INTERIM REPORT

SIX MONTHS ENDED JUNE 30, 2017
(UNAUDITED)

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STATEMENT CONCERNING THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Management has compiled the unaudited interim condensed consolidated financial report as of June 30, 2017 and 2016. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered professional accountants.

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Management's Discussion and Analysis

For the three-month and six-month periods ended June 30, 2017

This Management's Discussion and Analysis ("MD&A") is intended to supplement the financial information contained in the Globex Mining Enterprises Inc.'s. ("Globex", the "Corporation" and "we") interim condensed consolidated financial statements for the three-month and six-month periods ended June 30, 2017 and the annual consolidated financial statements for the two years ended December 31, 2016 and December 31, 2015. This document has been prepared as of July 28, 2017.

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Overview

Globex Mining Enterprises Inc. ("Globex") is a North American focused exploration and development property bank which operates under the project generator model which seeks to create shareholder value by acquiring mineral properties, undertaking limited exploration and preparing the properties for optioning, joint venturing, or outright sale, all within the goal of advancing the projects towards 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.

Under Globex property option arrangements, the Optionee gains the rights and control of the property and the right to acquire an interest in the property in exchange for:

- a series of annual cash and/or share payments,
- an exploration work commitment, as well as
- a Gross Metal Royalty (GMR).

Upon the satisfaction of the option terms, 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 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 150 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, 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's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol GMX, in Europe under the symbol G1MN on the Frankfurt, Stuttgart, Berlin, Munich, Tradegate, Lang & Schwartz Stock Exchanges 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.

Economic environment and corporate focus

Economic environment

Early in 2016, we saw both significant volatility in the world financial markets and downward pressures on all commodity prices much of which was a result of the declines in economic growth in a number of important world economies. During the latter part of 2016, there was a recognition of the rebalancing between supply and demand for a number of commodities including copper and zinc which was reflected in increased commodity prices. Following the U.S. election, the stock markets and commodities prices reflected an anticipation of global growth fuelled by solid growth in China and an improved outlook in Europe as well as anticipated tax cuts and infrastructure spending plans in the U.S.

During 2017, we have seen modest economic growth in a number of European economies, China, Canada and the U.S. On the commodities front, at times. we have seen volatility in the nickel and zinc prices reflecting political inputs in producer countries as well as short-term trader activities. There has been a decline in the LME Zinc stocks. At this time, there appears to be consensus that the commodity prices will increase over the near-term forecast period as a result of both the lack of new production capacity coming on stream and the recent decline in the U.S. dollar. Commodities are priced globally in U.S. currency so their prices typically move in the opposite direction from the U.S. dollar.

While these trends are positive, a number of factors including political risks, potential interest rate hikes in a number of countries and the U.S. President's governing approach and lack of detailed policy direction represent possible uncertainties which could impact growth targets and near-term metal prices.

During property acquisition, exploration, and financial planning, management monitors metal demand and supply balances as well as price trends. In addition to monitoring the metal prices, management also monitors financing activities in the Junior Mining Sector as this represents the sector in which both current and potential partners generate the financing needed to complete option arrangements with GMX.

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

Summary of Metal Prices

Current Prices with Comparatives (December 31, 2012 - 2016)

Commodities (USD)	Current	December 31,				
	2017	2016	2015	2014	2013	2012
Gold ($/oz)	Q1 - 1,244.85	1,145.00	1,060.00	1,180.00	1,205.00	1,656.00
	Q2 - 1,241.55					
Silver ($/oz)	Q1 - 18.06	16.24	13.83	15.70	19.44	30.06
	Q2 - 16.61					
Nickel ($/pound)	Q1 - 4.51	4.53	4.00	6.68	6.31	7.89
	Q2 - 4.26					
Copper ($/pound)	Q1 - 2.64	2.50	2.13	2.85	3.35	3.61
	Q2 - 2.69					
Zinc ($/pound)	Q1 - 1.24	1.16	0.73	0.98	0.92	0.92
	Q2 - 1.25					

Table 1

On September 27, 2016, Nyrstar Inc. announced that as a result of recent increases in zinc prices it was restarting its Mid Tennessee mining and processing operations in Q1 2017. This decision is supported by the recent increase in Zinc prices which rose from USD $0.82 per pound at June 30, 2016 to USD $1.16 per pound at December 31, 2016 and currently is trading at USD $1.25 per pound. Production at the facilities began in May 2017 and Globex received Gross Metal Royalty payments related to May and June production on July 17, 2017.

Corporate Focus

The Corporation's strategy is currently focused on:

- Pursuing ongoing business activities including:
    - Sales and optioning of properties;
    - Targeted exploration to broaden our geological understanding of our properties with a view to creating increased value; as well as
    - Selective property acquisitions.

