessment work. We continue to enhance our exploration to meet increased public and regulatory expectations. In 2015, we spent $1.8 M on various properties while completing nineteen diamond drill holes totalling 7,467 metres on eight different projects including work at our Pandora-Wood Joint Venture with Canadian Malartic Corporation. Currently, we have $900,000 available to fund exploration in 2016 and we have developed plans for a full slate of activities. We continue to seek funds to improve and enhance our first class exploration assets and for general administrative purposes.

We believe in the long-term value of our diversified portfolio of quality projects and that the Abitibi region is one of the pre-eminent geological and mining locations in the world to pursue their development.

# Management's Discussion and Analysis

## For the year ended December 31, 2015

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 March 29, 2016 and should be read in conjunction with the audited annual consolidated financial statements for the two years ended December 31, 2015 and December 31, 2014.

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## Overview

Globex Mining Enterprises Inc. ("Globex") is a North American focused exploration and development project generator which seeks to create shareholder value by acquiring properties, undertaking limited exploration activities and enhancing them and either optioning, joint venturing, or negotiating sales arrangements which will advance the projects towards being brought into commercial production. As part of the total compensation arrangements, we seek to secure long-term royalty arrangements which will provide continued financial benefits to Globex and its shareholders.

Currently, we are focused on acquiring properties which meet one or more of the following criteria:

- Have historic or qualified mineral resources,
- Have reported past production,
- Have established drill targets or drill intersections of economic merit and,
- Are located on major geological structures.

Optioning or joint venturing exploration properties allows Globex to manage its mineral property portfolio, conserve cash and generate current income. Optioning also ensures properties are being explored and their titles are retained as exploration work commitments are met.

Globex property option arrangements generally mean that in exchange for annual cash and/or share payments and an annual exploration work commitment, the Corporation grants the Optionee the right to acquire an interest in the optioned property. Following the completion of the contract commitments, the property interest is transferred to the Optionee. The option contract will terminate if annual payments and/or work commitments are not met. Globex may retain a Gross Metal Royalty (GMR) or other carried or participating interest in the property when it is transferred. 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.

Our current mineral portfolio consists of approximately 130 early to mid-stage exploration, development and royalty properties which contain **Base Metals** (copper, nickel, zinc, lead), **Precious Metals** (gold, silver, platinum, palladium), **Specialty Metals and Minerals** (manganese, titanium oxide, iron, molybdenum, lithium, rare earths and associated elements) and **Industrial Minerals** (mica, silica, potash, salt, feldspar, pyrophyllite as well as talc and magnesite).

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. The head office is located at 89 Belsize Drive, Toronto, Ontario M4S 1L3 and the principal business office is located at 86, 14th Street, Rouyn-Noranda, Quebec, J9X 2J1, Canada.

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 in the USA (OTCQX International) with the symbol GLBXF.

## Economic environment and corporate focus

### Economic environment

During 2015 and into early 2016, we have seen significant volatility in the world financial markets and significant downward pressures on all commodity prices much of which is a result of the declines in economic growth in a number of important world economies including China as it continues its shift away from capital and infrastructure investments towards services and consumer consumption. As reported in RBC's January 2016 Global Insight report, they estimate that China accounts for more than 40% of the global demand for many commodities. Moody's rating agency also recently indicated that they believe that the current oversupply of many commodities does not reflect a normal cyclical downturn, but represents a fundamental shift which will require recalibration of the supply demand balance.

During 2016, the price of Gold has gained 16 percent since the beginning of the year now trading in the range of U.S. $1,220 per ounce reflecting an number of factors including concerns over negative interest rates, volatility in the financial markets as well as slow economic growth in the world economy.

During financial and exploration planning, management monitors the changes in all metal prices, with particular emphasis on zinc prices as Globex is entitled to a royalty on the Nyrstar's Mid-Tennessee zinc operations if the LME monthly average zinc price is greater than USD $0.90 per pound.

Table 1 highlights the comparative metal prices which the Corporation monitors.

**Summary of Metal Prices**
**Current Prices with Comparatives (December 31 2011 – 2014)**

| Commodities (USD) | Current | December 31, | | | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| | | | | | |
| **Gold ($/oz)** | Q1 - 1,187.00<br>Q2 - 1,171.50<br>Q3 - 1,115.00<br>Q4 - 1,060.00 | 1,180 | 1,205 | 1,656 | 1,563 |
| **Silver ($/oz)** | Q1 - 16.60<br>Q2 - 15.55<br>Q3 - 14.59<br>Q4 - 13.83 | 15.70 | 19.44 | 30.06 | 27.63 |
| **Nickel ($/pound)** | Q1 - 5.78<br>Q2 - 5.42<br>Q3 - 4.56<br>Q3 - 4.00 | 6.68 | 6.31 | 7.89 | 8.23 |
| **Copper ($/pound)** | Q1 - 2.75<br>Q2 - 2.61<br>Q3 - 2.34<br>Q4 - 2.13 | 2.85 | 3.35 | 3.61 | 3.43 |
| **Zinc ($/pound)** | Q1 - 0.92<br>Q2 - 0.95<br>Q3 - 0.78<br>Q4 - 0.73 | 0.98 | 0.92 | 0.92 | 0.87 |

**Table 1**

As highlighted in the table above, during 2015, all metal prices declined significantly from their 2014 year-end closing prices.

During the first six months of 2015, the Zinc prices were in excess of the USD $0.90 per pound; however downward pressure on the prices was evident at the end of July as reflected in increases in LME warehouse stocks. In September the Zinc prices declined to USD $0.72 which represented a 5-year low. The downward pressures continued in the third and fourth quarters and on December 7, 2015, Nyrstar announced that it was placing its Middle Tennessee Mines on care and maintenance as a result of the challenging metal price environment. Subsequently on January 7, 2016, they announced the formal launch of the sale process for all or the majority of its mining assets. These economic changes have directly impacted Globex's royalty revenues in 2015 and will likely continue throughout 2016.

During the last three years, the market value of many large mining companies has declined significantly while at the same time junior mining companies share prices have been decimated. Many of these junior mining companies are TSXV listed companies and currently it is almost impossible for them to complete an equity financing which has required Globex to demonstrate flexibility under some option arrangements. These factors have directly impacted the option revenues that Globex generated in 2015.

These factors are 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 sale or 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 property acquisitions and exploration activities.

We continue to pursue opportunities to provide liquidity to the Corporation needed to meet its operational and exploration needs. In order to meet these requirements, currently we are exploring various financing options and have commenced discussions related to property dispositions.

**Corporate Focus**

The Corporation's strategy is currently focused on:

- Exploring options which could allow partners to participate or acquire the Timmins Talc-Magnesite project which would advance it towards production;

- Building an effective joint venture partnership with Canadian Malartic Exploration including establishing specific exploration objectives for the Pandora-Wood & Central Cadillac Property as well as moving towards production at the Ironwood deposit.

- Pursuing ongoing business activities including:
    - Sales and optioning of properties;
    - Targeted exploration to improve our knowledge of our properties with a view to creating more attractive assets; as well as
    - Selective property acquisitions.

## Highlights for the year

- Exploration expenses for the year totalled $1,793,777 (flow-through expenditures - $1,605,797) compared to $2,431,902 in 2014 (flow-through expenditures - $2,353,372). Currently our ongoing exploration costs to retain our portfolio of properties is approximately $300,000 - Further details on pages 5 - 10.

- At December 31, 2015, cash and cash equivalents totalled $1,276,930 (restricted funds - $1,077,113) compared to $1,826,573 in 2014 (restricted funds - $1,594,860). - Further details on page 23.

- Zinc prices averaged USD $0.97 per pound for the first six months of 2015, which generated royalty income of CDN $605,282, but declined to USD $0.78 per pound in the last six months of 2015 resulting in no metal royalty income from Nyrstar. On December 7, 2015, Nyrstar announced that it was placing the Mid Tennessee Mine on care and maintenance and on January 7, 2016, they announced the formal launch of the sale process for the majority of its mining assets. These developments will adversely impact Globex's revenue source from these operations.

- Revenues for the year were $1,160,338 (Net Option Income - $545,056; Advance Royalty - $10,000; Net Metal royalty income - $605,282) as compared to $1,326,640 in 2014 (Net Option Income - $306,408; Net Metal royalty income - $1,020,232). - Further details on pages 14.

- In 2015, the total expenses of $3,985,032 (2014 - $8,542,805) include an impairment provision of $2,754,258 (2014 - $7,132,983). After adjusting for the non-cash items (depreciation and amortization, share-based compensation, and impairment provisions), the cash operating expenses were $939,057 (2014 - $1,085,821). - Further details, pages 19 - 22.

- For 2015, Globex reported a net loss and comprehensive loss of $2,417,033 (2014 - $5,342,113). The reduction in the loss mainly reflects a lower impairment provision.

- On November 26, 2015, 3,203,951 flow-through shares were issued under a private placement with 2,537,285 "flow-through" units being issued to subscribers in Québec at a price of $0.30 per unit, for gross proceeds of $888,050 and 666,666 "flow-through" units at a price of $0.30 per unit, for gross proceeds of $200,000. The total gross proceeds from the private placement were $1,088,050. Each of the units was comprised of one “flow-through” common share and one-half of a common share purchase warrant. -Further details on page 28.

## 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 MD&A was prepared by the Corporation’s geological staff under the supervision of Qualified Persons as defined in National Instrument 43-101. The exploration and technical information presented in this MD&A has been reviewed and summarized by William McGuinty P.Geo., Vice - President Operations, 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 (CIMM) 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 drill projects, selected diamond drill core samples are marked by a geologist and subsequently split, with one-half of the core sent for sample preparation and analysis, 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 (not prepared by a qualified person under NI 43-101) available in the public domain regarding our properties, we will include source, author and date of report as well as 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 Canadian Institute of Mining, Metallurgy and Petroleum 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 year ended December 31, 2015 totaled $1,793,777 (2014 - $2,431,902) which reflects eligible flow-through expenditures of $1,605,797 (2014 - $2,353,372) and non-flow through expenditures of $187,980 (2014- $78,530).

During the years-end 2015 and 2014, exploration expenditures were incurred on the various projects as follows:

| Region/Property/Township | 2015[1] | 2014 |
|---|---|---|
| **Ontario** | | |
| • Timmins Talc-Magnesite (Deloro) | **$ 91,687** | $ 295,112 |
| • Other projects | **19,943** | 16,048 |
| | **111,630** | **311,160** |
| **Quebec** | | |
| • Beauchastel-Rouyn (Beauchastel) | **24,391** | 95,282 |
| • Carpentier (Carpentier) | **107,778** | - |
| • Champdoré (Champdoré) (3) | **492** | 61,062 |
| • Chibougamau (Eau Jaune Lake/Rale) | **38,274** | 195,354 |
| • Dalhousie (Bourbaux/Berthiaume) (3) | **35,236** | - |
| • Dufresnoy (Dufresnoy/Vauze) | **12,105** | 142,255 |
| • Duvan (Desmeloizes/La Reine) | **80,850** | 16,070 |
| • Eagle Mine, Mine Poirier, Soissons (Poirier/Joutel) | **193,660** | 351,054 |
| • Great Plains (Clermont) | **93,324** | 9,138 |
| • Joutel Mine (including Joubel) (Poirier/Joutel) (3) | **49,577** | 1,825 |
| • Lyndhurst (Destor/Poularies) | **37,205** | 104,957 |
| • Montalembert (Montalembert) | **188,888** | - |
| • Montgolfier (Orvilliers/Montgolfier/Estrades) (3) | **53,856** | 24,525 |
| • Nordeau East-West (Vauquelin/Tavernier) | **12,254** | 75,093 |
| • Pandora-Wood & Central Cadillac (Cadillac) | **193,064** | 190,814 |
| • Rich Lake (Montbray/Rouyn) | **81,275** | 115,694 |
| • Tavernier (Tavernier) | **7,386** | 153,662 |
| • Tiblemont (Smith-Zulapa/Tiblemont) | **1,715** | 99,952 |
| • Turner Falls (Villedieu/Atwater) | **24,318** | 96,445 |
| • Other projects | **230,494** | 147,349 |
| • Quebec general exploration | **182,887** | 227,126 |
| | **1,649,029** | **2,107,657** |
| **Other regions** | | |
| • Nova Scotia | **12,099** | 993 |
| • New Brunswick | **7,235** | 982 |
| • Other including Bell Mountain (USA) | **13,784** | 11,110 |
| **Total exploration expenditures** | **$ 1,793,777** | **$ 2,431,902** |
| | | |
| **Q1** | **$ 330,002** | $ 569,572 |
| **Q2** | **325,747** | 515,690 |
| **Q3** | **451,459** | 722,414 |
| **Q4** | **686,569** | 624,226 |
| **Total exploration expenditures** | **$ 1,793,777** | **$ 2,431,902** |

**Table 2**

**Note:**

1. The exploration expenditures outlined above reflect expenditures on GMX's most significant projects. They have been presented in the same order as the description of Quebec project activities in 2015 which follows on pages 8 - 10.
2. The Consolidated Financial Statements reports summarized mineral property and deferred exploration expenses by region in Notes 14 and 15. Schedule A to these financials statements - Mineral Properties and deferred exploration expenses, reflects the carrying values, additions, and the disposals, impairments provisions and recoveries by region/province and groups of projects within a region.
3. In Schedule A, these projects have been grouped with other regions for presentation purposes.

The exploration expenditures by type are detailed in note 15 to the Consolidated Financial Statements. In 2015, the following major types of expenditures were incurred; (a) Consulting - $118,035 (2014 - $175,558), (b) Drilling - $327,846 (2014 - $674,154), (c) Geology - $72,753 (2014 - $166,970), (d) Geophysics - $103,455 (2014 - $101,563), (e) Laboratory analysis and sampling - $69,393 (2014 - $237,143), (f) Labour - $811,048 (2014 - $853,602, (g) Line cutting - $85,673 (2014 - $2,540), (h) mining property tax, permits and prospecting - $93,127 (2014 - $34,791), (i)

Transport and road access - $74,522 (2014 - $60,315), (j) Other - $37,925 (2014 -$125,266).

## Timmins Talc-Magnesite Project ("TTM")

### Background Information

Detailed background information related to the TTM project is outlined on Globex's web-site (http://www.globexmining.com/TechReports.htm) and in the Annual Information Form. Key highlights and accomplishment on the project are as follows:

- 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) and on the Corporation's website.

- These reports outline the project's current resource estimate and the 2012 Preliminary Economic Assessment (PEA).

### Current National Instrument 43-101 Technical Reports

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

**Mineral Resource Estimate**

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

**Table 3**

### 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 2010 mineral resource estimate and a mining rate 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.

- The March 2, 2012, press release provided 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 2012 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 2013, the Corporation completed a drill program which consisted of 53 drill holes totaling 7,500 m. 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. The final mineralogical results were received in 2014 from SGS Lakefield Minerals.

- On December 18, 2013, the Corporation received a 21 year mining lease covering the site of the proposed talc mine. A mining lease is a registered property title which facilitates financing and permitting related to mining and production operations.

**2014 and 2015 Project Activities**

- In 2014, limited TTM project work focussed on completing additional drill core QEMSCAN analysis and continuation of a talc variability study by the Centre de Technologie Minerale et de Plasturgie (CTMP) on thirty-five drill-composite samples. Plastic compounding and injection molding of this material has been completed. This test program was completed in late 2014; however, several talc tests are being redone by CTMP, to verify the validity of the current results. Globex also received results of "asbestos presence" testing on samples of talc concentrate. All thirty-five (35) samples indicated that no asbestos was detected. These 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 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.

- Late in 2014, efforts were directed towards reviewing project financing requirements, processing alternatives and development of a business plan. These internal studies were designed to identify production "roll-out" options and project financing strategies.

- During 2015, $91,687 was spent on the project mainly representing the costs incurred to develop a range of project values and alternate structures which allow partners to participate or acquire the project. A dedicated consultant has been recently engaged to explore potential parties with related industry knowledge. Discussions at this time are challenging considering the uncertainties in the financial markets and economic outlooks.

- For 2016, an updated resource estimate including information from drilling and sample analysis acquired in 2103 and 2014 will be undertaken. The objective of this work is to improve knowledge of the deposit and increase resource confidence. The added information will allow for better definition of mineral resources for potential mine planning purposes and financial modelling.

## Quebec projects

During 2015, exploration expenditures totalling $1,649,029 (2014 - $2,107,657) were incurred on Quebec projects. The expenditures include the completion of Phase 1 and Phase 2 drilling at the Pandora-Wood gold property, drilling at Eagle Mine, Poirier Mine, Rich Lake, Carpentier, Great Plains and Duvan projects as well as field mapping, outcrop stripping, channel sampling, prospecting and geophysical surveys on several other properties. Projects on which the largest expenditures were incurred are described below:

- **Carpentier (Carpentier)** - Compilation on the Carpentier gold-pyrophyllite property led to a four-hole 603 m drilling program completed late in the fall. The drilling program tested for the extension of historic drill intersections of up to 2.44 m grading 14.7 gpt Au and sample a known pyrophyllite horizon for metallurgical test work. The intrusion hosting the historic gold assays was intersected but samples returned no significant gold intersections. The pyrophyllite horizon intersected presented low discontinuous concentrations of mineralization.

- **Dalhousie (Bourbaux / Berthiaume)** - A 210-line km deep-penetrating airborne geophysical survey covering the area of several Ni-Cu showings was completed in November. Several zones of interest were highlighted during the survey. Results will be assessed more fully once all data interpretations are completed.

- **Duvan (Desmeloizes / La Reine)** - Globex performed a 6.5-line km Induced Polarisation (IP) survey. Subsequently, two drill holes totalling 527.65 m targeted IP anomalies located south-east of the old Duvan shaft. Stringer sulphide zones consisting mainly of pyrite and pyrrhotite were intersected. At the end of the year results were still pending. Further work on the property will be guided by drill results.

- **Eagle Mine, Mine Poirier, Soissons (Poirier / Joutel)** – One 993 m drill hole was completed on Eagle Mine in late September targeting a deep extension of a mineralized zone intersected by previous hole AE-92-030A (10.16 gpt Au over 10.24 m). Results of hole EM-15-001 returned no significant values.

- **Great Plains (Clermont)** – Prospecting and ground geophysics, including a 17.1-line km of magnetic and electromagnetic surveys as well as 9.3-line km of IP survey were completed by year-end. A 303 m drill hole to test an IP target identified during the recent survey was completed in December. Analytical results are pending from this drill hole.

- **Lyndhurst Mine (Destor / Poularies)** - Rehabilitation continues on the Lyndhurst Mine concession. Sample rejects from the 2009 channel sampling program at the Lyndhurst Mine Zone 1 were re-submitted for litho-geochemical analysis with a view to determining the value of near surface material as a potential value-added smelter flux. Results identified a low grade 0.73% Cu, 10.9 gpt Ag, 80.3% SiO2 envelope 20 m thick and 40 m in length open in both NE-SW directions. A higher grade 2.06% Cu, 26.9 gpt Ag and 78.6% SiO2 zone, 5 m thick and 30 m in length is located inside the envelope. A new deep-penetrating airborne geophysical survey covering the Lyndhurst mine and the Moses zones was performed in November and preliminary results present areas of interest to be reviewed in 2016.

- **Montalembert (Montalembert)** – A 46.1 line km magnetometer survey was completed at the property followed by systematic mapping and sampling of the grid area. Mechanical trenching and overburden stripping of the two main historic N-S veins, the Galena and No.2, as well as two cross-cutting E-W trenches were completed. Grab sampling of the veins returned values ranging to 84.0 gpt Au, 64.5 gpt Au, 36.3 gpt Au, 17.3 gpt Au. Further details are described in our press release dated November 12, 2015. Due to freezing conditions at the end of October, detailed trench sampling has been deferred to 2016.