Highlights for the three-month and six-month periods ended June 30, 2017

- On June 21, 2017, the Corporation issued 1,119,718 flow-through shares under a private placement at a price of $0.71 per share for gross proceeds of $795,000. The fair value of these shares was $515,070 ($0.46 per share) based on the TSX closing price on June 21, 2017.

- Revenues for the second quarter of 2017 were $668,147 as compared to $475,442 in 2016 with the increase as a result of the receipt of zinc metal royalties of $198,808 (2016 - $Nil).

- The revenues for the six-month period ended June 30, 2017 were $1,148,541 as compared to $530,442 in 2016 with the increase of $618,099 reflecting zinc metal royalties of $198,808 (2016 - $Nil) and net option income of $949,733 in the current year as compared to $530,442 in 2016. Further details on pages 15 and 16.

- Total operating expenses for the quarter were $400,586 (2016 - $268,245). After adjusting for the non-cash items (depreciation, share-based compensation, impairment provisions, and bad debts), the cash operating expenses were $354,928 (2016 - $221,193). Total expenses for the six-month period ended June 30, 2017 were $810,595 (2016 - $574,670). After adjusting for the non-cash items, the cash operating expenses were $706,665 (2016 - $455,859). The increase in the expenses both in the three-month and six- month periods ended June 30, 2017 reflect increased; salary costs, administration expenses and professional fees. Further details on pages 18 - 21.

- During the three-month period ended June 30, 2017, Globex reported a loss of $177,607 as compared to income of $58,611 in the comparable period in 2016, The change mainly reflects an increased decline in the fair value of financial assets.

- During the six-month period ended June 30, 2017, a loss of $33,963 as compared to a loss of $72,058 in the comparable period in 2016.

- Exploration expenditures for the three months ended June 30, 2017 totalled $324,175 (2016 - 381,066) and during the six-month period ended June 30, 2017, exploration expenditures totalled $688,698 (2016 - $685,693) which reflects eligible flow-through expenditures of $636,083 (2016 - $606,995) and non-flow through expenditures of $52,615 (2016 - $78,698). The most significant expenditures during the first six months of 2017 were on the following projects:
    - Timmins Talc-Magnesite (Deloro) - $31,990,
    - Fabie Bay Magusi (Hebecourt, Montbray) -$137,830,
    - Francoeur (Beauchastel) - $90,663,
    - Lac Ontario (Cote-de-Beaupre) - $20,453,
    - Lac Savignac (Northern Quebec) - $126,335,
    - Pyrox (Clairy) - $83,164.

  Further details on pages 5 -- 9.

- At June 30, 2017, cash and cash equivalents totalled $1,943,112 (restricted funds - $1,058,917) compared to $1,412,273 at December 31, 2016 (restricted funds - $900,000). The increase includes the $795,000 of restricted funds raised on June 21, 2017.

- During the first six months of 2017, Globex spent $58,926 (2016 - $40,329) on property acquisitions. The acquisitions in the current period includes $35,000 related to six cells located in Blondeau Township, Quebec. The cells cover the Kelly Lake copper, nickel, platinum, palladium and cobalt zone. During the comparable period in 2016, the Devil's Pike Gold Property, was acquired by Globex by issuing 350,000 Globex shares at a deemed price of $0.25 per share and also issuing 280,000 shares at a deemed price of $0.40 per share to acquire 69 mining claims in Duverny, Township and other properties were acquired for cash of $40,329.

- Proceeds from the sale of investments for the six months ended June 30, 2017 totalled $333,595 (2016 - $99,980). The increase reflects the additional shares received under option agreements late in 2016 and the active investment management of the equity portfolio.

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 by Jack Stoch, President and CEO of Globex 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 three months ended June 30, 2017 totalled $324,175 (2016 - $381,066) which reflects eligible flow-through expenditures of $299,189 (2016 - $367,552) and non-flow through expenditures of $24,986 (2016 - $13,514).

During the six-month period ended June 30, 2017, exploration expenditures totalled $688,698 (2016 - $685,693) which reflects eligible flow-through expenditures of $636,083 (2016 - $606,995) and non-flow through expenditures of $52,615 (2016 - $78,698).

Project Exploration Expenditures
Six-month periods ended June 30, 2017 and June 30, 2016.

Region/Property/Township	2017 $	2016 $
Ontario		
• Timmins Talc-Magnesite (Deloro)	**31,990**	90,147
• Other projects	**5,042**	12,843
	37,032	102,990
Quebec		
• Blackcliff (Malartic)	**416**	35,305
• Cameron (Grevet)	**3,637**	24,913
• Carpentier (Carpentier)	**878**	10,712
• Certac (Le Tac)	**958**	9,031
• Chubb, McNeely (Lacorne)	**6,701**	14,856
• Deane (Cadillac)	**394**	12,819
• Duvan Copper (Des Meloizes, La Reine)	**1,038**	11,525
• Eagle Mine, Mine Poirier, Soissons (Joutel / Poirier)	**1,663**	7,696
• Fabie Bay Magusi (Hebecourt, Montbray)	**137,830**	15,471
• Feldspar (Johan-Beetz)	**1,663**	17,103
• Francoeur (Beauchastel)	**90,663**	27,134
• Great Plains (Clermont)	**767**	16,133
• Lac Ontario (Cote-de-Beaupre)	**20,453**	510
• Lac Savignac (Northern Quebec)	**126,335**	-
• Lyndhurst (Destor / Poularies)	**5,826**	8,649
• Montalembert (Montalembert)	**-**	129,295
• Pandora-Wood & Central Cadillac (Cadillac)	**1,885**	7,053
• Pyrox (Clairy)	**83,164**	9,567
• Rousseau (Rousseau)	**447**	11,149
• Sheen Lake (Guillet)	**154**	9,448
• Silidor (Rouyn)	**1,306**	11,497
• Tonnancour (Tonnancour, Josselin)	**9,363**	3,683
• Turner Falls (Atwater)	**917**	12,001
• Other projects	**55,309**	65,947
• General exploration	**72,339**	87,665
Total Quebec exploration	**624,106**	559,162
Other regions		
• Nova Scotia	**6,530**	797
• New Brunswick	**6,173**	20,019
• British Columbia	**475**	-
• Other regions (USA)	**4,351**	2,725
• Other regions (Europe)	**10,031**	-
Total other regions	**27,560**	23,541
Total exploration expenditures	**688,698**	685,693
Q1	**364,523**	304,627
Q2	**324,175**	381,066
Total exploration expenditures	**688,698**	685,693

Table 2

Notes:

1. The Property/Region/Townships are consistent with the groupings as reflected in Schedule A to the December 31, 2016 Audited Consolidated Financial Statements.

The exploration expenditures by type are detailed in note 12 to the Interim Condensed Consolidated Financial Statements. During the six months ended June 30, 2017, the following major types of expenditures were incurred;

- Labour - $254,201 (2016 - $433,791),
- Consulting - $5,635 (2016 – $11,504),
- Laboratory analysis and sampling - $35,809 (2016 - $47,046),
- Drilling -$143,969 (2016 - $Nil),
- Geology - $3,250 (2016 -$83,942),
- Geophysics - $35,038 (2016 - $2,500),
- Mining property tax, permits and prospecting - $58,093 (2016 - $28,038),
- Reports, maps and supplies - $10,702 (2016 - $32,041),
- Transport and road access – $132,984 (2016 – $27,595),
- Other - $9,017 (2016 - $19,236).

Timmins Talc-Magnesite Project ("TTM")

Background Information

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

- 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.

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 issued a press release announcing a National Instrument ("NI") 43-101-compliant Technical Report for the Preliminary Economic Assessment ("PEA") of the TTM project. The full PEA 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.

- This press release also 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 were estimated at 61% over the initial 20-year period.

Project Activities, 2015 - 2017

- In 2015, Globex spent $91,687 on the project directed towards developing a range of project values and alternate structures which could allow partners to participate or acquire the project. A dedicated consultant was engaged to explore potential parties with related industry knowledge. At that time, discussions were challenging considering the uncertainties in the financial markets and economic outlooks.

- During 2016, exploration expenses of $114,405 was incurred on the project reviewing and reinterpreting drilling data and sample analysis acquired during the period 2008 - 2014. This analysis and interpretation was mainly designed to gain additional information which could be used in generating an updated resource estimate for potential mine planning and financial modelling.

- During the first six months of 2017, $31,990 was spent on the project completing various analyses, including QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscopy) of infill drilling, all of which is designed to support the completion of the revised resource estimate late in 2017.

- Globex continues to explore various opportunities for the potential products that could be produced and seek opportunities to realize financial benefits from this project.

Quebec projects

During the six months of 2017, exploration expenditures of $624,106 (2016 - $559,162) were incurred on Quebec projects. The expenditures include the completion of exploration assessment reports for 2017 work completed in late 2016 on the Francoeur/Arntfield Mines gold project.

Ground geophysics was completed on Lac Savignac, Pyrox, and Tonnancour projects and airborne geophysics was performed on Lac Ontario property.

Drilling was completed on the eastern part of the Fabie Bay - Magusi property overlaying Lac Duparquet. Anomalies from the geophysics on Lac Savignac and Pyrox properties were also drilled.