  **Pandora - Wood & Central Cadillac (Cadillac)** - Pandora-Wood is a 50% joint venture project with Canadian Malartic Corporation (jointly owned by Agnico-Eagle Mines Ltd. and Yamana Gold Inc.) and constitutes one of Globex's priority gold properties. It is located several kilometers west of the currently producing Agnico Eagle Lapa Gold Mine. Both Pandora-Wood and Lapa are located along the prolific, gold localizing Cadillac Break.

- A three-hole Phase One drill program totaling 1,802 m was completed in early April. Drill hole CC-15-10 returned 4.22 gpt Au over 2.25 m from 256.85 to 259.10 m and 3.11 gpt Au over 3.0 m from 510.5 to 513.5 m. Drill hole W-15-114 intersected two mineralized zones of 30 cm and 90 cm length, but returned no significant values. Drill hole W-15-115 returned 12.26 gpt Au over 2.0 m from 633.0 to 635.0 m and 2.17 gpt Au over 3.0 m from 652.0 to 655.0 m.

  Phase 2 consisted of a three-hole drill program totaling 1,638 m was completed in September. The first hole, W15-116B returned an average of 15.6 gpt Au over 5.0 m including an interval of 24.4 gpt over 3.0 m. Drill hole W15-117 intersected a NE-SW major fault which displaced the host lithologies and the mineralized zones where not encountered. Drill hole W15-118 returned 3.30 gpt over 3.0 m and 2.29 gpt Au over 3.35 m. Further details are described in our press release dated October 15, 2015.

- **Poirier Mine (Joutel / Poirier)** – A two-hole drill program totaling 878 m was completed in 2015. One hole followed up an intersection of 4.95% Zn and 8.95 gpt Ag over 6.47 m drilled in 2014. Drill hole P-15-01 intersected a massive sulphide zone consisting mainly of pyrite and pyrrhotite returning 0.31% Zn and 1.2 gpt Ag over 0.8 m. The second hole targeted an airborne geophysical anomaly as well as an off-hole geophysical anomaly identified during previous exploration work. The low sulphide content present in the core did not explain the geophysical anomaly or return significant values.

- **Rich Lake (Montbray)** – A two-hole drill program totaling 492 m was completed on the Rich Lake project. One hole tested for the extension of the historic Yvanex horizon down plunge to the northeast while the second hole tested a 2014 off-hole geophysical anomaly. Drill hole RL-15-01 intersected the Yvanex exhalite and returned values of 1.03 gpt Au, 12.9 gpt Ag, 1.82% Cu and 2.65% Zn over 0.65 m. Drill hole RL-15-02 intersected 10-15% of disseminated and stringer sulphide (mainly pyrrhotite and pyrite) explaining the off-hole anomaly but returning only low values of copper and zinc.

Also during 2015, ground geophysics was completed on Colnet Lake, Wawagosic and Tonnancour properties. Field exploration work including prospecting and mapping were undertaken at the Fontbonne, Moly Hill, Ontario Lake and Santa Anna properties. Further details regarding recent exploration activities were included in our press release dated September 22, 2015.

During 2016, exploration will initially focus the Pandora-Wood and Montalembert projects. Further significant Quebec exploration projects will be determined based on budget availability.

## Nova Scotia projects

During 2015, $12,099 (2014 - $993) was spent on exploration in Nova Scotia with $6,168 being spent on the Boularderie Project.

- **Boularderie Project (Victoria County, Nova Scotia)** - As announced in a press release on April 7, 2015, Globex acquired by Order in Council decree, 251 claims covering approximately 4,064 ha (40.6 $km^2$) of prospective potash/salt exploration rights in Cape Breton, Nova Scotia. A stratigraphic test hole drilled in 1984 by the Nova Scotia Department of Mines and Energy ('NSDNR') intersected two intervals of potash (3.8% $K_2O$ over 1.2 m from 592.4 m to 593.6 m and 6.03% $K_2O$ over 5.0 m from 744.2 m to 749.2 m) as well as extensive intervals of salt. Re-sampling of borehole NSDNR Kempt Head No. 84-01 confirmed the results of potash previously reported.

- The Corporation continues to look at options to evaluate this property.

## Mineral property acquisitions

During 2015, $27,978 (2014 - $171,113) was spent on mineral property acquisition. The following paragraphs provide an overview of the major property acquisitions:

- **Golden Pike Property** (also called Devil's Pike, Kings County, New Brunswick) – As announced in a press release on January 7, 2016, Globex acquired a 100% interest in the Devil's Pike Gold Property located in Kings County, south central New Brunswick. The property was acquired from Rockport Mining Corp. for 350,000 Globex shares at a deemed issue price of $0.25 per share and a one percent (1%) Net Smelter Royalty (NSR) payable after the property has produced 600,000 ounces of gold. The property has a two percent (2%) underlying royalty. All the royalties may be purchased for CDN$ 500,000 per half percent (0.5%). The property includes the "Main" and nearby "Parallel" gold zones. On August 24, 2011, Portage Minerals Inc., a previous owner of the property announced the completion of an NI 43-101 Technical Report. They reported an Inferred Mineral Resource of 214,800 t grading 9.60 gpt Au containing 66,300 oz Au using a grade capping of 30 gpt and 214,800 t grading 13.48 gpt Au containing 93,100 oz of gold with no grade capping.

- **Boularderie Project** (Victoria County, Nova Scotia) - As announced in a press release on April 7, 2015, Globex acquired by Order in Council decree, 251 claims covering approximately 4,064 ha (40.6 $km^2$) of prospective potash/salt exploration rights in Cape Breton, Nova Scotia. A stratigraphic test hole drilled in 1984 by the Nova Scotia Department of Mines and Energy intersected two intervals of potash (3.8% $K_2O$ over 1.2 m from 592.4 m to 593.6 m and 6.03% $K_2O$ over 5.0 m from 744.2 m to 749.2 m) as well as extensive intervals of salt.

- **Montalembert** (Montalembert, Quebec) - In September Globex announced it acquired 100% interest in a high grade gold property, which has not been explored in over 42 years, located approximately 10 kilometers northwest of the Cree Village of Waswanipi, Quebec. The property consists of 44 cells totalling 2,405 hectares (4,978 acres).

  In 1973, a grubstake syndicate stripped and cleared the Galena, Rabbit and Number 2 veins after which the property was acquired by Rochelom Mines Ltd., which undertook a detailed trenching and analysis of the Galena vein system over a near continuous strike length of 405 feet (123 m), an average sample width of 2.06 feet (0.63 m) and to a depth of 2 feet (0.61 m). Seventy-eight (78) samples collected from fine blast material over continuous 5 foot (1.5 m) lengths and two 7.5 foot (2.3 m) lengths weighing 8 lbs each are reported to have returned an average of 0.67 oz/ton Au (cut) (20.84 gpt Au) and 0.93 oz/ton Au (uncut) (28.93 gpt Au).

- **Dalhousie Project** (32F10, Quebec) - Globex acquired 14 claims by staking in map area 32F10 approximately 50 km east of the town of Matagami and 4 km south of Lac au Goéland. The property has been explored intermittently since the 1950s by geophysical survey and drilling. Historic drilling on the property has returned intervals of copper-nickel mineralization ranging from 0.1% to 5.3% Cu and 0.1% to 0.88% Ni over intervals of 0.5 to 13.3 m. Historic surface sampling returned values ranging to 4.4% Cu and 0.9% Ni.

- **Feldspar Project** (Johan Beetz, Quebec) - Globex acquired the Johan Beetz Feldspar Property located on the North Shore of the St. Lawrence River, approximately 60 km east of Havre St. Pierre near the town of Baie Johan Beetz where there is a former producing feldspar mica mine on the site which is reported to have a large historical resource. The property is located at tidewater and the former mine's loading dock still exists although in unknown condition. The site has access to the eastern seaboard of North America and a transport cost advantage. Feldspar of the quality reported at this site is used for industrial scale glass and ceramic manufacture as well as for fillers in paint and other products.

- **Wawagosic** (Estrées, Quebec) - Globex acquired 100% of this property through staking in the Casa Berardi area near the Corporation's new Montgolfier property. The claims cover a volcanic sequence with base metal and volcanogenic massive sulphide indicators. Numerous historic geophysical anomalies are located on the property. Several anomalies remain untested and present attractive drill targets.

- Other 2015 property acquisitions in Quebec include the **Carpentier** gold-pyrophyllite property, the **New Richmond** gold-antimony property and new lands at the **Turner Falls** Rare Earth Property.

- **Francoeur and Arntfield Gold Mine Properties** - On March 3, 2016, Globex announced in a press release that it had signed a Letter of Intent with Richmont Mines Inc. to acquire a 100% interest in the Francoeur Mine and infrastructure, Arntfield Mine and a large package of mining concessions, mining leases and claims in Beauchastel and Dasserat Townships, west of Rouyn-Noranda, Quebec. Globex has agreed to pay Richmont a 1.5% Net Smelter Royalty (NSR) on a portion of the property which includes Richmont's former Francoeur mine and Arncoeur property up to a total of $1,300,000 after which the NSR will reduce to a 0.5% NSR. As part of the transaction, Globex will transfer to Richmont, 11 mining claims adjoining the East boundary of Richmont's Wasamac gold property.

- As detailed in the press release, the responsibilities for the Francoeur Mine closure obligations of $628,175 and the deposit of $471,132 to fund these obligations will be transferred to Globex subject to the approval of the Ministère de l'Énergie et des Ressources naturelles (MERN). Globex will be responsible for the funding of remainder of the obligation by August 2016.

- Globex has entered into an arrangement with a third party which will fund the remaining $157,043 due in August 2016 in exchange for certain rights including a one percent (1%) NSR which shall come into effect once Richmont has received $1,300,000 in NSR payments. Globex retains the right to purchase the third party 1% NSR at any time for $500,000. The third party has agreed to assume one-half of all property carrying costs such as municipal and provincial taxes, assessment work requirements, hydro charges and all other costs related to the properties.

## Optioned and royalty properties

During 2015, Globex negotiated an option agreement for our New Brunswick Houlton-Woodstock Manganese Property. In order to finalize this agreement, the Optionee must obtain various regulatory approvals which were expected during the first quarter of 2016.

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", Quebec)** - Mag is an exploration and development company which has focussed on trying to put Globex's Magusi property into production. During 2015, Mag has continued to meet with difficulty raising funds to meet its objectives to develop Fabie Bay. Globex continues to work with Mag within our agreement to facilitate their continued participation in the project. At year end, outstanding option payments of $175,000 were outstanding. In February 2016, Globex notified Mag of termination of the agreement and the property was returned to the Corporation.

- **Parbec Property (Renforth Resources Inc. "Renforth", Quebec) -** On February 4, 2015 Globex signed a Letter of Intent (LOI) with Renforth whereby Renforth may earn 100% interest in Globex's Parbec Gold Property located 6 km northwest of the large Canadian Malartic open pit gold mine (Agnico Eagle Mines Limited and Yamana Gold Inc.) and adjoining the former East Amphi Gold Mine, all located on or near the gold-localizing Cadillac Break.

  During the year Renforth completed field examinations and data compilation and re-interpretation at the Parbec project, announcing an exploration target modeling a mineralized zone comprising a range of tonnes between 1,200,000 and 1,700,000 t at a gold grade range of 4 to 6 gpt Au, for a range of potential contained of gold between 176,400 oz and 360,000 oz. Renforth stated that the potential quantity and grade is conceptual in nature and insufficient exploration work has been done to date to define a mineral resource and it is not certain that future exploration will define all or part of the target as resource. The exploration target is situated in the known Camp Zone and a small portion of the #2 Zone.

  Renforth subsequently redefined mineralization at Parbec and identified 5 mineralized zones of interest characterized by structural and intrusive or volcanic lithological features. In December Renforth reported results of a sampling program to identify new mineralized zones at Parbec. Renforth describes sampling "designed to confirm the presence of gold at surface in rock types not previously considered in the historical resource for the property." The historical resource is defined largely in the Camp Zone, whereas the new samples were taken from the porphyry, diorite and felsite-related mineralization on surface. Renforth tested samples with fire assay and Bottle Roll cyanide leach to comparatively highlight the presence of free (coarse) gold. Seven (7 ) samples, were obtained from felsite, porphyry and diorite mineralization in 6 different surface locations on the Parbec Property reporting anomalous mineralization ranging to 0.99 gpt Au.

- **Farquharson Property (Integra Gold Corp. "Integra", Quebec)** - In January 2012, Integra entered into an option to acquire a 100% interest in the renamed Donald Property (Globex's Farquharson Property) located in Bourlamaque Township, Quebec, adjacent to the Integra's flagship Lamaque property. GMX retains a 3% Gross Metal Royalty on this property.

Integra continues to explore and develop the Triangle Deposit, the closest mineral deposit on the Lamaque Project to the Farquharson property. In August, the company reported that 40 holes totalling 23,659 m of the 27,815 m drilled at Triangle. Assay results included testing continuity of the steeply dipping C4 mineralized structure at the Triangle Zone with step-out drilling over 150 m eastwards towards the Farquharson property of the existing resource limit towards the Farquharson property intersecting 7.45 gpt Au over 5.0 m in hole TM-15-29 and 39.2 g/t Au over 2.0 m in hole TM-15-23 in the C2 Zone. TM-15-10A reported 6.83 gpt Au over 1 m and TM-15-11A reported 8.0 gpt Au over 3.7 m, both in the C4 Zone. Integra has also announced in October that it has initiated an underground development program for the Triangle zone.

- **Massicotte Property (Adventure Gold Inc. "Adventure", Quebec) -** In February 2012, Globex sold the 45 claim Massicotte property to Adventure and retains a 2.5% Gross Metal Royalty. The property forms part of Adventure's Detour Quebec Gold Project. The property is traversed by the Massicotte and Lower Detour (Grasset) Deformation Zones.

  In early October, Adventure announced an option and joint venture agreement with SOQUEM comprising 531 of the Detour Gold Project Claims including the Globex royalty claims.

  In late January, 2016 Adventure announced a geophysical and 3,400 m drilling program for the project. According to its press release map, at least three holes appear to target the royalty claims.

- **St-Urbain (Lac la grosse femelle) (Rogue Resources Inc. "Rogue", Quebec)** - Globex staked this property in 2014 and in July, 2014 it was sold via a third party, Fiducie Ananke, to Rogue Resources Inc. (Rogue). Globex received 1,000,000 shares of Rogue, acquisition costs and retains a 1% Net Smelter Return (NSR) up to $500,000. The Property is located 100 km north-east of the city of Quebec and approximately 40 km north of the City of Baie-Saint-Paul, on the north shore of the Saint Lawrence River.

  At year end, Rogue announced completion of over 11,000 m of drilling. They also report that chemical analysis and metallurgical testing are being completed by Anzaplan Dorfner located in Germany and once information has been compiled a resource report and PEA will be undertaken by Met-Chem of Montreal, Québec.

  The Company's drill program has "tested test the extent of "G" and "H" Quartzite Units, including their purity, depth, width and the length of extension below surface". Both G and H units remain open at depth with initial drilling designed to identify resources located primarily above valley floor topography so as to identify the initial resource that might be most easily extracted. Down dip drilling (completed in holes GF15-1 to 3 only) was stopped in quartzite at 260 m and remains open at depth.

  The company also announced that NQ and PQ core weighing 6,998 kg (combined) was shipped to Anzaplan where chemical analysis for purity is currently in process. Other tests being done include; thermal stability (decrepitation), shock tests, sensor based sorting, mineralogical characterization, mineral dressing and conventional comminution, physical treatment (attrition, magnetic separation, flotation, high tension separation), chemical processing, and laboratory scale melting tests. Part of Anzaplan's testing will identify the processes required to further purify the quartzite which will ultimately help determine usage(s) and value. These results will be incorporated into Met-Chem's technical reports.

- **Bell Mountain (Boss Power Corp. now Eros Resources Corp. "Eros" Churchill County, Nevada) -** On May 15 2015, Boss Power Corp (name changed to Eros Resources Corp July 21, 2015) announced it had filed an amended and restated NI 43-101 technical report dated May 6, 2015 prepared by Welsh Hagan Associates (formerly Telesto Nevada, Inc.) titled "Amended and Restated NI 43-101 Technical Report for the Bell Mountain Project, Churchill County, Nevada." The resource estimate quoted in the Boss Power Press release and the Technical Report has an effective date of May 3, 2011. The report is filed under Eros' disclosure on www.sedar.com and accessible through Eros' and Globex's web pages**.**

On June 15, Boss Power formally advised Globex that it had completed the expenditure earn-in obligations to Globex. Globex has advised Boss Power that under the agreement it has deemed that June 15, 2015 is the date of the Exercise of the Option and that the Advanced Royalty Payment of $20,000 due under the Agreement will be payable on each anniversary of the Exercise of the Option starting on June 15, 2016.

Environmental studies continued at the property during the year in preparation for permitting.

On July 21, 2015, Boss Power Corp announced that it had changed its name to Eros Resources Corp.

## Sales and net option income

**Sales and net option income**
**December 31, 2015**

| Property, Agreements Summary | Net Option Income | Recovery of Property Acquisition | Recovery of Exploration Expenses |
|---|---|---|---|
| **Sales and Options** | | | |
| • Renforth Resources Inc., Parbec Deposit, cash payments of $25,000 and 250,000 common shares with a fair market value of $6,250. | **$ -** | **$ 192** | **$ 31,058** |
| • Rogue Resources Inc., St-Urbain (Lac de la grosse femelle) Property, 1,000,000 common shares with a fair market value of $30,000. | **29,817** | **-** | **183** |
| • Sphinx Resources Ltd., Marbridge South, 1,200,000 common shares with a fair market value of $36,000. | **35,818** | **104** | **78** |
| • Canadian Corporation, cash of $250,000[1]. | **243,632** | **-** | **6,368** |
| | **309,267** | **296** | **37,687** |
| **Option and sale payments under Agreements from prior years** | | | |
| • Integra Gold Corp, Farquharson Property[2], cash of $100,000 and 100,000 common shares with a fair market value of $27,500. | **50,789** | **-** | **76,711** |
| • Mag Copper Limited, Fabie Bay/Magusi Property, cash of $175,000. | **175,000** | **-** | **-** |
| • Tres-Or Resources Ltd, Duvay Property, cash of $10,000 | **10,000** | **-** | **-** |
| | **$ 545,056** | **$ 296** | **$ 114,398** |
| | | | |
| Q1 | **$ 155,606** | **$ 192** | **$ 82,952** |
| Q2 | **343,632** | **-** | **6,368** |
| Q3 | **35,818** | **104** | **25,078** |
| Q4 | **10,000** | **-** | **-** |
| Total | **$ 545,056** | **$ 296** | **$ 114,398** |

**Table 4**

Notes:

1. Under the arrangement, Globex retains the right to mine on the property.
2. Property was renamed by Integra Gold Corp. to the Donald Property.

In 2015, Globex generated option revenue from four new option agreements (2014 – two new agreements) and three ongoing agreements (2014 – three agreements). These arrangements resulted in gross option income of $659,750 (2014 - $349,250) which includes cash of $560,000 (2014 - $327,500) and shares with an initial fair value of $99,750 (2014 -$21,750) as follows:

- 250,000 Renforth Resources Inc. shares - initial fair value of $6,250,
- 100,000 Integra Gold Corp shares - initial fair value of $27,500,
- 1,000,000 Rogue Resources Inc. shares - initial fair value of $30,000,
- 1,200,000 Sphinx Resources Ltd. Shares - initial fair value of $36,000

The gross option income of $659,750 (2014 - $349,250) was offset by the recovery of property acquisition costs of $296 and exploration expenses of $114,398 resulting in net option income of $545,056 (2014 - $306,408).

## Royalties

At December 31, 2015, twenty-six royalty arrangements were in effect at various stages.

During 2015, Globex received royalty payments which totaled $605,282 (2014 - $1,020,232) under the Nyrstar royalty arrangement and it received $10,000 (2014 – Nil) as an Advance royalty payment under the agreement with Midatlantic Minerals Inc.

The Corporation's Annual Information Form and website www.globexmining.com provides Property Descriptions, a list of Royalty Interests, as well as the Optionees related to the various properties

## Results of Operations - Selected Annual Information

| | | **2015** | | 2014 | | 2013 |
|---|---|---|---|---|---|---|
| Net option and metal royalty income | **$** | **1,160,338** | **$** | **1,326,640** | $ | 750,209 |
| Management services | | **10,000** | | **50,400** | | 342,716 |
| Other income (expenses) | | **(57,275)** | | **(377,576)** | | 339,949 |
| Joint venture income (loss) | | **2,781** | | **(526)** | | 1,379 |
| Net revenues | | **1,115,844** | | **998,938** | | 1,434,253 |
| Total expenses | | **3,985,032** | | **8,542,805** | | 2,753,438 |
| Income (loss) before taxes | | **(2,869,188)** | | **(7,543,867)** | | (1,319,185) |
| Income and mining tax recovery | | **(452,155)** | | **(2,201,754)** | | (474,379) |
| **Income (loss) and comprehensive income (loss) for the year** | | **(2,417,033)** | | **(5,342,113)** | | (844,806) |
| Income (loss) per common share | | | | | | |
| - Basic and diluted | **$** | **(0.06)** | **$** | **(0.14)** | $ | (0.03) |
| **Total Assets** | **$** | **17,174,211** | **$** | **19,034,080** | $ | 24,565,333 |
| **Other non current financial liabilities** | **$** | **132,043** | **$** | **232,823** | $ | 277,201 |

**Table 5**

### Variation in results

In 2015, Globex reported a net loss of $2,417,033 as compared to a net loss of $5,342,113 in 2014. The reduction in the loss is mainly as a result of a $4,378,725 lower impairment provision against mineral properties and deferred exploration expenses (2015 provision - $2,754,258; 2014 provision - $7,132,983) and a reduced decline in the fair value of financial assets. The impairment provision is included in the total expenses for the year.

In 2013, the Corporation recorded a loss of $844,806. The total expenses of $2,753,438 included an impairment provision of $1,082,969.

The net revenues for 2015 were $1,115,844 as compared to $998,938 in 2014. The current year revenues consist of:

- net option income of $545,056 (2014 - $306,408),
- metal royalty income of $615,282 (2014 - $1,020,232),
- management services of $10,000 (2014 - $50,400 ),
- other expenses of $57,275 (2014 - $377,576) mainly representing the decline in the fair market value of investments,
- joint venture income of $2,781 (2014 - loss of $526).

The 2014 net revenues were $998,938 as compared to $1,434,253 in 2013. In 2014, the revenues consisted of the following:

- net option income of $306,408 (2013 - $680,687) - The 2013 net option income includes $350,000 from the sale of three major blocks of claims to Chibougamau Independent Mines Inc. ("CIM") on May 9, 2013.
- metal royalty income of $1,020,232 (2013 - $69,522),
- management services of $50,400 (2013 - $342,716 ),
- other expenses of $377,576 (2013 – other income - $339,949) mainly representing the decline in the fair market value of investments.
- Joint venture loss of $526 (2013 – income of $1,379).

In 2015, the total expenses of $3,985,032 (2014 - $8,542,805; 2013 - $2,753,438) include the impairment provisions of $2,754,258 (2014 - $7,132,983; 2013 - $1,082,969). After adjusting for the non-cash items (depreciation and amortization, share-based compensation, impairment of mineral properties and deferred exploration, decrease in fair value of financial assets), cash operating expenses were as follows:

- 2015 - $939,057,
- 2014 - $1,085,821,
- 2013 - $1,348,213.

The variations in the income and mining tax recoveries; 2015 - $452,155; 2014 -$2,201,754; 2013 - $474,379 reflect the impact of the level of income as well as non-deductible expenses, recovery of deferred mining duties, rate variations, and the deferred taxes related to flow-through shares.

**Total assets**

The $1,859,869 decrease in total assets from $19,034,080 at December 31, 2014 to $17,174,211 is mainly as a result of the reduction in the carrying value of mineral properties and deferred exploration expenses of $2,754,258 and the offsetting $1,088,050 of flow-through funds raised on November 26, 2015.

In 2014, the total assets decreased by $5,531,253 from $24,565,333 at December 31, 2013 to $19,034,080 mainly as a result of the $7,132,983 impairment of mineral properties and deferred exploration expenses and the offsetting $2,500,999 of funds raised through the private placements which closed on May 5, 2014.

**Other non current financial liabilities**

The Other non-current financial liabilities mainly represents related party payables of $132,043 at December 31, 2014 (December 31, 2014 - $232,823; December 31, 2013 - $277,201). Within the related party payables, the liability to Duparquet Assets Limited of $169,168 (December 31, 2014 - $254,922; December 31, 2013 -$282,700) represents option payments received directly by Globex whereas the property which had been optioned to Xmet Inc. is held under a joint venture arrangement between Globex and Jack Stoch Geoconsultant Services Limited.

## Fourth quarter transactions

As the facts and circumstance change, the Corporation reviews the carrying value of mining properties and the deferred exploration expenses. In the fourth quarter of 2015, the Corporation recorded a write-down of mineral properties and deferred exploration expenses of $1,636,913 (2014 - $6,697,203).

On November 26, 2015, the Corporation issued 3,203,951 flow-through shares under a private placement with 2,537,285 “flow-through” units being issued to subscribers in Quebec at a price of $0.30 per unit, for gross proceeds of $888,050 and 666,666 “flow-through” units at a price of $0.30 per unit, for gross proceeds of $200,000. The total gross proceeds from the private placement were $1,088,050. Each of the units was comprised of one “flow-through” common share and one-half of a common share purchase warrant. Each full warrant entitles the holder to acquire one additional common share of Globex at a price of $0.50 until November 26, 2017. The fair market value of the shares was $833,027 based on the TSX closing price of the shares on November 25, 2015.

## Summary of quarterly results

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

| | | | | 2015 | | | | 2014 |
|---|---|---|---|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Total revenues | $ 20,000 | $ 31,569 | $ 660,209 | $ 448,560 | $ 368,569 | $ 271,692 | $ 383,668 | $ 302,711 |
| Total expenses | 2,074,489 | 1,263,982 | 375,646 | 270,915 | 7,198,744 | 371,249 | 595,854 | 376,958 |
| Other income (expenses) | (7,299) | (94,323) | (122,166) | 179,294 | 109,490 | (230,562) | (182,355) | (24,275) |
| Income (loss)[1] | (1,610,973) | (945,833) | (47,142) | 186,915 | (4,031,852) | (496,923) | (542,520) | (270,818) |
| Income (loss) per common share - Basic and diluted | (0.04) | (0.02) | 0.00 | 0.00 | (0.11) | (0.01) | (0.01) | (0.01) |

**Table 6**

Note:

1. Attributable to common shareholders of the Corporation.

The loss of $1,610,973 in the fourth quarter of 2015 compares to a loss of $945,833 in the third quarter of 2015 which represents an increase of $665,140 which mainly is a result of the increase in the impairment provision recorded in the quarter (Fourth quarter provision - $1,636,913; Third quarter provision $1,009,876). The increase in the impairment provision also explains the majority of the increase in the total expenses for the fourth quarter. In addition, a bad debt provision of $175,000 was recorded in the fourth quarter against outstanding option payments from Mag. Copper. Other expenses of $7,299 as compared to $94,323 in the third quarter reflect a reduced decline in the fair market value of equity investments.

During the last eight quarters, the following trends are reflected in the financial results:

- In 2015, the revenues were reduced significantly in the third and fourth quarters as the Corporation did not receive any Zinc royalties from Nyrstar as the average LME Zinc prices had fallen below USD. $0.90 per pound.
- The Corporation has encountered significant challenges negotiating property option agreements.
- The ongoing operating expenses have declined with the exception of the fourth and third quarters of 2015 in which additional impairment provisions of $1,636,913 and $1,009,876 were recorded as well as $6,941,186 in

the fourth quarter of 2014. These provisions represent a reduction in the carrying value of properties and deferred exploration expenditures.

- The variations in other income or expenses mainly reflect an increase or decrease in the fair value of equity investments.

## Results of operations for the year ended December 31, 2015

**Revenues**

During the year ended December 31, 2015, revenues totalled $1,160,338 which was $166,302 lower higher than the $1,326,640 reported in the comparable period in 2013. The overall reduction reflects the challenges of the ongoing negotiation of option agreements and the reduction in metal royalty income as the zinc price averaged USD $0.87 per pound (2014 – USD $0.98 per pound).

**Option income**

In 2015, Globex generated gross option income of $659,750 (2014 - $349,250) which reflects cash of $560,000 (2014 -$327,500) and shares with an initial fair market value of $99,750 (2014 -$21,750). The gross income is offset by the recovery of property acquisition costs of $296 (2014 - $505) and exploration expenses of $114,398 (2014 - $42,337) resulting in net option income of $545,056 (2014 - $306,408). Further details of the option income are provided in Sales and net option income analysis section of this report on page 14.

**Metal royalty income**

The Corporation is entitled to a gross metal royalty of 1.0% if the LME monthly average zinc price is greater than USD $0.90 per pound in the month after the production at the Nyrstar Mid-Tennessee Zinc operations.

In 2015, the metal royalty income was $615,282 as compared to $1,020,232 in 2014 which reflects the decline in Zinc prices during the last half of 2015. Zinc prices averaged USD $0.97 per pound for the first six months of 2015, which generated royalty income during that period of CDN $605,282, but the average price declined to USD $0.78 per pound in the last six months of 2015 resulting no metal royalty income. In 2014, the Zinc price averaged U.S. $0.98.

On December 7, 2015, Nyrstar announced that it was placing the Mid Tennessee Mine on care and maintenance as a result of the challenging metal price environment. Subsequently on January 7, 2016, they announced the formal launch of the sale process for all or the majority of its mining assets. These developments will adversely impact Globex's revenue source from these operations.

In addition to the metal royalty income from Nystar, Globex also received $10,000 (2014 – Nil) as an Advance royalty payment under the agreement with Midatlantic Minerals Inc.

**Total expenses**

In 2015, the total expenses were $3,985,032 as compared to $8,542,805 in 2014 which represents a reduction of $4,557,773 with $4,378,725 related to a reduction in the impairment provision against mineral properties and deferred exploration expenses and a combined reduction of $179,048 reflected in all other expenses.

**Salaries**

- In 2015, the salaries totalled $430,136 as compared to $467,298 in 2014 which represents a reduction of $37,162 mainly related to lower management salaries.

**Administration**

- Administration expenses represent a combination of office expenses, conventions and meetings, advertising and shareholder information as well as other administrative expenses as detailed in note 20 to the financial statements.

- In 2015, the administration expenses totalled $323,989 as compared to $300,866 last year. The increase of $23,123 is mainly related to an increase in office expenses related to Information technology costs.

**Professional fees and outside services**

- The professional fees and outside services represent a combination of services as detailed in note 20 to the financial statements.

- For the year end December 31, 2015 the expenses totalled $281,056 as compared to $400,285 in 2014. The reduction of $119,229 is a result of the careful management of the various expense types.

**Depreciation and amortization**

- The depreciation and amortization expense for the year ended December 31, 2015 was $59,557 as compared to $58,966 in 2014. The increase reflects minor asset additions in 2014.

**Share-based compensation and payments**

- During the year ended December 31, 2015, the $57,160 compares to $265,035 in 2014. The reduction reflects the lower number of options issued in 2015. In 2015, 255,000 options issued during the year at a strike price of $0.285 per share which vested immediately. The expense also includes the amortization related to 390,000 stock options issued on June 16, 2014 which vest at various dates up to June 16, 2016.

- In the year ended December 31, 2014, the expense of $265,035 reflects the fair value of 1,707,500 options which were issued at a strike price of $0.23 per share and vested immediately as well as the amortization related to 390,000 stock options issued on June 16, 2014 which vest at various dates up to June 16, 2016.

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

- In 2015, an impairment provision of $2,754,258 (mineral properties - $82,265; deferred exploration expenses - $2,671,993) was recorded as compared to $7,132,983 in 2014. The 2014 impairment provision of $7,132,983 split represented a charge of $202,269 against mineral properties and $6,930,714 against deferred exploration expenses.

- In considering whether mineral properties and deferred exploration expenses should be tested for impairment, Globex applies IFRS 6, *Exploration for and Evaluation of Mineral Resources*. This guidance identifies a number of facts and circumstances which might indicate that Globex should test for impairment. The list is not exhaustive, but includes the expiry of the exploration period as well as the lack of planned or budgeted substantive expenditures. Under the Canadian Viewpoint developed by the Chartered Professional Accountants of Canada and the Prospectors and Developers Association of Canada, it is also recommended that if the market capitalization of the corporation is less than the carrying value of the net assets, then an entity should carefully consider the reasons for this occurrence.

- Globex currently holds a portfolio of approximately 130 exploration and development properties and it targets to enter into option, joint venture or sales agreements mainly with junior mining companies in order to generate option and future royalty payments.

- In planning the individual property exploration programs, Globex must meet spending thresholds during a two-year renewal cycle so that it can effectively manage its limited exploration funds while retaining properties (approximately $300,000 per year). These requirements are also considered as part of the impairment assessment activities. During 2015, commodity prices fell and junior mining companies faced significant challenges in raising adequate funds to enter into agreements with Globex. A number of regulations in the Province of Quebec are also making it more challenging for Globex to negotiate option, joint venture or sale agreements.

- A summary of the impairment provisions by significant property follows:

| Property/Township/Region | December 31, 2015 | December 31, 2014 |
|---|---|---|
| **Nova Scotia** | | |
| Isaac Harbour, NS | $ 122,074 | $ - |
| **Quebec** | | |
| Turner Falls (Atwater) | 210,055 | 1,300,000 |
| Hunter's Point (Atwater) | 1,086 | 174,000 |
| Beauchastel - Rouyn (Beauchastel) | 62,520 | 571,892 |
| Fecteau (Quevillon/Chibougamau) | 185 | 308,557 |
| Eau Jaune Lake (Rale/Chibougamau) | 4,209 | 250,055 |
| Wawagosic (Estrées/Chigougamau) | 38,274 | - |
| Lyndhurst (Destor/Poularies) | 1,546,688 | - |
| Duvan Copper (Desmeloizes/Lareine) | 32,236 | 29,800 |
| Beacon #1 (Louvicourt/Beacon) | 768 | 166,074 |
| Eagle Mine, Mine Poirier, Soissons (Poirier/Joutel) | 6,443 | 460,000 |
| Joubel (Poirier/Joutel) [(2)] | 77,011 | - |
| Donalda (Rouyn) | 387 | 130,046 |
| Tavernier Tiblemont Fish (Tavernier) | - | 1,000,000 |
| Nordeau East-West (Vauquelin/Tavernier) | 12,252 | 78,649 |
| Smith Zulapa (Tiblemont) | 104,442 | 406,956 |
| Tonnancour (Tonnancour/Josselin Twps) | - | 899,999 |
| Sigma East (Bourlamaque/Val d'Or) | 2,024 | 162,152 |
| Guyenne (Guyenne / Berry) [(2)] | 87,090 | - |
| Lac Ontario (St. Urbain) [(2)] | 43,089 | - |
| Lamy Deposit (Lamy) [(2)] | - | 76,542 |
| Rousseau (Rousseau Twp) [(2)] | - | 72,008 |
| Champdoré (Champdoré) [(2)] | - | 68,620 |
| **Other and general exploration** | | |
| Houlton-Woodstock (Carlton, NB) | - | 125,674 |
| Others | 214,045 | 610,784 |
| General exploration | 189,380 | 241,175 |
| Total | $ 2,754,258 | $ 7,132,983 |

**Table 7**

Notes

1. In Schedule A, recoveries of $296 and impairments of $82,265 (2014 - recoveries of $505 plus impairments of $202,269) related to mineral properties have been combined. Deferred exploration recoveries of $114,398 has been combined with impairment provisions of exploration of $2,671,993 (2014 - recoveries of $42,337 plus impairment provision of $6,930,714).
2. In Schedule A, these projects have been grouped with other regions.

- This impairment charge represents approximately 16% (2014 - 31%) of the carrying value of the properties prior to the impairment provision

- The provision represents the complete write-off of the carrying value of $1,145,050 (2014 - $2,012,079) related to various properties on which no expenditures are currently planned and reliable estimates of the net recoverable amounts cannot be generated at a reasonable cost. In addition, the carrying value of the Lyndhurst and Beauchastel, prime exploration properties, have been reduced by $1,546,688 and $62,520 respectively which represent management's current estimates of the recoverable amounts based on the weighted average of: (a) property and deferred exploration costs incurred, (b) value per hectare of the property, and (c) estimate of exploration potential.

- At December 31, 2015, the total carrying value of all mineral properties and deferred exploration expenses was $14,757,498 (2014 - $15,804,695) with 88% (2014 – 80%) represented by the Timmins Talc Magnesite ("TTM") and Pandora Wood joint venture properties. Plans and budgets for 2016 are in place for both of these properties. At December 31, 2015, Globex market capitalization was approximately $11.1 M (2014 - $8.4M.). Management believes that the current market capitalization does not reflect the potential of these two major strategic projects as well as a number of the gold properties in the portfolio on which historic estimates have been prepared and show estimated values well in excess of the current carrying costs.

- While impairment provisions have been made against a number of properties, management believes that a recovery will take place in the future representing a substantial portion, if not all of the costs. The exact recovery remains subject to significant uncertainty and will be subject to a number of factors including the successful negotiation of option, joint venture, or sale arrangements. The impairment provisions have no impact on the Corporation's cash flow or the cash and cash equivalents.

**Gain on foreign exchange**

- The gain on foreign exchange of $96,124 (2014 - $82,628) represents the impact of the decline the CDN/US dollar exchange with respect to U.S. funds held at December 31, 2014 and U.S. dollar receipts from Nyrstar rate during the year.

**Bad debt**

- In 2015, a bad debt expense of $175,000 (2014 – Nil) related to option payments from Mag Copper that had not been received at year-end. In February 2016, this agreement was terminated and the properties were returned to Globex.

**Other income (expenses)**

- Other income (expenses) reflects interest income, joint venture income (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.

- In 2015, the Corporation recorded other expenses of $44,494 compared with $327,702 in 2014. The majority of the differences in 2015 is mainly a result of reduced decline in the fair value of the equity investments (2015 - $88,478; 2014 - $415,908).

- The fair value of equity investments is detailed in note 8 to the December 31, 2015 Audited Consolidated financial statements.

**Income and mining tax expense (recovery)**

- During 2015, a recovery of income and mining taxes of $452,155 (2014 -$2,201,754) has been recorded. The overall recovery in 2015 reflects the combined impact of:

  a) current tax expense of $162,188 (2014- $288,591) representing foreign taxes on Nyrstar metal royalties. The provision is lower in 2015 as a result of reduced Metal Royalties from Nyrstar.

b) deferred tax recovery for income and mining duties of $371,905 (2014 - $2,255,044) mainly as a result of the impairment provisions related to mining properties and deferred exploration expenses. The recoveries are lower in 2015 as a result of the reduced impairment provisions in the current year.

c) recovery of income and mining taxes as a result of the sale of tax benefits of $242,438 (2014 -$235,301).