Environmental studies and follow up activities were undertaken on the Francoeur/Arntfield and Lyndhurst properties.

Projects on which the largest expenditures were incurred in the first quarter of 2017 are described below:

- **Fabie Bay/Magusi** (Hébécourt, Montbray) – Two drill holes were completed late in March on the eastern extension of the Fabie Bay-Magusi stratigraphy. Drilling was performed from the lake ice with helicopter support. The first hole was abandoned after 96 metres when the casing did not encounter the bedrock in the vicinity of the Smokey Creek Fault. The second hole encountered strongly altered rhyolite and was halted at 135 metres due to poor ice conditions. No base metals were intersected and a downhole pulse EM survey did not record any anomalies.

- **Francoeur and Arntfield Mines** (Beauchastel, Dasserat twps.) - A report was completed for drill hole FS-16-35 which returned1.19 gpt Au over 74.0 m (true width 40 m) including 4.64 gpt Au over 8 m. Prospecting, surface sampling and structural mapping is being performed and this work will lead to stripping and trenching for the area of the discovery and different other areas where historical intersections have been compiled and visited on the field. Over 230 samples from historical drilling have been sampled to further support the potential for an open pittable, large tonnage, low grade exploration model target. Results are pending.

- **Lac Ontario** (Cote-de-Beaupre) - A 460 linear km high resolution helicopter borne magnetic survey was completed in March and resulted in the definition of a large magnetic anomaly located directly north of ilmenite bearing fragments from glacial debris. The magnetic anomaly could possibly be the source of the ilmenite fragments since the ilmenite within the fragment are associated with some magnetite.

- **Lac Savignac** (Northern Quebec) – A ground magnetic survey on a 50 metre spacing grid was completed over a 700 metres diameter anomalous, circular airborne magnetic feature located on the Lac Savignac property. The geophysical anomaly has been drill tested in the second quarter with a 300 metre drill hole. Kimberlite materials has not been observed in the core.

- **McNeely** (Lacorne, Landrienne) – Three days of prospecting and sampling were completed on the McNeely lithium property. Several samples have been sent to the lab and results are pending.

- **Pyrox** (Clairy) – Ground geophysics consisting in Max-Min and Mag surveys was completed on a 5 km linear grid during this winter. An electromagnetic anomaly has been tested in the second quarters with a 129 metre drill hole. Only weak Ni-Cr mineralisation has been intersected.

- **Tonnancour** (Tonnancour, Josselin, Holmes, Bartouille) – Ground geophysics grids from the 2015 geophysical surveys have been extended, mag and max-min surveys were completed on these grid extensions. Anomalies are ready to drill targets.

New Brunswick projects

- During 2016, exploration expenses of $79,054 (net of $40,000 from the New Brunswick Mineral Assistance Program) were incurred on the Devil's Pike Gold Property, which had been acquired on January 7, 2016. The exploration activities included conducting a property evaluation, soil sampling, geophysical surveys, drill and survey planning, drilling as well as additional claim staking.

- On September 6, 2016 Globex issued a press release outlining that prospecting work had been completed and subsequently on October 24, 2016, Globex announced it had started a three to four-hole drill program on the property.

- The best results from the Globex drilling undertaken in October 2016, came from drill hole DPA-16-01 returning 0.91 gpt Au over 37.15 m from 71.35 to 108.50 metre including 1.36 gpt Au over 16.65 m from 91.85 to 108.5 metres including 7.95 gpt Au over 1.5 m from 101.65 to 103.15. A high-grade antimony intersection grading 12.5 Sb over 0.5 m was encountered from 76.5 to 77.0 metres.

- The area being drilled by Globex is separate from the area where Roscoe Postle Associates Inc. reported on inferred gold resource as summarised below:

Resource Classification	Zone	Tonnes	Capped Au (gpt)	Au Oz	Uncapped Au (gpt)	Au Oz
Inferred	Main Zone	78,200	11.47	28,800	17.10	43,000
Inferred	Parallel Zone	136,600	8.54	37,500	11.41	50,100
Inferred	Total	214,800	9.60	66,300	13.48	93,100

Table 4

NI 43-101 Technical Report on the Golden Pike Project, New Brunswick, Canada for Portage Minerals Inc. (Canadian Issuer) by Paul Chamois, MSc (Applied) P. Geo., Tudorel Ciuculescu, M.Sc., P.Geo. and David A. Ross, M.Sc., P.Geo., Roscoe Postle Associates Inc., August 19, 2011 (Posted on SEDAR; see Globex press release dated January 7, 2016 and the NI 43-101 report on Globex's website, at www.globexmining.com). Inferred resources are not mineral reserves and do not have demonstrated economic viability.