- 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 December 31, 2015, the total assets were $17,174,211 which represents a decrease of $1,859,869 from $19,034,080 at December 31, 2014. The net change reflects a

- reduction in:
  - cash and cash equivalents as well as cash reserved for exploration of $549,643,
  - accounts receivable of $217,978,
  - investment in joint venture of $92,219,
  - Properties, plant and equipment of $38,767,
  - Mineral properties of $54,583 (net of additions of $27,978 and impairments and recoveries of $82,561),
  - Deferred exploration expenses of $992,614 (net of additions of $1,793,777 and impairment and recoveries of $2,786,391).

- an increase in
  - the carrying value of investments of $11,272,
  - prepaid expenses and deposits of $49,508,
  - reclamation bonds of $25,155.

Cash and cash equivalents, investments, and accounts receivable totalled $594,449 at December 31, 2015, (December 31, 2014 - $833,051) representing 3.4% of total assets. Cash reserved for exploration was $1,077,113 at December 31, 2015 (December 31, 2014 - $1,594,860).

At December 31, 2015, mineral properties and deferred exploration expenses represented a combined total of $14,757,498 (December 31, 2014 - $15,804,695) which represents a decrease of $1,047,197. The decrease is mainly a result of the impairment provisions during the year.

### Total liabilities

At December 31, 2015, the current liabilities were $460,644 as compared to $256,232 at December 31, 2014 which represents an increase of $204,412. Within the current liabilities, the accounts payable and accruals have increased by $146,145 as a result of exploration and administrative activities in the fourth quarter and Globex has recorded a $78,127 advance payment from Nyrstar which did not exist at December 31, 2014. It is anticipated that the advance payment will be offset against future royalties from Nystar when operations recommence in the future. These increases are offset by a reduction in current income taxes of $19,860.

The related party payable of $132,043 (December 31, 2014 - $232,823) mainly represents a liability to Duparquet Assets Limited for option payments received directly by Globex whereas the property which had been optioned to

Xmet Inc. is held under a joint venture arrangement between Globex and Jack Stoch Geonconsultant Services Limited. The liability was reduced in 2015 as a result of a dividend paid by Duparquet Assets Limited.

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. At December 31, 2015 the liability was reported at $251,715 (December 31, 2014 - $239,131) which reflects the impact of qualified “flow-through” exploration expenditures during the year as well as the impact of the November 26, 2015, private placement.

### Deferred tax liabilities

The deferred tax liabilities were $1,275,315 at December 31, 2015 as compared to $1,668,023 at December 31, 2014. The decrease mainly reflects the net impact of the impairment provisions and 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

At December 31, 2015, owners’ equity, consisting of share capital, warrants, deficit, and contributed surplus - equity settled reserve totalled $15,054,494 (December 31, 2014 - $16,637,871). The change reflects the impact of the 3,203,951 shares and 1,601,975 warrants issued on November 25, 2015 in connection with the Private Placement as well as the share based compensation for the year and the loss attributable to shareholders. Details of the changes are provided in the Consolidated Statement of Equity.

### Share capital

At December 31, 2015, the share capital of the Corporation totalled $53,592,497 which represented an increase of $709,927 from December 31, 2014 and reflected 44,447,706 common shares outstanding.

## Liquidity, working capital, cash flow and capital resources

At December 31, 2015, the Corporation had cash and cash equivalents of $199,817 (December 31, 2014 - $231,713) and cash reserved for exploration of $1,077,113 (December 31, 2014 - $1,594,860). Investments of $316,904 (December 31, 2014 - $305,632) reflect shares, recorded at fair value, in optionee companies received as consideration under mining option agreements.

At December 31, 2015, the Corporation’s working capital (based on current assets minus current liabilities) was $1,322,342 (December 31, 2014 - $2,233,595). 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 the year-ended December 31, 2015, the operating activities generated $173,272 (December 31, 2014 - used - $282,619), while financing activities generated $1,010,716 (2014 - $2,341,212) and the Investing activities used $1,733,631 (2014 - $2,487,132).

The operating, financing, and investing activities during the year ended December 31, 2015 resulted in a net decrease in cash and cash equivalents of $549,643 (2014 - $428,539).

At the present time, the Corporation continues to monitor its future capital requirements and is exploring various options to provide operating and exploration financing.

## 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 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 beyond December 31, 2016. At the present time, the Corporation continues to monitor its future capital requirements and explores various options to provide operating and exploration financing. These options include equity financing, possibly a convertible debt arrangement as well as the sale of properties. All of these initiatives are under active discussion, but not yet finalized.

The Corporation is not subject to any externally imposed capital requirement. The Corporation's overall strategy remains unchanged from 2014.

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.

### Financial risk management objectives

The Corporation's financial instruments are exposed to certain financial risk including credit risk, liquidity risk, currency risk, equity market risk, and fair value measurements recognized in the statement of financial position.

## (a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration totalled $1,276,930 at December 31, 2015 (December 31, 2014 - $1,826,573). 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:

| | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Cash and cash equivalents | **$ 199,817** | $ 231,713 |
| Cash reserved for exploration expenses | **1,077,113** | 1,594,860 |
| Investments | **316,904** | 305,632 |
| Accounts receivable | **77,728** | 295,706 |
| | **$ 1,671,562** | $ 2,427,911 |

**Table 8**

## (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 proceeds from the issuance of 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 $316,904 (December 31, 2014 - $305,632). Based on the balance outstanding at December 31, 2015, a 10% increase or decrease would impact income and loss by $31,690 (December 31, 2014 - $30,563).

## (d) Currency risk

Globex receives US dollars representing gross metal royalty payments related to Nyrstar's Zinc operations in Tennessee and it is required to pay U.S. tax on these receipts. Globex's practice is to convert the U.S. dollars to Canadian dollars as the funds are received after retaining sufficient funds to meet its U.S. dollar tax obligations.

During the year ended December 31, 2015, Globex received royalty payments of USD $715,691 (CDN -$887,994) and recorded a tax expense of USD $117,604 (CDN - $162,188). In the year-ended December 31, 2014, Globex received royalty payments of USD $681,549 (CDN - $732,969) and recorded a tax expense of USD $253,117 (CDN - $288,591).

At December 31, 2015, Globex had an advance payment liability to Nyrstar of USD $56,450 (CDN - $78,127) (December 31, 2014 - USD receivable $176,352; CDN - $204,585) and a foreign tax liability of USD $40,174 (CDN - $53,648). At December 31, 2014 the foreign tax liability was USD $65,048 (CDN - $62,452).

### (e) 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).

| **December 31, 2015** | Level 1 | Level 2 | Level 3 | Total Financial Assets at fair Value |
|---|---|---|---|---|
| Financial assets | | | | |
| Cash and cash equivalents | $ - | $ 199,817 | $ - | $ 199,817 |
| Cash reserved for exploration | - | 1,077,113 | - | 1,077,113 |
| Equity investments | 265,065 | 51,839 | - | 316,904 |
| Accounts receivable | - | - | 77,728 | 77,728 |
| Reclamation bonds | - | 163,083 | - | 163,083 |
| | $ 265,065 | $ 1,491,852 | $ 77,728 | $ 1,834,645 |

**Table 9**

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.

| December 31, 2014 | Level 1 | Level 2 | Level 3 | Total Financial Assets at fair Value |
|---|---|---|---|---|
| Financial assets | | | | |
| Cash and cash equivalents | $ - | $ 231,713 | $ - | $ 231,713 |
| Cash reserved for exploration | - | 1,594,860 | - | 1,594,860 |
| Equity investments | 176,035 | 129,597 | - | 305,632 |
| Accounts receivable | - | - | 295,706 | 295,706 |
| Reclamation bonds | - | 137,928 | - | 137,928 |
| | $ 176,035 | $ 2,094,098 | $ 295,706 | $ 2,565,839 |

**Table 10**

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

## Outstanding share data

At December 31, 2014, the Corporation had 41,243,755 common shares issued, 1,125,000 warrants (975,000 warrants with an exercise price of $0.50 per share expiring on May 5, 2015 and 150,000 warrants with an exercise price of $0.45 expiring on August 27, 2016), as well as 3,067,500 stock options which resulted in a fully diluted common share capital of 45,436,255.

On November 26, 2015, the Corporation issued 3,203,951 flow-through shares under a private placement with 2,537,285 "flow-through" units being issued to subscribers in Quebec at a price of $0.30 per unit, for gross proceeds of $888,050 and 666,666 "flow-through" units at a price of $0.30 per unit, for gross proceeds of $200,000. The total gross proceeds from the private placement were $1,088,050. Each of the units was comprised of one "flow-through" common share and one-half of a common share purchase warrant. Each full warrant entitles the holder to acquire one additional common share of Globex at a price of $0.50 until November 26, 2017. The fair market value of the shares was $833,027 based on the TSX closing price of the shares on November 25, 2015.

On January 7, 2016, the Corporation issued 350,000 shares with a deemed price of $0.25 per share in connection with a property acquisition. At December 31, 2015, the Corporation had 44,447,706 shares outstanding and at March 29, 2016, it had 44,797,706 shares outstanding.

In addition, 1,601,975 share purchase warrants were issued with an ascribed value of $66,569 ($0.041 per warrant). The warrants are, exercisable at a price of $0.50 per share until November 26, 2017. On May 5, 2015, 975,000 warrants expired. At December 31, 2015 and March 29, 2016, the Corporation had 1,751,975 warrants outstanding.

At December 31, 2014, the Corporation had 3,067,500 options outstanding. On September 11, 2015 and December 12, 2015, 5,000 and 50,000 stock options that had been issued to service providers were cancelled. On May 10, 2015 and November 7, 2015, 50,000 and 200,000 stock options naturally expired on the respective dates. On November 24, 2015, 255,000 option contracts which vested immediately were issued at a strike price of $0.285 per share. These contracts expire on November 20, 2020. These changes during the year resulted in 3,017,500 stock options outstanding at December 31, 2015 and on March 29, 2016.

At December 31, 2015 and March 29, 2016, 50,000 additional options may be granted in addition to the common share purchase options currently outstanding (December 31, 2014 – no additional options were available).

At December 31, 2015, the Corporation had 44,447,706 common shares issued which represented an increase of 3,203,951 from December 31, 2014, 1,751,975 warrants as well as 3,017,500 stock options resulting in 49,217,181 fully diluted common shares. After reflecting the 350,000 shares issued on January 7, 2016 and no changes in warrants and options during the period from December 31, 2015 to March 29, 2016, the fully diluted common shares was 49,567,181.

## 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 related to the very nature of its activities. It is also subject to risks related to other factors, such as metal prices and financial market conditions. The main risks which the Corporation is exposed to are as follows:

### (i) Financing Risk

The Corporation must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, there can be no assurance that it will continue to do so in the future.

The Corporation believes that the quality of its properties and their geological potential will enable it to obtain the required financing for their continued exploration and potential development.

**(ii) Financial Market Risk**

Under its current business model as a project generator, Globex acquires properties and attempts to option or sell properties to other junior mining companies or producers. In order for Junior Mining companies to satisfy their obligations with Globex under their option arrangements, in many cases, they must raise funds in the equity markets which currently are very challenging.

**(iii) Volatility of Stock Price and Limited Liquidity**

Globex's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol GMX. In addition, the Corporation is interlisted in Europe on the Frankfurt, Munich, Stuttgart, Xetra and Berlin exchanges under the symbol G1M and trades under the symbol GLBXF on the OTCQX International exchange in the United States.

Globex's common shares have experienced significant volatility in price and trading volume over the last several years. There can be no assurance of adequate liquidity in the future for Globex's common shares.

**(iv) Permits and licences**

The Corporation's operations may require permits and licenses from different governmental authorities. There cannot be any assurance that the Corporation will obtain all the required permits and licenses in order to continue the exploration and development of its properties.

**(v) Government Regulations**

The majority of the Corporation's exploration projects is located in Quebec and have been affected by revisions to Quebec's Mining Act. After several months of deliberations and uncertainty, on December 10, 2015, the Quebec Assembly adopted the proposed new Mining Act, Bill 70 (Québec) ("Bill 70"). Bill 70 is seen as the replacement for the existing Mining Act, 1987 (Quebec) and retains many of the rules in relation to rights and ownership contained within it; however, a number of significant changes included in Bill 70 are now in effect. These include:

1) changes with respect to the rights of municipalities and surface rights owners to oversee mining activities;
2) increased financial and disclosure obligations for mining rights holders in a bid to create further responsibility and transparency;
3) further environmental and economic obligations;
4) further consultation requirements with Aboriginal groups; and
5) increased powers of the Minister, and
6) significant increased costs.

On March 26, 2015, the Government of Quebec (the "Government") tabled the 2015-2016 Budget. The highlights below represent measures which Globex management will continue to monitor and incorporate in their operational plans over the remainder of the current year. We believe that these are encouraging signs for the mining industry:

- **Re-launching Plan Nord:**

  The budget confirmed that the development of the Plan Nord constitutes an important component of efforts to promote the development of northern Quebec and its resources,

- **Initiatives to Enhance Support for Mining Activities**

  **Expansion of the Definition of Exploration Expenses**

  The definition of "exploration expenses" will be expanded to include certain expenses associated with environmental studies and community consultations, including with aboriginal communities, that are necessary to obtain an exploration permit. Thus, exploration expenses that are eligible for the exploration allowance under the mining tax regime, the flow-through share regime and the resource tax credit will be impacted by this measure. We believe that this could make it easier for companies to finance such studies and consultations. This proposed change is consistent with changes that have been proposed by the Federal Government.

  **One-Year Postponement of the Increase in Pricing for Certain Mining Rights**

  Mining claim registration and renewal fees will be increased by 8% on January 1, 2016 and by another 8% on January 1, 2017. This measure replaces the 16% increase that was scheduled for 2015.

  A two-year reduction of the Minimum Cost of Work to be carried out on a Mining Claim

  The minimum cost of work that must be performed by a claimholder in a two-year term of a claim will be reduced by 35% for a period of two years, starting January 1, 2016.

  Globex believes that some of these changes have adversely impacted the efficiency and effectiveness of our exploration activities.

  **Federal Budget**

  On April 21, 2015, the Government of Canada tabled its annual federal budget. The following measures may have significance to the Corporation and management will continue to monitor these proposals:

  - Ottawa intends to invest around $23 million over five years to renew the Targeted Geoscience initiative, a government industry partnership aimed at identifying areas of base metal potential;
  - The 15% federal mineral exploration tax credit for flow-through share investors will be continued for an additional year;
  - The mineral exploration tax credit will be extended to include environmental studies and community consultation expenses incurred after February 2015.

  **Transparency in the Extractive Industry**

  In its 2014-2015 Budget, the Federal Government had announced it would be putting new standards in place to require companies in the extractive sector to disclose their payments to local and foreign governments.

  The Canadian Extractive Sector Transparency Measures Act came into force on June 1, 2015 and applies to fiscal periods which commenced after that date. As a result, Globex as a Canadian publicly listed corporation must report annually on payments of $100,000 or more made to any level of government in Canada and abroad. The reporting applies to taxes, licences, fees, royalties, production entitlements, bonuses, dividends and infrastructure payments. Globex will be required to file its initial report by May 30, 2017. Other than foreign tax payments to the IRS related to Nyrstar Royalties, Globex payments are quite limited.

  The reporting for payments made to an Aboriginal government in Canada will not apply until after June 1, 2017.

  The Quebec government has also proposed a disclosure regime which is similar to the federal requirements subject to size limits related to assets in Quebec and the number of employees. On October 21, 2015, the National Assembly of Québec adopted Bill 55 an Act Respecting Transparency Measures in The Mining, Oil and Gas Industries which came into force on that date.

Management is in the process of reviewing the disclosure requirements, but it appears that the impact will not be significant at this time.

**(vi) Environmental Risks**

The Corporation's operations are and will be subject to federal, provincial and local environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards, land use standards, land reclamation and labour standards. They also set forth limitations on the generation, transportation, storage and disposal of liquid and waste materials.

Environmental legislation is evolving in a way which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increased responsibility for companies and their officers, directors and employees. At this time, it is not certain that these changes will not adversely affect the Corporation's operations. Compliance costs are expected to rise.

Environmental hazards may exist on the Corporation's properties which are unknown to management at the present time and which have been caused by previous owners or operators of the properties.

**(vii) Title Matters**

The staked mining claims in which the Corporation has an interest have not been surveyed and, accordingly the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land compromising the claims may be in doubt. Although, the Corporation has taken all possible measures to ensure proper title to its properties and royalty interests, including filing of necessary documents and payments to local regulatory authorities, there is no guarantee that the title of any of its properties will not be challenged.

The provincial governments are currently working on system to convert mining claims to a map designated system which should mitigate this risk.

**(viii) Metal Prices**

Even if the exploration programs of the Corporation are successful, some factors out of the Corporation's control may affect the marketing of the minerals found. World-wide supply and demand for metals determines metal prices which are affected by many factors including international, economic and political trends, inflation expectations, exchange rate fluctuations, interest rates, global and regional consumption levels, speculative activities and worldwide production levels. The effects of these factors cannot be precisely predicted.

**(ix) Key Personnel**

The management of the Corporation rests on some key personnel and mostly on its President and Chief Executive Officer. The loss of the President and Chief Executive Officer could have a negative impact on the development and the success of its operations. During 2014, an experienced executive has been added to the management team as Vice-President Operations to mitigate this risk.

## Related party information

| Related party payable (receivable) | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Jack Stoch Geoconsultant Services Limited ("GJSL") | $ (6,717) | $ (6,717) |
| Chibougamau Independent Mines Inc. | (30,408) | (15,382) |
| Duparquet Assets Limited | 169,168 | 254,922 |
| | $ 132,043 | $ 232,823 |

**Table 11**

### Chibougamau Independent Mines Inc. ("CIM")

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 through GJSL, a private company which is the principal shareholder of CIM, 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 income of $10,000 (December 31, 2014 -$50,400) for the year the year ended December 31, 2015 which represents Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement. Currently CIM has minimal operational activities which are reflecting in the reduced charges in 2015.

### 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) are as follows:

| | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Management Compensation | | |
| Salaries and other benefits | **$ 294,750** | $ 277,946 |
| Professional fees and outside services(i) | **47,974** | 28,356 |
| Deferred exploration expenses - Consulting(i) | **60,538** | 45,075 |
| Fair value of share-based compensation (ii) | **57,160** | 208,517 |
| | **$ 460,422** | $ 559,894 |

**Table 12**

(i) The Vice-President Operations is an independent contractor with a portion of his compensation being included in Other Professional fees in the Statement of Loss and Comprehensive Loss and the remainder is reported as deferred exploration expenses - consulting.

(ii) During the year ended December 31, 2015, the $57,160 reflects the fair value of 255,000 options issued during the year which vested immediately as well as the amortization related to 390,000 stock options issued on June 16, 2014 which vest at various dates up to June 16, 2016. In the year ended December 31, 2014, the $208,517 reflects the fair value of 1,522,500 options issued during the year which vested as well as the amortization related to 390,000 stock options issued on June 16, 2014 which vest at various dates up to June 16, 2016.

## Significant assumptions, judgments, and estimates

The preparation of financial statements under the principles of IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgments and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarized below. Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are:

**(a) Impairment of mineral properties and deferred exploration expenses**

At the end of each reporting period, the Corporation considers whether there has been an impairment of its mineral properties as well as deferred exploration and development expenses. If the Corporation determines that there has been an impairment, then it must estimate the recoverable amount and selling costs resulting in a net recoverable amount. As a result of the limited information available, it requires significant management judgment in estimating a net recoverable amount.

**(b) Estimate of share-based compensation and payments**

The estimate of share-based compensation and payment costs requires the selection of an appropriate valuation model and consideration of the inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the share-based compensation and payment costs.

**(c) Fair value estimates of investments**

Globex enters into option agreements for its properties. Under these arrangements, the Corporation typically receives a series of cash option payments over a period of time and it also often receives shares in the Optionee Company. Globex attempts to determine the fair value of the shares on receipt based on published price quotations in an active market. However, in some cases, when received, the shares may not be traded in an active market and as a result Globex must use a valuation technique to determine the fair market value. In some cases, as a result of the strategic nature or volume of trading in the market, the quoted price may also not be representative of the price that these shares could be sold to a willing arm's length party. These valuation issues could also impact the fair value measurement of financial assets at each period end.

**(d) Useful lives of properties, plant and equipment**

The Corporation reviews the estimated useful lives of properties, plant and equipment at the end of each annual reporting period. During the year, Management determined that the useful lives of the equipment were appropriate.

**(e) Refundable tax credit and mining duties**

The estimates are based on an interpretation of legislation substantially enacted and management's application of their interpretation to the treatment of various items which could impact the valuation.

**(f) Deferred tax balances**

The Corporation uses the asset and liability method in accounting for deferred income taxes and mining duties. Under this method, deferred income taxes are recognized for the future income tax. In preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate structure plans which may impact taxable income in future periods.

## Disclosure controls and procedures (DC&P)

Management is responsible for the information disclosed in this document and has in place the appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have evaluated the design and effectiveness of the Corporation's disclosure controls and procedures as defined in the rules of the Canadian Securities Administrators as at December 31, 2015.

Based on that evaluation, they have concluded that the Corporation's disclosure controls and procedures were as of and for the year ending December 31, 2015 appropriately designed and operating effectively.

## Internal controls over financial reporting (ICFR)

As outlined in the Board Mandate, it is responsible for overseeing, directly and through the Audit Committee, the process implemented to ensure integrity of the Company's internal control and management information systems. The Corporation's management is responsible for establishing and maintaining adequate ICFR which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP.

The Corporation's ICFR includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Corporation's assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Corporation's assets that could have a material effect on the financial statements.

Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may change.

During the year ended December 31, 2015, and as at December 31, 2015, the CEO and CFO have participated in the evaluation of the design of ICFR based on criteria established in the Committee of Sponsoring Organizations Internal Control Framework (2013).

They have also caused the effectiveness of the ICFR to be evaluated at the financial year end and based on their evaluation, the President and Chief Executive Officer and the Chief Financial Officer has concluded that the internal controls over financial reporting are appropriately designed and operating effectively to ensure that the preparation of financial statements for external reporting purposes are in accordance with the Corporation's application of IFRS standards.

During the quarter ended December 31, 2015, there have been no material changes in the Corporation's ICFR that has materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

## Outlook

The Economic Environment and Strategy section of this MD&A (pages 2 and 3), highlight that management monitors the changes in metal prices with a particular focus on zinc prices as we are entitled to a gross metal royalty of 1.0% on Nyrstar's Mid-Tennessee zinc operations if the LME monthly average is greater than USD $0.90 per pound. During the first six months of 2015, we earned metal royalty income of CDN $609,531 (USD $486,538); however, as a result of the dramatic decline in Zinc prices on December 7, 2015, Nyrstar announced that it was placing its Middle Tennessee Mines on care and maintenance as a result of the challenging metal price environment. Subsequently on January 7, 2016, they announced the formal launch of the sale process for all or the majority of its mining assets.

We continue to monitor this situation as these royalties represented a major source of "hard dollars" which is hard to replace in these challenging markets.

As outlined in the Sales and option revenue analysis (page 14), during the year, we reported Net Option Income of $545,056 as compared to $306,408 in 2014. We recognize the financing challenges that junior exploration optionee companies face, but we have negotiated a couple of agreements which are not yet finalized which will generate cash option payments in the near future. We are hopeful that our current efforts will generate additional revenues.

As outlined earlier in this MD&A, during 2015, $91,687 (2014 - $295,112) was spent on the TTM project to develop a range of project values and alternate structures which could allow partners to participate or acquire the project. As outlined in our press release of September 22, 2015, a dedicated consultant has been recently engaged to explore potential parties with related industry knowledge. Discussions at this time are challenging considering the uncertainties in the financial markets and economic outlooks. However, we are continuing to pursue this source of funding.

At the present time, are continuing to pursue other options to generate short-term "hard dollar" liquidity including the sale of major assets, financing and property option opportunities.

For the year-end December 31, 2015, exploration expenditures totalled $1,793,777 (flow-through expenditures - $1,605,797) as compared to $2,431,902 (flow-through expenditures - $2,353,372) in 2014. The expenditures reflect geophysical, drilling and data compilation and target generation. As a result of the financing which was completed on November 25, 2015, at December 31, 2015, the Corporation had $1,077,113 (December 31, 2014 - $1,594,860) available to fund limited exploration activities in 2016. In addition, we are concentrating on acquiring undervalued assets which are available due to current difficult market conditions.

Although hampered by the financing and regulatory challenges in the junior mining sector including new Quebec mining legislation which increases costs, manpower requirements and creates delays, Globex believes it is well positioned with a combination of first class assets as well as the human and corporate resources necessary to achieve our strategic objectives.

## Additional information

This analysis should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2014 and December 31, 2013 and additional information, including the Annual Information Form (AIF), which is available on SEDAR at www.sedar.com. Further, the Corporation posts all publicly filed documents, including the AIF and this MD&A, on its website www.globexmining.com in a timely manner.

If you would like to obtain, at no cost to you, a copy of the 2014 and/or 2013 MD&A, then please send your request to:

Globex Mining Enterprises Inc.
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Telephone: 819.797.5242 Fax: 819.797.1470
Email: 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 March 29, 2016.

## Responsibilities for Financial Statements

The management of the Corporation is responsible for the preparation of the consolidated financial statements and the financial information contained in the Annual Report. The accompanying consolidated financial statements of Globex Mining Enterprises Inc. have been prepared by management and approved by the Board of Directors of the Corporation. Financial information contained elsewhere in this report is consistent with the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and where appropriate reflect management's best estimates and judgments based on currently available information.

Globex maintains adequate accounting systems and administrative controls to produce reliable financial statements and provide reasonable assurance that assets are properly safeguarded.

Deloitte LLP, "Comptables Professionnels agréés", have been appointed by the shareholders to conduct an independent audit of the Company's financial statements. Their report outlines the nature of their audit and expresses their opinion of the financial statements of the Company.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board of Directors carries out this responsibility through its Audit Committee, which is composed solely of independent directors. The Audit Committee is also responsible for making recommendations with respect to the appointment, the remuneration and the terms of engagement of the Corporation's auditors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the consolidated financial statements, management's discussion and analysis, the external auditor's report, and examines the fees and expenses for audit services, and considers the engagement of reappointment of the external auditors. Deloitte LLP, the external auditors, have full and free access to the Audit Committee. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to shareholders.

***"Jack Stoch"***
Jack Stoch
President and Chief Executive Officer

***"James Wilson"***
James Wilson
Chief Financial Officer, Treasurer and Corporate Secretary

Deloitte.

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# Independent Auditor's Report

To the Shareholders of
Globex Mining Enterprises Inc.

We have audited the accompanying Consolidated Financial Statements of Globex Mining Enterprises Inc., which comprise the Consolidated Statements of Financial Position as at December 31, 2015 and December 31, 2014 and the Consolidated Statements of Loss and Comprehensive Loss, Consolidated Statements of Equity and Consolidated Statements of Cash Flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Consolidated Financial Statements present fairly, in all material respects, the financial position of Globex Mining Enterprises Inc. as at December 31, 2015 and December 31, 2014 and its financial performance and its cash flows for the years ended December 31, 2015 and December 31, 2014 in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 2 to the Consolidated Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

(s) Deloitte LLP [1]

March 29, 2016

[1] CPA auditor, CA, public accountancy permit No. A121501

**GLOBEX MINING ENTERPRISES INC.**

## Consolidated Statement of Loss and Comprehensive Loss

(In Canadian dollars)

| | Notes | **December 31, 2015** | December 31, 2014 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Revenues** | 19 | **$ 1,160,338** | $ 1,326,640 |
| **Expenses** | | | |
| Salaries | | **430,136** | 467,298 |
| Administration | 20 | **323,989** | 300,866 |
| Professional fees and outside services | 20 | **281,056** | 400,285 |
| Depreciation | 12 | **59,557** | 58,966 |
| Share-based compensation and payments | 22 | **57,160** | 265,035 |
| Impairment of mineral properties and deferred exploration expenses | 13, 14, 15 | **2,754,258** | 7,132,983 |
| Gain on foreign exchange | | **(96,124)** | (82,628) |
| Bad debt | | **175,000** | - |
| | | **3,985,032** | 8,542,805 |
| **Loss from operations** | | **(2,824,694)** | (7,216,165) |
| **Other income (expenses)** | | | |
| Interest & dividends | | **17,159** | 19,064 |
| Joint venture income (loss) | 11 | **2,781** | (526) |
| Decrease in fair value of financial assets | | **(88,478)** | (415,908) |
| Management services | 23 | **10,000** | 50,400 |
| Other | | **14,044** | 19,268 |
| | | **(44,494)** | (327,702) |
| **Loss before taxes** | | **(2,869,188)** | (7,543,867) |
| **Recovery of Income and mining tax** | 18 | **(452,155)** | (2,201,754) |
| **Loss and Comprehensive loss for the year** | | **(2,417,033)** | (5,342,113) |
| **Loss per common share** | | | |
| Basic and diluted | 21 | **(0.06)** | (0.14) |
| **Weighted average number of common shares outstanding** | | **41,550,983** | 38,463,774 |
| **Shares outstanding at end of year** | | **44,447,706** | 41,243,755 |

The accompanying notes are an integral part of these consolidated financial statements

**GLOBEX MINING ENTERPRISES INC.**

## Consolidated Statements of Cash Flows

(In Canadian dollars)

| | Notes | | **December 31, 2015** | | December 31, 2014 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| Loss and Comprehensive loss for the year | | **$** | **(2,417,033)** | $ | (5,342,113) |
| Adjustments for: | | | | | |
| Disposal of mineral properties for shares | 24 | | **(99,750)** | | (21,749) |
| Decrease in fair value of financial assets | | | **88,478** | | 415,908 |
| Depreciation | 12 | | **59,557** | | 58,966 |
| Foreign exchange rate variation on reclamation bond | | | **(25,155)** | | (10,889) |
| Impairment of mineral properties and deferred exploration expenses | 13, 14, 15 | | **2,754,258** | | 7,132,983 |
| Current tax expense | 18 | | **162,188** | | 288,591 |
| Deferred income and mining tax expense (recovery) | 18 | | **(614,343)** | | (2,490,345) |
| Income and mining tax payments | | | **(182,049)** | | (213,128) |
| Share-based compensation and payments | 22 | | **57,160** | | 265,035 |
| | | | **2,200,344** | | 5,425,372 |
| Share of net loss (income) from investment in joint venture | 11 | | **(2,781)** | | 526 |
| Changes in non-cash operating working capital items | 24 | | **392,742** | | (366,404) |
| | | | **173,272** | | (282,619) |
| **Financing activities** | | | | | |
| Issuance of common shares | 22 | | **1,088,050** | | 2,500,999 |
| Share capital issue costs | 22 | | **(77,334)** | | (159,787) |
| | | | **1,010,716** | | 2,341,212 |
| **Investing activities** | | | | | |
| Acquisition of properties, plant and equipment | 12 | | **(20,790)** | | (10,310) |
| Decrease in related party payable | 23 | | **(5,780)** | | (44,378) |
| Deferred exploration expenses | 15 | | **(1,793,777)** | | (2,431,902) |
| Mineral properties acquisitions | 14 | | **(27,978)** | | (43,384) |
| Proceeds on mineral properties optioned | 14, 15 | | **114,694** | | 42,842 |
| | | | **(1,733,631)** | | (2,487,132) |
| Net decrease in cash and cash equivalents | | | **(549,643)** | | (428,539) |
| Cash and cash equivalents, beginning of year | | | **1,826,573** | | 2,255,112 |
| **Cash and cash equivalents, end of year** | | **$** | **1,276,930** | $ | 1,826,573 |
| Cash and cash equivalents | | **$** | **199,817** | $ | 231,713 |
| Cash reserved for exploration | | | **1,077,113** | | 1,594,860 |
| | | **$** | **1,276,930** | $ | 1,826,573 |

Supplementary cash flows information (note 24)

The accompanying notes are an integral part of these consolidated financial statements

**GLOBEX MINING ENTERPRISES INC.**

## Consolidated Statements of Financial Position

(In Canadian dollars)

| | Notes | | **December 31, 2015** | | December 31, 2014 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | **$** | **199,817** | $ | 231,713 |
| Cash reserved for exploration | 7 | | **1,077,113** | | 1,594,860 |
| Investments | 8 | | **316,904** | | 305,632 |
| Accounts receivable | 9 | | **77,728** | | 295,706 |
| Prepaid expenses and deposits | | | **111,424** | | 61,916 |
| | | | **1,782,986** | | 2,489,827 |
| Reclamation bonds | 10 | | **163,083** | | 137,928 |
| Investment in joint venture | 11 | | **50,074** | | 142,293 |
| Properties, plant and equipment | 12 | | **420,570** | | 459,337 |
| Mineral properties | 14 | | **2,908,634** | | 2,963,217 |
| Deferred exploration expenses | 15 | | **11,848,864** | | 12,841,478 |
| | | **$** | **17,174,211** | $ | 19,034,080 |
| **Liabilities** | | | | | |
| Current liabilities | | | | | |
| Payables and accruals | 16 | **$** | **405,041** | $ | 180,769 |
| Current income tax | | | **55,603** | | 75,463 |
| | | | **460,644** | | 256,232 |
| Related party payable | 23 | | **132,043** | | 232,823 |
| Other liabilities | 17 | | **251,715** | | 239,131 |
| Deferred tax liabilities | 18 | | **1,275,315** | | 1,668,023 |
| **Owners' equity** | | | | | |
| Share capital | 22 | | **53,592,497** | | 52,882,570 |
| Warrants | 22 | | **76,298** | | 41,902 |
| Contributed surplus - Equity settled reserve | | | **4,224,466** | | 4,135,133 |
| Deficit | | | **(42,838,767)** | | (40,421,734) |
| | | | **15,054,494** | | 16,637,871 |
| | | **$** | **17,174,211** | $ | 19,034,080 |

The accompanying notes are an integral part of these consolidated financial statements

Approved by the board

***"Jack Stoch"***
Jack Stoch, Director

***"Dianne Stoch"***
Dianne Stoch, Director

**GLOBEX MINING ENTERPRISES INC.**

## Consolidated Statements of Equity

(In Canadian dollars)

| | Notes | **December 31, 2015** | December 31, 2014 |
|---|---|---|---|
| **Common shares** | | | |
| Beginning of year | | **$ 52,882,570** | $ 50,677,905 |
| Fair value of shares issued under private placements | 22 | **833,027** | 2,235,642 |
| Fair value of shares issued in connection with mineral property acquisition | 22 | **-** | 118,000 |
| Fair value of warrants | 22 | **(66,569)** | (32,173) |
| Share issuance costs, net of taxes (December 31, 2015 - $20,803; December 31, 2014 - $42,983) | 22 | **(56,531)** | (116,804) |
| End of year | | **$ 53,592,497** | $ 52,882,570 |
| **Warrants** | | | |
| Beginning of year | | **$ 41,902** | $ - |
| Issued in connection with private placement | 22 | **66,569** | 32,173 |
| Issued in connection with mineral property acquisitions | 22 | **-** | 9,729 |
| Expired on May 5, 2015 | 22 | **(32,173)** | - |
| End of year | | **$ 76,298** | $ 41,902 |
| **Contributed surplus - Equity settled reserve** | | | |
| Beginning of year | | **$ 4,135,133** | $ 3,870,098 |
| Share-based compensation | 22 | **57,160** | 265,035 |
| Expired warrants on May 5, 2015 | 22 | **32,173** | - |
| End of year | | **$ 4,224,466** | $ 4,135,133 |
| **Deficit** | | | |
| Beginning of year | | **$ (40,421,734)** | $ (35,079,621) |
| Loss attributable to shareholders | | **(2,417,033)** | (5,342,113) |
| End of year | | **$ (42,838,767)** | $ (40,421,734) |
| **Total Equity** | | **$ 15,054,494** | $ 16,637,871 |

The accompanying notes are an integral part of these consolidated financial statements

## Notes to Consolidated Financial Statements
## Years ending December 31, 2015 and 2014
## (In Canadian dollars)

### 1. General business description

Globex Mining Enterprises Inc. ("Globex", "Corporation") is a North American focused exploration and development project generator which seeks to create shareholder value by acquiring mineral properties, undertaking limited exploration activities and enhancing them and either optioning, joint venturing, or negotiating sale arrangements which will advance the projects towards being brought into commercial production. As part of the total compensation arrangements, we seek to secure long-term royalty arrangements which will provide continued financial benefits to Globex and its shareholders.

Our current mineral portfolio consists of approximately 130 early to mid-stage exploration, development and royalty properties which contain Base Metals (copper, nickel, zinc, and lead), Precious Metals (gold, silver, platinum, palladium), Specialty Metals and Minerals (manganese, titanium oxide, iron, molybdenum, lithium as well as rare earths and associated elements) and Industrial Minerals (mica, silica, potash, salt, feldspar, pyrophyllite as well as talc and magnesite). We currently receive royalty and option income from gold, silver, copper and zinc properties.

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 its principal business office is located at 86, 14th Street, Rouyn-Noranda, Quebec, J9X 2J1, Canada.

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.

### 2. Basis of presentation and going concern

**(a) Statement of Compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").

**(b) Basis of Presentation**

These consolidated financial statements were prepared on a going concern basis, under the historical cost basis, as modified by the revaluation of financials assets and financial liabilities at fair value through the Consolidated Statements of Loss and Comprehensive Loss. All financial information is presented in Canadian dollars.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation`s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

## 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 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 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.

### (c) Approval of Financial Statements

The Corporation's Board of Directors approved these consolidated financial statements for the years ended December 31, 2015 and December 31, 2014 on March 29, 2016.

## 3. New and revised International Financial Reporting Standards

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

Certain new standards are not yet effective, and have not been applied in preparing these consolidated financial statements.

*Amendments to IAS 1 – Presentation of financial statements:*

In December 2014, IASB published narrow-scope amendments to IAS 1 Presentation of financial statements. These amendments address, among others, the concept of materiality and aggregation and disaggregation of disclosure in the notes to the financial statements as well in the statement of financial position and statement of profit or loss and other comprehensive income. Amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The entity is currently assessing the expected impact of these amendments on its financial statements.

## 3. New and revised International Financial Reporting Standards (continued)

*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 had 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.

*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 Royalty Revenues.

IFRS 15 is currently 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, and they have recognized that under this standard they will need to consider at the outset all forms of payments under the contract and the likelihood that all of the obligations will be met. This new standard may result in revenue recognition timing differences.