- During the first half of 2017, follow up work on the 2016 exploration programs and reporting was undertaken.

Mineral property acquisitions

During the first six months of 2017, Globex spent $58,926 (2016 - $40,329) on property acquisitions. The acquisitions in the current year includes $35,000 related to six cells located in Blondeau Township, Quebec. The cells cover the Kelly Lake copper, nickel, platinum, palladium and cobalt zone. Further details related to this acquisition are outlined in Globex's press released of April 12, 2017 which is posted on Globex's web-site.

On May 15, 2017, Globex announced in a press release that it acquired, the claims required to complete the acquisition of the Normetmar zinc deposit located approximately one kilometer west-northwest of the former Normetal Mine, also owned by Globex which was one of the largest polymetallic deposits in Quebec.

The Normetmar zinc deposit was reported to be a 306,000 t orebody grading 11 % Zn by Kerr Addison to a depth of 427 m. In 1988, Exploration minière Normetal Inc. ("Exploration Normetal") reported 160,748 t of probable and possible ore down to a vertical depth of 145 m (Summary Report, Normetmar Project, January 1988 by L. Boivin). (Note: The resources cited above are historical, are not current mineral resources under National Instrument 43-101 regulations, are not being considered by Globex as current resources or reserves, have not been reviewed by a Globex geologist and should not be relied upon.)

Now that Globex owns the entire Normetmar and Normetal Mine properties, we will compile and study all the available data in order to:

(1) identify drill targets,
(2) attempt to expand the Normetmar zinc zone and
(3) determine if the near surface Normetmar zinc body and/or Normetal mine crown pillar and hanging wall can be economically mined.

During the first six months of 2016, the major property acquisitions consisted of:

- Francoeur and Arntfield Mine Gold Project (Beauchastel, Dasserat Twps., Quebec),
- Golden Pike Gold Property (also called Devil's Pike, New Brunswick),
- Cameron Shear Gold Property (Franquet and Grevet Twps., Quebec), as well as,
- Several other mineral properties including the Pyrox and Certac properties.

Optioned and royalty properties

The most significant partners' reporting for the period follows:

Johan Beetz Property (Walmer Capital Corp. (name changed to Enerspar Corp. March 30, 2017) - On August 22, 2016, Globex announced in a press release that it had optioned its Johan Beetz Feldspar Property located in Johan Beetz/Illes et Ilets de Mingan 03 Township, Quebec, to Enerspar Corp. Subsequently, the agreement was modified and it was agreed that upon TSXV Exchange Enerspar it would pay Globex $100,000 and 2 million Enerspar shares to earn a 100% interest in the property subject to a 2.5% Gross Metal Royalty payable to Globex.

An initial $100,000 cash payment was received on April 2, 2017 and 2 million shares were received on April 12, 2017, at a deemed price per share of $0.05 per share.

Enerspar is currently finalizing plans for their summer work program on the property.

Fontana Gold Property (Duverny) - On May 31, 2017 Tres-Or Resources released assay results from the first two drill holes of their drill program on the Globex's Fontana Gold Property northeast of Amos, Quebec. Drill hole F17-01 returned 46,1 g/t Au over 0.5 metre and 10.4 g/t Au over 1.0 metre. Drill hole F17-02 has returned 2.99 g/t Au over 7 metres including 15.91 g/t Au over 1.0 metre.

St-Urban (Silicon Ridge) (Rogue Resources Inc. "Rogue", Quebec) - In August 2015, Rogue acquired the property. Globex received 1,000,000 shares of Rogue, acquisition costs and retains a 1% Net Smelter Return (NSR). The Property is located 100 km northeast of Québec City and approximately 40 km north of the City of Baie-Saint-Paul, on the north shore of the Saint Lawrence River.

On April 4, 2016, Rogue announced a name change for the project to Silicon Ridge and reported results from activities initiated in 2015 including completion of seventy-one (71) drill holes, totalling 11,822 m which defined the "G" quartzite unit intersecting approximately 1,950 m of strike length with true widths between 31 m and 115 m and the "H" quartzite unit intersecting approximately 500 m of strike length with true widths ranging from 35 m to 118 m. These units are located approximately 260 m apart. Rogue highlighted intercepts in its April 4 press release from 20 holes which ranged from 8.5 m to 189 m reporting weighted averages of 97.9% to 98.5% Silica (SiO_2) from the drilling.

In the second quarter of 2016, Rogue reported that testing by Anzaplan concluded the high-grade silica found at Silicon Ridge is suitable for commercial applications. Anzaplan determined that possible products include silicon-based products, high value applications (glass, ceramics) and a variety of fillers. Rogue also announced that a bulk sample would be extracted at Silicon Ridge and processed by ANZAPLAN into a variety of products to support commercial discussions with potential customers.