*IFRS 10 Consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures:*

This amendment deals with the recognition of the gain or loss when a transaction involves a business. It is effective for annual periods on or after January 1, 2016. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

*IFRS 11 Joint Arrangements:*

This amendment offers new guidance on the acquisition of an interest in a joint operation that constitutes a business. It is effective for annual periods on or after January 1, 2016. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

## 3. New and revised International Financial Reporting Standards (continued)

*IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets:*

This amendment offers clarification of acceptable methods of depreciation and amortization and prohibits the use of revenue-based methods to calculate the depreciation of property, plant and equipment and intangible assets. It is effective for annual periods on or after January 1, 2016. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

## 4. Summary of significant accounting policies

The principal accounting policies applied in the presentation of these consolidated financial statements are set out below.

### (a) Basis of consolidation

The consolidated financial statements include the accounts of the Corporation, and its controlled subsidiaries Globex Nevada Inc., Worldwide Magnesium Corporation and Eco Refractory Solutions Inc.

All significant intercompany transactions and balances have been eliminated on consolidation. The table which follows outlines Globex's interest in the respective entities:

| Corporate Entity | Relationship | December 31, 2015 | December 31, 2014 |
|---|---|---|---|
| Globex Nevada Inc. | Subsidiary | 100% | 100% |
| WorldWide Magnesium Corporation | Subsidiary | 90% | 90% |
| Eco Refractory Solutions Inc. Corporation | Subsidiary | 75% | 75% |

The Corporation has control when it holds power over the investee, is exposed, or has right to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. The Corporation must reassess whether it controls the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All inter-corporation transactions, balances, income and expenses are eliminated on consolidation.

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

### (b) Functional and Presentation Currency

The Corporation's presentation currency and the functional currency of all of its operations is the Canadian (CAD) dollar as this is the principal currency of the economic environment in which they operate. Transactions in foreign currencies are initially recorded in the Corporation's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. All gains and losses on conversion of these foreign currency transactions are included in income and loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Revenue and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

### (c) Interest in joint ventures

A joint venture can take the form of a jointly controlled entity, jointly controlled operation or jointly controlled assets. A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

When the Corporation undertakes its activities under joint venture arrangements, its share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognized in the consolidated financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interest in jointly controlled assets are accounted for on an accrual basis.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Corporation reports its interest in jointly controlled entities using the equity method.

### (d) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

### (e) Cash reserved for exploration

Cash reserved for exploration comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. These funds are reserved for funding prescribed resource expenditures.

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

### (f) Refundable tax credits and mining duties

The Corporation is entitled to a refundable tax credit of 35% on qualified exploration expenditures incurred in the province of Quebec. The Corporation is also entitled to a refund of mining duties of the lesser of 16% on 50% of qualified mining exploration expenses or operating losses during the period, net of the refundable tax credit.

The credit or refunds are recorded based on management's best estimates once the necessary information is available and management believes that the amounts are collectible.

### (g) Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**Classification of financial assets**

The table below illustrates the classification and measurement of financial assets under IAS 39:

| Financial Assets | Measurement category under IAS 39 |
|---|---|
| Cash and cash equivalents | Loans and receivables |
| Cash reserved for exploration | Loans and receivables |
| Investments | Financial assets at FVTPL |
| Accounts receivable | Loans and receivables |
| Reclamation bonds | Available for sale |

**Financial assets at FVTPL**

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

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

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 (Financial Instruments: Recognition and Measurement) permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Corporation has designated all of its investments as FVTPL upon initial recognition.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in income or loss. Fair value is determined in the manner described in note 25.

Interest income on debt instruments at FVTPL is included in the net gain or loss described above. Dividend income on investments in equity instruments at FVTPL is recognized in income or loss when the Corporation’s right to receive the dividend is established.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Corporation has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

**Available-for-sale financial assets (AFS financial assets)**

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Fair value is determined in the manner described in note 25. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in income or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve.

When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to income or loss.

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

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including cash and cash equivalents, cash reserved for exploration, accounts receivables as well as refundable tax credits and mining duties) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**Effective interest rate method**

The effective interest method is a method of calculating the amortized cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period.

**Impairment of financial assets at amortized cost**

Financial assets other than those at FVTPL, including loans and receivables, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial asset have been affected. If the impairment loss decreases, then the impairment loss is reversed through income or loss, to the extent that the carrying amount of the investment reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

**Derecognition of financial assets**

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Corporation has transferred substantially all the risks and rewards of ownership of the financial assets.

*Financial liabilities*

The Corporation's financial liabilities include accounts payable and accrued liabilities.

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through the profit and loss that are carried subsequently at fair value with gains or losses recognized in profit or loss.

*Derecognition of financial liabilities*

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

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

### (h) Properties, plant and equipment

Properties, plant and equipment are recorded at cost less accumulated depreciation, depletion and impairment charges.

Where an item of properties, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of properties, plant and equipment. Expenditures incurred to replace a component of an item of properties, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision

Management reviews the estimated useful lives, residual values and depreciation methods of the Corporation's properties, plant and equipment at the end of each annual financial reporting period or when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

### (i) Mineral properties

All direct costs related to the acquisition of mineral properties are capitalized, at their cost at the date of acquisition, by property.

### (j) Deferred exploration expenses

All costs incurred prior to obtaining the legal rights to undertake exploration activities are recognized in the Consolidated Statements of Loss and Comprehensive Loss. Exploration and evaluation costs arising following the acquisition of the right to explore are capitalized on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical costs and deferred exploration costs, and are carried at historical cost less any impairment losses recognized.

The Corporation classifies exploration and evaluation assets as tangible or intangible according to the nature of the assets acquired.

General exploration costs not related to specific properties and general exploration administrative expenses are charged to the Consolidated Statement of Loss and Comprehensive Loss in the year in which they are incurred.

If an exploration project is successful, then the related expenditures are transferred to mining assets and amortized over the estimated life of the ore reserves on a unit of production basis.

The recoverability of deferred exploration and evaluation costs is dependent upon the discovery of economically recoverable ore reserves, the ability of the Corporation to obtain the necessary financing to complete the development of ore reserves and future profitable production or proceeds from the disposal thereof.

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

### (k) Depreciation

Properties, plant and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets. The significant classes and their estimated useful lives are as follows:

| | |
|---|---|
| Buildings | 20 years |
| Mining equipment | 5 years |
| Office equipment | 2 to 5 years |
| Vehicles | 5 years |
| Computer systems | 3 years |

### (l) Impairment of non-financial assets

The carrying amounts of mining properties and deferred exploration expenses and evaluation assets are assessed for impairment when the facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Typically, one or more of the following facts and circumstance indicate the need to test for impairment:

(a) The right to explore the property has expired or will expire in the near future with no expectation of renewal.

(b) Substantive expenditures on further exploration for and evaluation of mineral resources is neither budgeted or planned.

(c) No commercially viable quantities of mineral resources have been discovered and it has been decided to discontinue such activities in the specific area.

(d) Sufficient work has been performed to indicate that, the carrying value of the expenditures are unlikely to be recovered in full from successful development or by sale.

If any such indicator exists, then the asset's recoverable amount is estimated. Impairment testing and the estimation of recoverable amount is applied at the individual mining property level as the Corporation considers these to be the equivalent of cash generating units (CGU's). The recoverable amount the property is generally the potential value of option and royalty payments and its fair value less costs of disposal.

As a project generator, Globex holds an extensive portfolio of properties at various stages in the exploration cycle. The table below highlights the classification and estimation method applied in generating an estimate of the recoverable amount for each of the properties where required.

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

| | Exploration and Development Stage | Recoverable Amount Estimation Basis |
|---|---|---|
| (i) | Properties with a preliminary economic assessment | Weighted average of; (a) the net present value of future cash flows, (b) price to net asset value and (c) indicated net sales proceeds. |
| (ii) | Properties with a resource calculation (Historic resource and NI 43-101 compliant resource estimates) | Standard benchmarks for comparable market transactions. |
| (iii) | Prime Exploration properties | Weighted average of value of; (a) costs incurred, (b) value per hectare, and (c) exploration potential. |
| (iv) | Exploration properties (limited work on the property) | Weighted average of value of; (a) costs incurred, (b) value per hectare, and (c) exploration potential. |

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been, net of depreciation or amortization, if no impairment loss had been recognized.

### (m) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

### (n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or arising from the use by others of the Corporation's assets yielding option income, royalties, interest and dividends. The Corporation recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Corporation and when the specific criteria have been met for each of the Corporation's activities as described below.

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

### (i) Sales of mineral properties

The proceeds from the sale of mineral properties are initially recorded as a credit against the carrying costs of the mineral property and deferred exploration expenses until they are fully recovered and any additional amounts are recorded as option income.

### (ii) Option income

Option income is recognized on an accrual basis in accordance with the substance of the relevant agreements. Shares received under option agreements are valued at fair value which is determined at quoted market prices if the shares are quoted on an active market and if the market for the shares is not active, fair value is established by using a valuation technique. Option income is initially recorded as a credit against the carrying costs of the mineral property and deferred exploration expenses until they are fully recovered.

### (iii) Royalty income

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

### (iv) Interest and dividend income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably).

### (o) Share-based compensation and payments

**Share-based payments to non-employees**

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the Corporation cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the underlying equity instrument, measured at the date the Corporation obtains the goods or the counterparty renders the service.

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

**Share-based compensation**

The Corporation grants stock options to buy common shares of the Corporation to Directors, Officers, and Employees. The Board of Directors grants such options for periods up to five years, with vesting periods determined at its sole discretion and at the TSX prices at the close of business on the day prior to the option grant. The fair value of the options is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period that the options are earned. The fair value is recognized as an expense with a corresponding increase in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modifications which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

If and when the stock options are exercised, the applicable fair value amounts charged to contributed surplus are transferred to share capital.

**(p) Current and deferred taxes**

Taxes, comprising both income and resource taxes accounted for as income taxes, are recognized in the Consolidated Statements of Loss and Comprehensive Loss, except where they relate to items recognized in other comprehensive income or directly in equity, in which case the related taxes are recognized in other comprehensive income or equity. Taxes on income are recorded using the tax rate that would be applicable to expected annual income.

The current income tax charge is based on taxable income for the period. Taxable income differs from net income as reported in the Consolidated Statements of Loss and Comprehensive Loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible.

Deferred tax is recognized, using the asset and liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of each reporting period, the Corporation reassesses unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profits will enable the deferred tax asset to be recovered. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is adjusted to the extent that it is no longer probable that sufficient taxable income will be available to ensure that all or part of the asset will be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

### (q) Flow-through shares

The Corporation raises funds through the issuance of "flow-through" shares which entitles investors to prescribed resource tax benefits and credits once the Corporation has renounced these benefits to the subscribers in accordance with the tax legislation. The Corporation considers the issuance of flow-through shares in substance; (a) an issue of an ordinary share; and (b) the sale of tax deductions. The sale of tax deductions has been measured based on the relative fair value method. At the time, the flow-through shares are issued; the sale of tax deductions is deferred and presented as an Other Liability. When the Corporation fulfills its obligation; the liability is reduced and the sale of tax deductions is recognized in the Consolidated Statements of Loss and Comprehensive Loss as a reduction of the deferred tax expense; and a deferred tax liability is recognized, in accordance with IAS 12, Income Taxes, for the taxable temporary differences between the carrying value of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

### (r) Income (loss) per common share

Basic income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options (if dilutive).

The number of additional shares is calculated by assuming that outstanding dilutive stock options were exercised and the proceeds from such exercise were used to acquire common stock at the average market price during the reporting periods.

### (s) Share Capital

The Corporation's common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## 5. Significant accounting assumptions, judgments and estimates

The preparation of financial statements under the principles of IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgments and estimates is contained in the accounting policies and/or the notes to the consolidated financial statements and the key areas are summarized below. Areas of judgment that have the most significant effect on the amounts recognized in the consolidated financial statements are:

### (a) Impairment of mineral properties and deferred exploration expenses

At the end of each reporting period, the Corporation considers whether there has been an impairment of its mineral properties and deferred exploration expenses. If the Corporation determines that there has been an impairment, then it must estimate the recoverable amount and selling costs resulting in a net recoverable amount. As a result of the limited information available, it requires significant management judgment in estimating a net recoverable amount.

### (b) Estimate of share-based compensation and payments

The estimate of share-based compensation and payment costs requires the selection of an appropriate valuation model and consideration as the inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options.

The Corporation uses the Black-Scholes valuation model to calculate the fair value of the share-based compensation and payment costs.

### (c) Fair value estimates of investments

Globex enters into option agreements for its properties. Under these arrangements, the Corporation typically receives a series of cash option payments over a period of time and it also often receives shares in the Optionee Corporation.

Globex attempts to determine the fair value of the shares on receipt based on published price quotations in an active market. However, in some cases, when received, the shares may not be traded in an active market and as a result Globex must use a valuation technique to determine the fair market value. In some cases, as a result of the strategic nature or volume of trading in the market, the quoted price may also not be representative of the price that these shares could be sold to a willing arm's length party. These valuation issues could also impact the fair value measurement of financial assets at each period end.

## 5. Significant accounting assumptions, judgments and estimates (continued)

### (d) Useful lives of properties, plant and equipment

The Corporation reviews the estimated useful lives of properties, plant and equipment at the end of each annual reporting period. During the year, Management determined that the useful lives of the equipment were appropriate.

### (e) Refundable tax credits and mining duties

The estimates are based on an interpretation of legislation substantially enacted and management's application of their interpretation to the treatment of various items which could impact the valuation.

### (f) Deferred income taxes balances

The Corporation uses the asset and liability method in accounting for deferred income taxes and mining duties. Under this method, deferred income taxes are recognized for the future income tax. In preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate structure plans which may impact taxable income in future periods.

## 6. Cash and cash equivalents

| | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Bank balances | **$ 199,817** | $ 231,713 |

## 7. Cash reserved for exploration

| | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Bank balances | **$ 87,113** | $ 566,410 |
| Short-term deposits | **990,000** | 1,028,450 |
| | **$ 1,077,113** | $ 1,594,860 |

Globex 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.

## 8. Investments

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Equity investments [(i),(ii)] | **$ 316,904** | $ 305,632 |

(i) At December 31, 2015, includes 1.8 million Mag Copper Limited shares valued at $51,839 (On September 9, 2015, Mag Copper Limited consolidated its shares on a basis of five for one); 3.7 million Laurion Mineral Exploration Inc. shares valued at $18,500; 250,000 Integra Gold Corp. shares valued at $85,000, 1,200,000 Sphinx Resources Inc. shares valued at $6,000, 1,000,000 Rogue Resources Inc. shares valued at $90,000, 1 million Xmet Inc. shares valued at $5,000 and other equity investments received under option agreements which total $60,565. The 1.8 million Mag Copper Ltd. shares held by Globex represented 11% of the outstanding shares at December 31, 2015.

(ii) At December 31, 2014, includes 8.6 million Mag Copper Limited shares valued at $129,598; 3.7 million Laurion Mineral Exploration Inc. shares valued at $37,000; 150,000 Integra Gold Corp. shares valued at $29,250, 1 million Xmet Inc. shares valued at $60,000 and other equity investments received under option agreements which total $49,784. The 8.6 million Mag Copper Ltd. shares held by Globex represented 11% of the outstanding shares at December 31, 2014.

## 9. Accounts receivable

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Trade receivables | **$ 199,080** | $ 233,254 |
| Bad debt provision | **(175,000)** | - |
| Net trade receivables | **24,080** | 233,254 |
| Taxes receivable | **53,648** | 62,452 |
| | **$ 77,728** | $ 295,706 |

Trade receivables of $199,080 (2014 - $233,254) consist primarily of amounts recoverable under option and royalty agreements. In 2015, a provision of $175,000 has been made against amounts which may not be fully recoverable. The taxes receivable represent harmonized and Quebec sales tax ("GST", "HST", "QST") receivable from Canadian taxation authorities.

## 10. Reclamation bonds

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Nova Scotia bond - Department of Natural Resources | **$ 57,974** | $ 57,974 |
| Option reimbursement | **(50,000)** | (50,000) |
| Net Nova Scotia bond | **7,974** | 7,974 |
| Washington State bond - Department of Natural Resources | **155,109** | 129,954 |
| | **$ 163,083** | $ 137,928 |

## 10. Reclamation bonds (continued)

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.

## 11. Investment in joint venture

| | | |
|---|---|---|
| Balance, January 1, 2014 | $ | 142,819 |
| Add: | | |
| Globex's 50% share of DAL's net income for the year ended December 31, 2014 | | (526) |
| **Balance, December 31, 2014** | **$** | **142,293** |
| Add: | | |
| Globex's 50% share of DAL's net income for the year ended December 31, 2015 | | **2,781** |
| Deduct: | | |
| Globex's 50% share of DAL's common share dividends for the year ended December 31, 2015 | | **(95,000)** |
| **Balance, December 31, 2015** | **$** | **50,074** |

On February 18, 2010, a mineral option agreement was signed between Globex and Jack Stoch Geoconsultant Limited ("GJSL", a company owned by Jack Stoch President, CEO and Director of Globex) as vendors, Duparquet Assets Limited ("DAL") and Xmet Inc. ("Xmet" and/or "Optionee"). The agreement related to the Duquesne West Gold Property located in Duparquet and Destor townships, Québec. The property was owned 50% by Globex and 50% by GJSL.

On February 16, 2010, DAL entered into a joint venture agreement with GJSL and Globex. At that time, it was determined that the arrangement was a joint venture in accordance with IFRS 11, *Joint Arrangements* and as a result Globex's investment has been recorded using the equity method.

On July 3, 2013, Xmet informed Globex and GJSL that it was dropping its interest in the Duquesne West property and returning it to DAL. As a result, the joint venture is currently inactive.

The following represents the financial assets and liabilities of DAL at the respective year-ends.

## 11. Investment in joint venture (continued)

| | | **December 31, 2015** | | December 31, 2014 |
|---|---|---|---|---|
| **Assets** | | | | |
| Mineral property and deferred exploration expenses | **$** | **29,534** | $ | 33,710 |
| Due from Globex Mining Enterprises Inc. | | **169,168** | | 254,922 |
| Due from Jack Stoch Geoconsultant Limited | | **-** | | 9,105 |
| **Liabilities** | | | | |
| Due to Jack Stoch Geoconsultant Limited | **$** | **86,987** | $ | - |
| Other liabilities | | **1,200** | | - |
| Current taxes payable | | **-** | | 1,585 |
| **Current earnings (loss)** | **$** | **5,563** | $ | (1,052) |

## 12. Properties, plant and equipment

| | | Land and buildings | | Mining equipment | | Office equipment | | Vehicles | | Computer Systems | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | | |
| **2014** | | | | | | | | | | | | |
| January 1, | $ | 497,627 | $ | 81,310 | $ | 146,274 | $ | 56,177 | $ | 230,803 | $ | 1,012,191 |
| Additions | | - | | 6,900 | | - | | - | | 3,410 | | 10,310 |
| December 31, | $ | 497,627 | $ | 88,210 | $ | 146,274 | $ | 56,177 | $ | 234,213 | $ | 1,022,501 |
| **2015** | | | | | | | | | | | | |
| Additions | | - | | - | | - | | - | | 20,790 | | 20,790 |
| **December 31,** | **$** | **497,627** | **$** | **88,210** | **$** | **146,274** | **$** | **56,177** | **$** | **255,003** | **$** | **1,043,291** |
| **Accumulated depreciation** | | | | | | | | | | | | |
| **2014** | | | | | | | | | | | | |
| January 1, | $ | (74,338) | $ | (55,846) | $ | (121,036) | $ | (36,783) | $ | (216,195) | $ | (504,198) |
| Additions | | (13,838) | | (12,249) | | (14,652) | | (8,147) | | (10,080) | | (58,966) |
| December 31, | $ | (88,176) | $ | (68,095) | $ | (135,688) | $ | (44,930) | $ | (226,275) | $ | (563,164) |
| **2015** | | | | | | | | | | | | |
| **Additions** | | **(13,840)** | | **(13,745)** | | **(10,586)** | | **(8,145)** | | **(13,241)** | | **(59,557)** |
| **December 31,** | | **(102,016)** | | **(81,840)** | | **(146,274)** | | **(53,075)** | | **(239,516)** | | **(622,721)** |
| **Carrying value** | | | | | | | | | | | | |
| **2014** | | | | | | | | | | | | |
| January 1, | $ | 423,289 | $ | 25,464 | $ | 25,238 | $ | 19,394 | $ | 14,608 | $ | 507,993 |
| December 31, | $ | 409,451 | $ | 20,115 | $ | 10,586 | $ | 11,247 | $ | 7,938 | $ | 459,337 |
| **2015** | | | | | | | | | | | | |
| **December 31,** | **$** | **395,611** | **$** | **6,370** | **$** | **-** | **$** | **3,102** | **$** | **15,487** | **$** | **420,570** |

## 13. Impairment provision mineral properties and deferred exploration

At each period end, the Corporation considers the facts and circumstances which suggest that the carrying value of properties and exploration and evaluation assets may exceed the recoverable amounts. The impairment provisions represent a charge against properties on which claims have lapsed or will be dropped in the near future as well as a charge against deferred exploration expenses on properties on which there are no immediate substantive expenditures planned or budgeted, and the Corporation does not have an active option or joint venture agreement.