On June 7, 2016, Rogue announced by press release a resource estimate completed by Met-Chem Canada which identified Measured and Indicated Resources of 9.7 Mt grading 98.6% SiO_2 and Inferred Mineral Resources estimated at 4.6 Mt grading 98.6% SiO_2. According to the press release, the resource estimate includes resources from 3 zones referred to as the South West, North East and Centre North zones, all zones are open along strike and down dip and have potential for expansion.

On September 14, 2016, Rogue issued a press release announcing a positive Preliminary Economic Assessment for Silicon Ridge Project. The PEA indicates a base case pre-tax NPV (10% discount rate) of $36.5M and IRR of 40% (after-tax IRR of 33.9% and NPV at 10% of $23.8M) and pre-production capital requirements of $10.5M (plus $2.6M contingency). The preliminary Economic Assessment was filed on SEDAR on October 26, 2016. Subsequently on November 18, 2016, Rogue announced in a press release the results of a survey to quantify the volume of overburden that will be removed and stockpiled and will form a portion of the project optimization process.

On January 5, 2017, Rogue issued a press release providing an update regarding the further analysis to reduce the amount of overburden need to be stripped for open pit mining and the Board of Director's decision in favour of advancing the Silicon Ridge Project in 2017 by beginning to file the necessary application to secure the required permits, certificates and authorizations to initiate development activities. On February 13, 2017, Rogue issued a press release which outlined the major events anticipated for 2017, as the Company drives towards a development decision. On March 26, 2017, Rogue issued a press release providing an update regarding the positive results of public consultation related to the Silicon Ridge Project.

Maude Lake (Ramp Mine) (Beatty, Carr, Coulson Wilkie Twps) - On February 7, 2017, RJK Explorations Ltd announced assays result from four holes totalling 578 metres of its 5,000 metre drill program to further define the ``5 zone." The best result was from drill hole RJK17-04 which intersected 5.37 gpt Au over 14.0 metres from 89.0 to 103.0 metres. On April 19 2017, RJK Exploration announced the beginning of phase 2 drilling targeting down plunge below the 330 metre level where historical drilling had returned high grade gold intersections. On June 19, 2017, RJK reported results for hole RJK-17-06 intersecting 12.6 metres grading 4.50 g/t Au.

Montalembert (Montalembert twp) - On November 17, 2016, Globex announced that Natan Resources Ltd. (NRL-V) had taken, subject to TSXV approval, an option on Globex's 58 cell, 3,183 hectare Montalembert Gold Property in Montalembert Township, Quebec 10 km northwest of the town of Waswanipi. Under the terms of the agreement, Natan agreed to pay $2,700,000 and issue 8,500,000 Natan shares to Globex and undertake $15,000,000 in exploration to earn 100% interest in the property subject to a Gross Metal Royalty (GMR).

On January 20, 2017, Natan Resources announced that the TSXV accepted the filing of the documentation related to this option agreement and Globex received $300,000 on January 21, 2017.

On February 27, 2017, Natan Resources announced that it had changed its name to Enforcer Gold Corp. On March 1, 2017, Enforcer announced the addition of over 4,000 hectares to the Montalembert property increasing its size to 7,293.6 hectares (all subject to terms of the option agreement). On March 28, 2017, Enforcer began a very high resolution aeromagnetic survey over the entire Montalembert property using Geotech`s HeliGrad-VLF EM triaxial gradiometer system.

On March 30, 2017, Enforcer released metallic sieve assay results for the high grade Montalembert gold project. Seven out of nine samples returned higher gold grade (up to a 1835% increase) using metallic sieve compared to the previous analytical method using fire assay and gravimetric finish. 2017 exploration program will consist of data compilation, ground and airborne geophysics, stripping of overburden, mapping, prospecting, channel sampling, RC and diamond drilling.

On June 6, 2017, they announced the start of a 45 line-km IP survey over the main Galena and No 2 vein gold bearing vein systems. Other work including additional stripping to extend the Galena and No2 veins, channel sampling, property-wide prospecting and geochemical sampling, 5,000 m to 8,000 m of core drilling and 1,000 m of RC drilling are planned.

On July 5, 2017, Enforcer announced that it had started an up to 8,000 m drill program on the Montalembert property. Drilling will be focused primarily on the Galena and No.2 gold bearing vein systems where previous surface channel sampling has returned assays in excess of 500 g/t Au. Drilling will be at 25 m centers to a vertical depth of 100 m. HQ sized core will be recovered in order to obtain a larger rock sample that could be gotten using more common and smaller diameter BQ or NQ core. This is being done in order to try to limit the "nugget effect" (the erratic distribution of coarse free gold) which makes it difficult to determine the true average grade of the vein systems. The larger the sample, the more likely it will be representative of the area being drilled. The "nugget effect" is a two-edged sword. It is difficult to establish an average gold grade by drilling but the presence of coarse free gold can potentially result in a significantly higher recoverable gold grade than indicated by drilling, when mining.

On July 26, 2017, Enforcer announced assay results from two channel samples from the recently stripped northern extension of No. 2 Vein on the Montalembert property. Channel sample MCH 225702 which contains coarse visible gold and was reported in Enforcer's press release dated July 11, 2017 returned the following assay:

Sample #	Gold (g/t)	Gold (oz/T)	Width (m)	Width (ft)
MCH 225702	**3,310**	**96.65**	1	3.28
MCH 225703	1.93	0.05	1	3.28
Channel Sample MCH 225703 was collected 20 m north of sample MCH 225702. See Enforcer press release for sampling and assaying details.				

Enforcer stated "We are very encouraged by the early results that demonstrate the continuity of the No. 2 shear zone to the north of the historical exposure limit and to find high-grade pockets of mineralization along the 189 m length of the vein that is currently exposed. Diamond drilling has begun at Montalembert and this structure will be fully tested in the weeks ahead."

Nordeau (Vauquelin, Pershing and Denain twps.) - On March 7, 2017, Chalice Gold Mines Ltd. has provided an updated mineral resource estimate comprising indicated mineral resources of 225,000 tonnes at 4.17 grams per tonne gold for 30,200 ounces Au contained and an inferred mineral resource of approximately 1,112,000 tonnes at 4.09 g/t Au for 146,3000 ounces Au contained within the Nordeau West gold deposit. On March 13, 2017, Chalice announced that they had commenced its 2,000 metre diamond drilling program.

Houlton Woodstock (Sunset Cove Mining Inc. (named changed to Manganese X Energy Corp., December 1, 2016, ("Manganese X")) - On April 22, 2016, Globex entered into an Option Agreement with Sunset Cove Mining Inc. related to the Houlton Woodstock Manganese Property located in the Province of New Brunswick.

Under the option terms, Sunset can exercise the option and earn a 100% interest in the property by making cash payments of $200,000 ($100,000 on signing the agreement and $100,000 on or prior to April 22, 2017), issuing an aggregate of 4,000,000 common shares to Globex and incurring aggregate exploration expenditures of $1,000,000 on the property during the two-year period following the effective date and the completion of a PEA on or before the fourth anniversary date.

On April, 28, 2016, the initial $100,000 option payment was received and in December 2016, 1,000,000 shares were received. On January 30, 2017, the second payment of $100,000 was received and an additional 1,000,000 common shares were issued to Globex on April 22, 2017.

During the fourth quarter of 2016 and first quarter of 2017, Manganese X Energy Corp. was very active in completing corporate activities, filing technical reports (November 30, 2016, Press Release), planning and completing a drilling program (December 21, 2016, Press Release), initiating an Electrolytic Manganese Dioxide Concept Study (December 29, 2016, Press Release), Formation of Technical & Marketing Advisory Board (January 16, 2017, Press Release) and completing a private placement financing with a target of $1,425,000 (January 31, 2017, Press Release).

In a Press Release, on February 3, 2017, Manganese X provided an update on Assay Results and the Globex Option Payments. It stated that the Corporation has recently completed a diamond drill program at its Houlton Woodstock manganese property located in Carleton County, New Brunswick (the "Property"). The drilling program consisted of 16 holes totalling 3,589 metres, and was completed as an initial test of three priority areas on the property: the Iron Ore Hill, Sharpe Farm and Moody Hill manganese occurrences. Drill targets were chosen based upon results derived from gravity and magnetometer surveys completed in October 2016.

On February 14, 2017, Manganese X reported the results of their 16 hole drill program totalling 3,589 metres having intersected core lengths of 87.7 m grading 9.35% MnO and 16.54% Fe2O3 (SF-16-01), 78.9 m grading 11.48% MnO and 19.17% Fe2O3 (SF-16-02), 85.5 m grading 11.47% MnO and 19.31% Fe2O3 (SF-16-04), and 75.6m grading 12.11% MnO and 18.33% Fe2O3 (SF-16-04). In March 2017, Manganese X Energy Corp. entered into its next phase of work consisting of an innovative metallurgical project. It is also their intention to produce an inferred resources NI 43-101 technical report by December 2017.