Globex currently holds a portfolio of approximately 130 exploration and development properties and it targets to enter into option, joint venture or sales agreements mainly with junior mining companies in order to generate option and future royalty payments.

During the year ended December 31, 2015, an impairment provision of $2,754,258 (Mineral properties - $82,265; deferred exploration expense - $2,671,993) (2014 - $7,132,983) (2014 Mineral properties - $202,269; deferred exploration expenses - $6,930,714 was recorded.

The provision represents the complete write-off of the carrying value of $1,145,050 (2014 - $2,012,079) related to various properties on which no expenditures are currently planned and reliable estimates of the net recoverable amounts cannot be generated at a reasonable cost. In addition, the carrying value for two prime exploration properties of $2,250,330 has been reduced by $1,609,208 (2014 - $5,120,904) to reflect combined recoverable amounts of $641,122 for these properties.

The recoverable amounts, represent management's current estimate of the weighted average of value of (a) costs incurred, (b) value per hectare, and (c) estimate of exploration potential. Management believes that they will recover these amounts through a future option, joint venture or sale arrangement.

The development of management estimates of recoverable amounts and impairment provisions requires a number of assumptions and judgment. As at December 31, 2015 and 2014, if it were determined that the estimated fair value of the property as reflected in the recoverable amounts should have been 20% higher or lower than the carrying value, this would result in an increase or decrease in the impairment charge or recovery by approximately $550,851 (2014 - $1,426,596).

The resulting impairment charge of $2,754,258 (2014 - $7,132,983) represents approximately 15.7% (2014 - 31.1%) of the carrying value prior to the recorded impairment for the year-end December 31, 2015.

While impairment provisions have been made against these properties, management believes that a recovery will take place in the future representing a substantial portion, if not all of the costs. The exact recovery remains subject to significant uncertainty and will be subject to a number of factors including the successful negotiation of option, joint venture, or sale arrangements. The impairment provisions have no impact on the Corporation's cash flow or the cash and cash equivalents.

## 14. Mineral properties

| | Nova Scotia | Ontario | Quebec | Other | Total |
|---|---|---|---|---|---|
| Balance, beginning of year | $ 18,857 | $ 47,771 | $ 2,928,250 | $ - | $ 2,994,878 |
| Additions [1] | 40 | - | 171,073 | - | 171,113 |
| Impairment provisions | (18,857) | (847) | (182,565) | - | (202,269) |
| Recoveries | - | - | (505) | - | (505) |
| December 31, 2014 | $ 40 | $ 46,924 | $ 2,916,253 | $ - | $ 2,963,217 |
| **Additions** | **-** | **2,250** | **25,728** | **-** | **27,978** |
| **Impairment provisions** | **(40)** | **-** | **(82,225)** | **-** | **(82,265)** |
| **Recoveries** | **-** | **-** | **(296)** | **-** | **(296)** |
| **December 31, 2015** | **$ -** | **$ 49,174** | **$ 2,859,460** | **$ -** | **$ 2,908,634** |

(1) During 2014, cash of $43,384 was spent to acquire properties. On August 27, 2014, to acquire the Santa Anna Gold deposit, 450,000 Globex shares were issued with an ascribed value of $118,000 ($0.2622 per share) along with 150,000 warrants with an ascribed value of $9,729 ($0.0648 per warrant) were issued. The warrants are exercisable in Globex shares at $0.45 per share for a period of two years.

## 15. Deferred exploration expenses

| | New Brunswick | Nova Scotia | Ontario | Quebec | Other | Total |
|---|---|---|---|---|---|---|
| Balance, beginning of year | $ 139,095 | $ 126,606 | $ 6,582,312 | $ 10,534,614 | $ - | $ 17,382,627 |
| Additions | 982 | 993 | 311,160 | 2,107,657 | 11,110 | 2,431,902 |
| Impairment provisions | (140,077) | (5,565) | (40,388) | (6,733,574) | (11,110) | (6,930,714) |
| Recoveries | - | - | - | (42,337) | - | (42,337) |
| December 31, 2014 | - | 122,034 | 6,853,084 | 5,866,360 | - | 12,841,478 |
| **Additions** | **7,235** | **12,099** | **111,630** | **1,649,029** | **13,784** | **1,793,777** |
| **Impairment provisions** | **(7,235)** | **(134,133)** | **(19,943)** | **(2,496,898)** | **(13,784)** | **(2,671,993)** |
| **Recoveries** | **-** | **-** | **-** | **(114,398)** | **-** | **(114,398)** |
| **December 31, 2015** | **$ -** | **$ -** | **$ 6,944,771** | **$ 4,904,093** | **$ -** | **$ 11,848,864** |

The impairment provision of $2,671,993 for the year ended December 31, 2015 (2014 - $6,930,714) reflects the results of management’s periodic review of the carrying value of the deferred exploration assets for individual projects considering the current economic environment and metal prices, challenges that junior mining companies face in raising financing, results of recent exploration activities and future budgets and plans. The impairment provisions also include the expensing of general exploration costs.

## 15. Deferred exploration expenses (continued)

### Exploration Expenditures by Type

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Balance - beginning of year | **$ 12,841,478** | $ 17,382,627 |
| Current exploration expenses | | |
| Consulting | **118,035** | 175,558 |
| Core shack, storage and equipment rental | **11,017** | 65,166 |
| Drilling | **327,846** | 674,154 |
| Environment | **-** | 1,395 |
| Geology | **72,753** | 166,970 |
| Geophysics | **103,455** | 101,563 |
| Laboratory analysis and sampling | **69,393** | 237,143 |
| Labour | **811,048** | 853,602 |
| Line cutting | **85,673** | 2,540 |
| Mapping | **983** | - |
| Mining property tax, permits and propecting | **93,127** | 34,791 |
| Reports, maps and supplies | **25,925** | 58,705 |
| Transport and road access | **74,522** | 60,315 |
| Total current exploration expenses | **1,793,777** | 2,431,902 |
| Impairment provisions | **(2,671,993)** | (6,930,714) |
| Option revenue offset | **(114,398)** | (42,337) |
| | **(2,786,391)** | (6,973,051) |
| Current net deferred exploration expenses | **(992,614)** | (4,541,149) |
| Balance - end of year | **$ 11,848,864** | $ 12,841,478 |

## 16. Payables and accruals

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Trade payable and accrued liabilities | **$ 264,818** | $ 100,815 |
| Nyrstar advance payment | **78,127** | - |
| Sundry liabilities | **62,096** | 79,954 |
| | **$ 405,041** | $ 180,769 |

The Nyrstar advance payment of $78,127 (2014 - Nil) represents a provisional payment made earlier in the year based on the estimated zinc final settlement price which subsequently declined resulting in an overpayment. The liability will be offset against future metal royalty payments from Nyrstar.

## 17. Other liabilities

| | | December 31, 2015 | | December 31, 2014 |
|---|---|---|---|---|
| Balance, beginning of year | **$** | **239,131** | $ | 209,075 |
| Additions during the year | | **255,022** | | 265,357 |
| Reduction related to the incurrence of qualified exploration expenditures | | **(242,438)** | | (235,301) |
| Balance, end of year | **$** | **251,715** | $ | 239,131 |

The Other Liabilities represent the excess of the proceeds received from flow-through shares over the fair value of the shares issued. The reduction reflects the qualified expenditures incurred in the period. Further details are provided in note 22, share capital.

## 18. Income taxes

### Recovery of Income and mining tax expense

| | | December 31, 2015 | | December 31, 2014 |
|---|---|---|---|---|
| Recovery of Current tax expense | | | | |
| Tax expenses for the year | **$** | **162,188** | $ | 288,591 |
| Deferred tax expense (recovery) for income tax and mining duties | | **(371,905)** | | (2,255,044) |
| Recovery of income and mining duties as a result of the sale of tax benefits (flow-through shares) | | **(242,438)** | | (235,301) |
| | | **(614,343)** | | (2,490,345) |
| | **$** | **(452,155)** | $ | (2,201,754) |

## 18. Income taxes (continued)

### Tax expense reconciliation

The reconciliation of the income tax expenses, calculated using the statutory combine income tax rates of the Federal government and the Province of Quebec, to the income tax recovery as per the financial statements, is as follows:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| **Loss before taxes** | **$ (2,869,188)** | $ (7,543,867) |
| Combined tax rates | **26.9%** | 26.9% |
| | | |
| **Recovery of Income and mining tax provision calculated at combined rate** | **$ (771,812)** | $ (2,029,300) |
| Adjustments for share-based compensation and payments | **15,376** | 71,294 |
| Deferred tax expense related to flow-through shares | **619,773** | 842,587 |
| Taxable income at different rates | **75,979** | (90,426) |
| Non-deductible expenses and other | **12,649** | 56,728 |
| Mining tax recovery | **(312,383)** | (800,098) |
| Change in valuation allowance | **11,937** | (21,567) |
| Adjustments related to previous taxation years | **132,563** | 17,815 |
| Other | **6,201** | (13,486) |
| **Recovery of Income and mining tax provision** | **(209,717)** | (1,966,453) |
| Other liabilities (sale of tax benefits (flow-through shares)) | **(242,438)** | (235,301) |
| **Recovery of Income and mining tax provision** | **$ (452,155)** | $ (2,201,754) |

At December 31, 2015, the Corporation had non-capital loss carry forwards of $7,020,871 available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

| | |
|---|---|
| 2027 | $ 432,071 |
| 2029 | 847,258 |
| 2030 | 587,360 |
| 2031 | 379,742 |
| 2032 | 2,017,074 |
| 2033 | 838,444 |
| 2034 | 1,128,461 |
| 2035 | 790,461 |
| | $ 7,020,871 |

## 18. Income taxes (continued)

### Deferred tax balances

| | January 1, 2015 | Recognized in income or loss | Recognized in equity | December 31, 2015 |
|---|---|---|---|---|
| Temporary differences | | | | |
| Deferred tax assets | | | | |
| Non-capital losses carry forward | $ 1,488,162 | **$ (15,032)** | **$ -** | **$ 1,473,130** |
| Share issue expenses | 115,926 | **(49,249)** | **20,803** | **87,480** |
| Properties, plant & equipment | 53,258 | **13,066** | **-** | **66,324** |
| Financial assets at FVTPL | 317,708 | **11,937** | **-** | **329,645** |
| | 1,975,054 | **(39,278)** | **20,803** | **1,956,579** |
| Less valuation allowance | (317,708) | **(11,937)** | **-** | **(329,645)** |
| | 1,657,346 | **(51,215)** | **20,803** | **1,626,934** |
| Deferred tax liabilities | | | | |
| Mining properties and deferred exploration expenses | (3,325,369) | **423,120** | **-** | **(2,902,249)** |
| Deferred tax liabilities | $ (1,668,023) | **$ 371,905** | **$ 20,803** | **$ (1,275,315)** |

| | January 1, 2014 | Recognized in income or loss | Recognized in equity | December 31, 2014 |
|---|---|---|---|---|
| Temporary differences | | | | |
| Deferred tax assets | | | | |
| Non-capital losses carry forward | $ 1,056,595 | $ 431,567 | $ - | $ 1,488,162 |
| Share issue expenses | 123,637 | (50,694) | 42,983 | 115,926 |
| Properties, plant and equipment | 53,778 | (520) | - | 53,258 |
| Financial assets at FVTPL | 339,275 | (21,567) | - | 317,708 |
| | 1,573,285 | 358,786 | 42,983 | 1,975,054 |
| Less valuation allowance | (339,275) | 21,567 | - | (317,708) |
| | 1,234,010 | 380,353 | 42,983 | 1,657,346 |
| Deferred tax liabilities | | | | |
| Mining properties and deferred exploration expenses | (5,200,060) | 1,874,691 | - | (3,325,369) |
| Deferred tax liabilities | $ (3,966,050) | $ 2,255,044 | $ 42,983 | $ (1,668,023) |

## 19. Revenues

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Net option income | **$ 545,056** | $ 306,408 |
| Metal royalty income | **615,282** | 1,020,232 |
| | **$ 1,160,338** | $ 1,326,640 |

In 2015, Globex received cash option payments of $250,000 from a Canadian Corporation with $243,632 reported as in net option income after reflecting recovered costs of $6,368. In 2014, cash option payments of $225,000 were received from a Canadian Corporation with $223,263 being reflected in net option income. In both 2015 and 2014, the Corporation received no other option payments which represented ten percent or more of the total revenues with the exception of the Metal royalty income which is all received from Nyrstar Inc.

## 20. Expenses by nature

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

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Administration | | |
| Office expenses | **$ 188,500** | $ 156,964 |
| Conventions and meetings | **80,808** | 89,682 |
| Advertising and shareholder information | **20,714** | 12,734 |
| Transfer agent | **21,006** | 27,356 |
| Other administration expenses | **12,961** | 14,130 |
| | **$ 323,989** | $ 300,866 |
| Professional fees and outside services | | |
| Investor relations | **$ 92,799** | $ 118,041 |
| Legal fees | **13,763** | 56,546 |
| Audit and accounting fees | **78,525** | 123,671 |
| Filing fees | **27,018** | 24,595 |
| Other professional fees | **68,951** | 77,432 |
| | **$ 281,056** | $ 400,285 |

## 21. Loss per common share

Basic loss per common share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the year. Diluted loss per common share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding during the year, plus the effects of dilutive common share equivalents such as warrants and stock options.

## 21. Loss per common share (continued)

Diluted net loss 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 year.

### Basic and diluted loss per common share

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

| | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Numerator | | |
| Loss for the year | **$ (2,417,033)** | $ (5,342,113) |
| Denominator | | |
| Weighted average number of common shares - basic | **41,550,983** | 38,463,774 |
| Effect of dilutive shares | | |
| Stock options ("in the money") (i) | **-** | - |
| Weighted average number of common shares - diluted | **41,550,983** | 38,463,774 |
| Loss per share | | |
| Basic | **$ (0.06)** | $ (0.14) |
| Diluted | **$ (0.06)** | $ (0.14) |

(i) At December 31, 2015, and 2014, stock options have not been included in the diluted loss per share as they are anti-dilutive.

## 22. Share capital

In accordance with the Certificate of Continuance, under the Canada Business Corporations Act, effective October 28, 2014, the Corporation was authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

### Changes in capital stock

| | **December 31, 2015** | | December 31, 2014 | |
|---|---|---|---|---|
| Fully paid common shares | **Number of shares** | **Capital Stock** | Number of shares | Capital Stock |
| Balance, beginning of period | **41,243,755** | **$ 52,882,570** | 33,536,612 | $ 50,677,905 |
| Private placements | | | | |
| Flow-through shares | **3,203,951** | **833,027** | 5,307,143 | 1,592,142 |
| Common shares | **-** | - | 1,950,000 | 643,500 |
| Fair value of warrants | **-** | **(66,569)** | - | (32,173) |
| Shares issued in connection with mineral property acquisitions (iii) | - | - | 450,000 | 118,000 |
| Share issuance costs (iv) | - | **(56,531)** | - | (116,804) |
| Balance, end of period | **44,447,706** | **$ 53,592,497** | 41,243,755 | $ 52,882,570 |

## 22. Share capital (continued)

### 2015 Issuances

### Private Placement

(i) On November 26, 2015, the Corporation issued 3,203,951 Flow-Through units under a private placement with 2,537,285 “flow-through” units being issued to subscribers in Québec at a price of $0.35 per unit, for gross proceeds of $888,050 and 666,666 “flow-through” units at a price of $0.30 per unit, for gross proceeds of $200,000. The gross proceeds from the private placement were $1,088,050.

Each of the units is comprised of one “flow-through” common share and one-half of a common share purchase warrant. Each full warrant entitles the holder to acquire one additional common share of Globex at a price of $0.50 until November 26, 2017. The fair market value of the shares was $833,027 based on the TSX closing price of the shares on November 25, 2015. In addition, 1,601,975 share purchase warrants were issued with an ascribed value of $66,569 ($0.042 per warrant). The warrants are exercisable at a price of $0.50 per share until November 26, 2017.

### 2014 Issuances

### Private Placement

(ii) The Corporation issued 5,307,143 Flow-Through Shares under a private placement which closed on May 5, 2014. The shares were issued at a price of $0.35 per share for total proceeds of $1,857,499 and the fair market value was $1,592,142 based on the TSX 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.

### Property acquisition

(iii) On August 27, 2014, the Corporation issued 450,000 Common Shares in connection with the acquisition of the Santa Anna Gold Deposit. The Globex shares had an ascribed value of $118,000 ($0.2622 per share). In addition, 150,000 share purchase warrants were issued with an ascribed value of $9,729 ($0.0648 per warrant). The warrants are exercisable at a price of $0.45 per share for a period of two years.

### Share Issuance costs

(iv) Net of taxes of $20,803 (2014 -$42,983).

At December 31, 2015, 36,100 (December 31, 2014 - 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.

## 22. Share capital (continued)

### Warrants

| | December 31, 2015 | | December 31, 2014 | |
|---|---|---|---|---|
| | **Number of warrants** | **Fair value** | Number of warrants | Fair value |
| Balance, beginning of year | **1,125,000** | **$ 41,902** | - | $ - |
| Private placement - November 26, 2015 (i) | **1,601,975** | **66,569** | - | - |
| Private placement - May 5, 2014 (ii) | **-** | **-** | 975,000 | 32,173 |
| Expired on May 5, 2015 (ii) | **(975,000)** | **(32,173)** | - | - |
| Issued in connection with mineral property acquisitions (iii) | **-** | **-** | 150,000 | 9,729 |
| Balance, end of year | **1,751,975** | **$ 76,298** | 1,125,000 | $ 41,902 |

(i) Under the private placement, which closed on November 26, 2015, 1,601,975 share purchase 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 twenty-four months. The warrants expire on November 26, 2017.

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

- Stock price - $0.26 per share
- Exercise price - $0.50 per shares
- Expected life 24 months
- Annualized volatility - 62.9%
- Annual rate of dividends - Nil
- Interest rate - 0.54%

The fair value of each warrant has been estimated at $0.042 per warrant, which results in a fair value for the 1,601,975 warrants of $66,569.

(ii) Under the private placement, which closed on May 5, 2014, 975,000 warrants were issued. Each warrant entitled 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
- Exercise price - $0.50 per shares
- Expected life 12months
- Annualized volatility - 67.5%
- Annual rate of dividends - Nil
- Interest rate - 1.05%

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.

These warrants expired on May 5, 2015.

## 22. Share capital (continued)

(iii) On August 27, 2014, 150,000 share purchase warrants were issued. Each warrant entitles the holder to acquire one additional 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
- Exercise price - $0.45 per shares
- Expected life 24months
- Annualized volatility - 64.14%
- Annual rate of dividends - Nil
- 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 December 31, 2015, 50,000 additional options may be granted in addition to the common share purchase options currently outstanding (December 31, 2014 – no additional options were available).

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

| | | | **December 31, 2015** | | | December 31, 2014 |
|---|---|---|---|---|---|---|
| | **Number of options** | | **Weighted average exercise price** | Number of options | | Weighted average exercise price |
| Balance - beginning of period | **3,067,500** | **$** | **0.28** | 1,300,000 | $ | 0.59 |
| Cancelled (i) | **(55,000)** | | **0.48** | - | | - |
| Price Modification on 550,000 Options (ii) | **-** | | **-** | - | | (0.15) |
| Expired (iii) | **(250,000)** | | **0.62** | (330,000) | | 0.59 |
| Granted - Directors and employees (iv) | **255,000** | | **0.29** | 2,097,500 | | 0.23 |
| Balance - end of period | **3,017,500** | **$** | **0.25** | 3,067,500 | $ | 0.28 |
| Options exercisable | **2,717,500** | **$** | **0.25** | 2,677,500 | $ | 0.29 |

(i) On September 11, 2015, 5,000 options that had been issued to a service provider were cancelled and on December 12, 2015, 50,000 options issued to another service provider were cancelled.

## 22. Share capital (continued)

(ii) No price modifications were granted during the year ended December 31, 2015. On June 16, 2014, 500,000 0ption 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.

In addition, (a) 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 and (b) 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. These changes reduced the weighted average exercise price of all of the contracts outstanding by $0.15 per share.

In accordance with IFRS 2, these cancelled and re-issued 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 year ended December 31, 2014.

(iii) On May 10, 2015, 50,000 stock options issued to a Director and on November 7, 2015, 200,000 options issued to another Director expired as they were "out of the money."

(iv) On November 24, 2015, 255,000 option contracts which vested immediately were issued at a strike price of $0.29 per share. These contracts expire on November 24, 2020.

The following table summarizes information regarding the stock options outstanding and exercisable as at December 31, 2015:

| Range of prices | Number of options outstanding | Number of options outstanding and exercisable | Weighted average remaining contractual life (years) | Weighted average exercise price |
|---|---|---|---|---|
| $ 0.18 - 0.21 | 197,500 | 197,500 | 3.72 | $ 0.21 |
| 0.22 - 0.24 | 2,395,000 | 2,095,000 | 3.46 | 0.24 |
| 0.25 - 0.29 | 255,000 | 255,000 | 4.90 | 0.29 |
| 0.39 - 0.42 | 60,000 | 60,000 | 2.31 | 0.40 |
| 0.50 - 0.54 | 110,000 | 110,000 | 2.68 | 0.54 |
| | 3,017,500 | 2,717,500 | 3.56 | $ 0.25 |

### 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 5 years).

## 22. Share capital (continued)

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

| | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Expected dividend yield | **Nil** | Nil |
| Expected stock price volatility | **59.6%** | 60.0% |
| Risk free interest rate | **0.70%** | 1.31% |
| Expected life | **5 years** | 5 years |
| Weighted average fair value of granted options | **$0.13** | $0.12 |

During the year ended December 31, 2015, the total expense related to stock-based compensation costs and payments amounting to $57,160 has been recorded and presented separately in the Consolidated Statements of Loss and Comprehensive Loss (December 31, 2014 - $265,035).

**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 (CEO) 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.

**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.

## 22. Share capital (continued)

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 offer or to proceed by way of a Permitted Bid or to approach the Board of Directors with a view to negotiation.

## 23. Related party information

| **Related party payable (receivable)** | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Jack Stoch Geoconsultant Services Limited ("GJSL") | **$ (6,717)** | $ (6,717) |
| Chibougamau Independent Mines Inc. | **(30,408)** | (15,382) |
| Duparquet Assets Limited | **169,168** | 254,922 |
| | **$ 132,043** | $ 232,823 |

During 2015, the Globex liability to Duparquet Assets Limited was reduced by a non-cash dividend of $95,000. As reflected in the statement of cash flows there was a net cash decrease of $5,780 (2014 - $44,378) in the related party net payables during the year.

## 23. Related party information (continued)

### Chibougamau Independent Mines Inc. (CIM)

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 through GJSL, a private company which is the principal shareholder of CIM, and Globex 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 income of $10,000 (December 31, 2014 - $50,400) for the year ended December 31, 2015 represents Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement.

### Management compensation

The total compensation for the respective periods incurred 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 and Chief Financial Officer, Treasurer and Corporate Secretary) are as follows:

| | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Management compensation | | |
| Salaries and other benefits | **$ 294,750** | $ 277,946 |
| Professionnal fees and outside services (i) | **47,974** | 28,356 |
| Deferred exploration expenses - Consulting (i) | **60,538** | 45,075 |
| Fair value of share-based compensation (ii) | **57,160** | 208,517 |
| | **$ 460,422** | $ 559,894 |

(i) The Vice-President Operations is an independent contractor with a portion of his compensation being included in other professional fees in the Statement of Loss and Comprehensive Loss and the remainder is reported as deferred exploration expenses - consulting.

(ii) During the year ended December 31, 2015, the $57,160 reflects the fair value of 255,000 options issued during the year which vested immediately as well as the amortization related to 390,000 stock options issued on June 16, 2014 which vest at various dates up to June 16, 2016. In the year ended December 31, 2014, the $208,517 reflects the fair value of 1,522,500 options issued during which vested as well as the amortization related to 390,000 stock options issued on June 16, 2014 which vest at various dates up to June 16, 2016.

## 24. Supplementary cash flows information

### Changes in non-cash working capital items

| | | **December 31, 2015** | | December 31, 2014 |
|---|---|---|---|---|
| Accounts receivable | **$** | **217,978** | $ | (179,564) |
| Prepaid expenses and deposits | | **(49,508)** | | 34,006 |
| Payables and accruals | | **224,272** | | (220,846) |
| | **$** | **392,742** | $ | (366,404) |

### Non-cash financing and investing activities

| | | **December 31, 2015** | | December 31, 2014 |
|---|---|---|---|---|
| Dividend from investment in joint venture | **$** | **95,000** | $ | - |
| Transfer of investments to CIM (i) | | **-** | | 243,010 |
| Share capital and warrant issuance for mineral property acquisition | | **-** | | 127,729 |
| | **$** | **95,000** | $ | 370,739 |

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

## 25. 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.

## 25. Financial instruments (continued)

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.

The Corporation is not subject to any externally imposed capital requirements. The Corporation's overall strategy remains unchanged from 2014.

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 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.

**Financial risk management objectives**

The Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, equity market risk, currency risk and fair value measurements recognized in the statement of financial position.

### (a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totalled $1,276,930 as at December 31, 2015, (December 31, 2014 - $1,826,573). 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 Canadian financial institutions.

## 25. Financial instruments (continued)

The maximum exposure to credit risk was:

| | Notes | December 31, 2015 | December 31, 2014 |
|---|---|---|---|
| Cash and cash equivalents | 6 | **$ 199,817** | $ 231,713 |
| Cash reserved for exploration | 7 | **1,077,113** | 1,594,860 |
| Investments | 8 | **316,904** | 305,632 |
| Accounts receivable | 9 | **77,728** | 295,706 |
| | | **$ 1,671,562** | $ 2,427,911 |

### (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.

### (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 $316,904 (December 31, 2014 - $305,632). Based on the balance outstanding at December 31, 2015, a 10% increase or decrease would impact income and loss by $31,690 (December 31, 2014 - $30,563).

### (d) Currency risk

Globex receives US dollars representing gross metal royalty payments related to Nyrstar’s Zinc operations in Tennessee and it is required to pay U.S. tax on these receipts. Globex’s practice is to convert the U.S. dollars to Canadian dollars as the funds are received after retaining sufficient funds to meet its U.S. dollar tax obligations.

During the year ended December 31, 2015, Globex received royalty payments of USD $715,691 (CDN - $887,994 and recorded a tax expense of USD $117,604 (CDN - $162,188). In the year-ended December 31, 2014, Globex received royalty payments of USD $681,549 (CDN - $732,969) and recorded a tax expense of USD $253,117 (CDN - $288,591).

## 25. Financial instruments (continued)

At December 31, 2015, Globex had an advance royalty liability of USD $56,450 (CDN - $78,127) (December 31,2014 – USD receivable $176,352; CDN - $204,585) and a foreign tax liability of USD $40,175 (CDN - $55,603). At December 31, 2014, the foreign tax liability was USD $65,048 (CDN - $75,463).

### (e) Fair value measurements recognized in the statement of consolidated 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).

| **December 31, 2015** | Level 1 | Level 2 | Level 3 | Total financial assets at fair value |
|---|---|---|---|---|
| Financial assets | | | | |
| Cash and cash equivalents | $ - | $ 199,817 | $ - | $ 199,817 |
| Cash reserved for exploration | - | 1,077,113 | - | 1,077,113 |
| Equity investments | 265,065 | 51,839 | - | 316,904 |
| Accounts receivable | - | - | 77,728 | 77,728 |
| Reclamation bonds | - | 163,083 | - | 163,083 |
| Total financial assets | $ 265,065 | $ 1,491,852 | $ 77,728 | $ 1,834,645 |

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

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.

| December 31, 2014 | Level 1 | Level 2 | Level 3 | Total financial assets at fair value |
|---|---|---|---|---|
| Financial assets | | | | |
| Cash and cash equivalents | $ - | $ 231,713 | $ - | $ 231,713 |
| Cash reserved for exploration | - | 1,594,860 | - | 1,594,860 |
| Equity investments | 176,035 | 129,597 | - | 305,632 |
| Accounts receivable | - | - | 295,706 | 295,706 |
| Reclamation bonds | - | 137,928 | - | 137,928 |
| Total financial assets | $ 176,035 | $ 2,094,098 | $ 295,706 | $ 2,565,839 |

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

## 26. Commitments and contingencies

At the year-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 7. At this time, Management anticipates meeting that obligation and as a result, no additional disclosures are required.

## 27. Subsequent Event

On January 7, 2016, Globex acquired a 100% interest in the Devil's Pike Gold Property located in New Brunswick. The property was acquired from Rockport Mining Corp. by issuing 350,000 Globex shares at a deemed issue price of $0.25 per share and a one percent (1%) Net Smelter Royalty (NSR) payable after the property has produced 600,000 ounces of gold.

## Schedule A - Mineral properties and deferred exploration expenses

| | | | | 2014 | | | 2015 | |
|---|---|---|---|---|---|---|---|---|
| | | Balance January 1, 2014 | Additions | Disposals, impairments, and recoveries | Balance December 31, 2014 | Additions | Disposals, impairments, and recoveries | Balance December 31, 2015 |
| Region | | | | | | | | |
| Nova Scotia | | | | | | | | |
| Other properties | Mineral property | $ 18,857 | $ 40 | $ (18,857) | $ 40 | $ - | $ (40) | $ - |
| | Exploration | 126,606 | 993 | (5,565) | 122,034 | 12,099 | (134,133) | - |
| Ontario | | | | | | | | |
| Deloro | Mineral property | 46,924 | - | - | 46,924 | 2,250 | - | 49,174 |
| | Exploration | 6,557,972 | 295,112 | - | 6,853,084 | 91,687 | - | 6,944,771 |
| Other properties | Mineral property | 847 | - | (847) | - | - | - | - |
| | Exploration | 24,340 | 16,048 | (40,388) | - | 19,943 | (19,943) | - |
| | Mineral property | 47,771 | - | (847) | 46,924 | 2,250 | - | 49,174 |
| | Exploration | 6,582,312 | 311,160 | (40,388) | 6,853,084 | 111,630 | (19,943) | 6,944,771 |
| Quebec | | | | | | | | |
| Atwatter | Mineral property | 14,453 | - | (14,453) | - | - | - | - |
| | Exploration | 1,549,925 | 96,445 | (1,459,547) | 186,823 | 24,318 | (211,141) | - |
| Beauchastel | Mineral property | 18,589 | - | (18,589) | - | - | - | - |
| | Exploration | 658,476 | 95,282 | (553,303) | 200,455 | 24,391 | (68,888) | 155,958 |
| Cadillac | Mineral property | 2,683,652 | - | - | 2,683,652 | - | - | 2,683,652 |
| | Exploration | 2,908,919 | 190,814 | - | 3,099,733 | 193,064 | (6,192) | 3,286,605 |
| Carpentier | Mineral property | - | - | - | - | 55 | - | 55 |
| | Exploration | - | - | - | - | 107,778 | - | 107,778 |
| Chibougamau | Mineral property | 581 | - | (581) | - | 276 | (276) | - |
| | Exploration | 418,339 | 195,354 | (613,693) | - | 38,274 | (38,274) | - |
| Destor & Poularies | Mineral property | 1,544 | 993 | (1,350) | 1,187 | 488 | (1,675) | - |
| | Exploration | 1,888,692 | 104,957 | (676) | 1,992,973 | 37,205 | (1,545,013) | 485,165 |
| Dufresnoy, Vauze | Mineral property | 972 | - | - | 972 | - | - | 972 |
| | Exploration | 578 | 142,255 | - | 142,833 | 12,105 | - | 154,938 |
| Duvan Copper | Mineral property | 5,248 | 579 | (5,827) | - | 1,041 | (1,041) | - |
| | Exploration | 20,120 | 16,070 | (24,173) | 12,017 | 80,850 | (31,195) | 61,672 |
| Great Plains | Mineral property | - | 494 | - | 494 | 308 | - | 802 |
| | Exploration | - | 9,138 | - | 9,138 | 93,324 | - | 102,462 |
| Louvicourt, Beacon | Mineral property | - | - | - | - | - | - | - |
| | Exploration | 162,110 | 3,964 | (166,074) | - | 768 | (768) | - |
| Malartic | Mineral property | 192 | - | - | 192 | - | (192) | - |
| | Exploration | 457,330 | 4,027 | (14,879) | 446,478 | 5,145 | (32,999) | 418,624 |
| Montalembert | Mineral property | - | - | - | - | 6,536 | - | 6,536 |
| | Exploration | - | - | - | - | 188,888 | - | 188,888 |
| Poirier & Joutel | Mineral property | 2,000 | - | (2,000) | - | - | - | - |
| | Exploration | 386,243 | 351,054 | (512,973) | 224,324 | 193,660 | (6,443) | 411,541 |
| Rouyn | Mineral property | 15 | 3,609 | (71) | 3,553 | 139 | (3,243) | 449 |
| | Exploration | 164,872 | 115,694 | (130,264) | 150,302 | 81,275 | (27,994) | 203,583 |
| Tavernier | Mineral property | 4,115 | 219 | (4,334) | - | - | - | - |
| | Exploration | 1,183,532 | 228,755 | (1,074,708) | 337,579 | 19,640 | (12,252) | 344,967 |
| Tiblemont | Mineral property | 5,002 | - | (4,660) | 342 | - | - | 342 |
| | Exploration | 405,071 | 99,952 | (402,296) | 102,727 | 1,715 | (104,442) | - |
| Tonnancour | Mineral property | 5,746 | 328 | (6,074) | - | 221 | - | 221 |
| | Exploration | 1,060,293 | 9,453 | (893,925) | 175,821 | 31,384 | - | 207,205 |
| Val d'Or | Mineral property | - | | | - | - | - | - |
| | Exploration | 274,594 | 3,978 | (201,901) | 76,671 | 2,621 | (79,292) | - |
| Other properties | Mineral property | 186,141 | 164,851 | (125,131) | 225,861 | 16,664 | (76,094) | 166,431 |
| | Exploration | 438,827 | 440,465 | (727,499) | 151,793 | 512,624 | (446,403) | 218,014 |
| Less: Quebec refundable tax credits | Exploration | (1,443,307) | - | - | (1,443,307) | - | - | (1,443,307) |
| | Mineral property | 2,928,250 | 171,073 | (183,070) | 2,916,253 | 25,728 | (82,521) | 2,859,460 |
| | Exploration | 10,534,614 | 2,107,657 | (6,775,911) | 5,866,360 | 1,649,029 | (2,611,296) | 4,904,093 |
| Other regions | Mineral property | - | - | - | - | - | - | - |
| | Exploration | 139,095 | 12,092 | (151,187) | - | 21,019 | (21,019) | - |
| Total mineral properties | | $ 2,994,878 | $ 171,113 | $ (202,774) | $ 2,963,217 | $ 27,978 | $ (82,561) | $ 2,908,634 |
| Total exploration | | $ 17,382,627 | $ 2,431,902 | $ (6,973,051) | $ 12,841,478 | $ 1,793,777 | $ (2,786,391) | $ 11,848,864 |

This schedule reports financial information by region which is consistent with Globex exploration activities.

# CORPORATE INFORMATION

**Board of Directors**

Jack Stoch
Director
Toronto, Ontario  Canada

Dianne Stoch
Director
Toronto, Ontario  Canada

**Independent Directors**

Ian Atkinson [(1) (2) (3)]
Director
Toronto, Ontario  Canada

Chris Bryan [(1) (2) (3)]
Director
Cambridge, Ontario  Canada

Johannes H.C. van Hoof [(1) (2) (3)]
Director
Buenos Aires, Argentina

(1) Member of the Audit Committee
(2) Member of the Corporate Governance Committee
(3) Member of the Compensation Committee

**Stock Exchange Listings**

**Canada** - Trading Symbol: **GMX**
Toronto Stock Exchange

**Germany** - Trading Symbol: **G1M**
Frankfurt Stock Exchange
Berlin Stock Exchange
Munich Stock Exchange
Stuttgart Stock Exchange
Xetra Stock Exchange

**USA** - Trading Symbol: **GLBXF**
OTCQX International

**SEC - Rule  12g3 - 2(b)**
Foreign Private Issue

**CUSIP No.  379900 50 9**

**Officers**

Jack Stoch
President and Chief Executive Officer

Dianne Stoch
Executive Vice President

William McGuinty
Vice President Operations

James Wilson
Chief Financial Officer, Treasurer and Corporate Secretary

**Auditors**

Deloitte LLP "Comptables Professionnels agréés"
Rouyn-Noranda, Quebec  Canada

**Legal Counsel**

Fasken Martineau DuMoulin s.e.n.c.r.l.
Montreal, Quebec  Canada

**Transfer Agent & Registrar**

Computershare Investor Services Inc.
Montreal, Quebec  Canada

**Head Office**

Globex Mining Enterprises Inc.
89, Belsize Dr
Toronto, On
M4S 1L3  Canada

**Principal Business Offices**

86, 14$^{th}$ Street
Rouyn-Noranda, Qc
J9X 2J1   Canada
Telephone: 819.797.5242
Fax: 819.797.1470
info@globexmining.com
www.globexmining.com

**Annual Meeting of Shareholders**

May 31, 2016 at 11:00 a.m.
The Principal Business Offices of the Corporation
86, 14$^{th}$ Street
Rouyn-Noranda, Quebec  Canada