On March 2, 2017, the Company issued a press release providing an update with Technical Insights which highlighted that the Company has entered into an innovative metallurgical project which is developing a process in order to produce a manganese concentrate to be utilized for production of Electrolytic Manganese Dioxide which is also known as EMD, EMD is a high value manganese product which is utilized within various applications especially for lithium ion battery cathode material for electric vehicles. The press release which is filed on www. sedar.com further highlights the analysis approaches being followed and the involvement of Kingston Process Metallurgy in an initial process and test work review.

On April 11, 2017, the Company announced that it had received preliminary results from SGS-Lakefield of chemical analyses, mineralogical characterizations and assessments of the Company's Sharpe Farm and Moody Hill occurrences at its manganese property near Houlton-Woodstock, New Brunswick.

Based on the initial drill assay results, chemical analyses showed manganese contents of 9.42 and 10.45% Mn in the Red and Grey composites respectively. From the X-ray diffraction and QEMSCAN studies it was determined that the manganese occurs in several mineralogical forms including carbonates and silicates where the concentration across the various manganese-bearing species averaged 23% Mn (grey) and 27% Mn (red) with individual values of up to 45% Mn. In addition to the determination of the mineralogical composition of the samples submitted, PMA or particle map analysis was also carried out which permits measurement of individual mineral grain sizes and liberation characteristics. This information will prove invaluable as the Company moves towards assessing proposals from various research establishments with the goal of upgrading the ore to produce a marketable manganese concentrate.

In addition to a series of outreach proposals to commercial laboratories, the Company has also commenced discussions for a potential collaboration with NRC, the National Research Council Canada, which has expertise in mineral processing within the Energy, Mining and Environment sector and could offer assistance to the Company as it positions itself to be a significant supplier to the North American Li-ion market.

On May 25, 2017, Manganese X Energy Corp. announced that it had started a 1,600 metre drill program targeting the Sharpe and Moody Hill areas where wide space drill holes in 2016 intersected manganese oxide grades such as 16.73 % MnO over 32.85 m and 13.87 % MnO over 52.6 m. (See Manganese X press release dated May 25, 2017).

Overall, Globex is pleased with the progress that has been made in such a short period.

Beauchastel Properties (Opawica Explorations Inc.) - On July 27, 2016, Globex entered into a property option agreement with Opawica Exploration Inc. (“Opawica”) related to 24 claims in Beauchastel Township, Quebec for a cash payment of $30,000 and 500,000 Opawica common shares. On or before January 31, 2017, Opawica as optionor, was scheduled to pay an additional $30,000 and 500,000 Opawica common shares. The property will be subject to a 3% Gross Metal Royalty payable to Globex. These claims adjoin Opawica’s Bazooka Gold Property.

On October 27, 2016, Opawica announced in a press release the initialization of drill mobilization in November 2016. On January 30, 2017, Opawica announced that a delay in obtaining the access permit had required it to amend mobilization arrangements with the drill contractor. Drilling at Opawica’s 100% owned Bazooka Property commenced in mid February 2017.

This press release reported that it had also obtained a three-month extension on its Option to acquire 100% interest in Globex’s claims. The final option payment of $30,000 and 500,000 Opawica common shares was extended to April 30, 2017, for consideration of $5,000 and 250,000 common shares payable upon receipt of the TSXV acceptance of the extension which was received on February 8, 2017. The $30,000 cash payment and the issuance of 500,000 Opawica common shares were made effective April 21, 2017.

Sales and net option income

During the quarter-ended June 30, 2017, the Corporation entered into a new option agreement with Khalkos Exploration Inc., for the Deanne Property located in Cadillac Quebec and on April 21, 2017, it entered into an agreement for the deferral of a payment of $250,000 from RJK Exploration Ltd from May 16, 2017 to July 16, 2017 for 100,000 common shares with a fair market value of $15,000. In the second quarter of 2016, Globex entered into four new option agreements.

During the second quarter of 2017, net option income of $469,339 (2016 - $475,442) was reported. The net option income consisted of cash - $215,000 (2016 - $286,500) and shares with a fair market value on receipt of $400,375 (2016 - $324,000) which was reduced by the recovery of property acquisition costs and deferred exploration expenses of $146,036 (2016 - $135,058).

During the six-month period ended June 30, 2017, net option income of $949,733 (2016 - $530,442) was reported. The net option income consisted of cash - $700,000 (2016 - $366,500) and shares with a fair market value on receipt of $819,675 (2016 - $336,500) which was reduced by the recovery of property acquisition costs and deferred exploration expenses of $569,942 (2016 - $172,558). The increase in the net option income in the current year mainly represents $333,500 more of cash receipts in the current period.

Sales and net option income for the six-month period ended June 30, 2017

Property, Agreements Summary[1]	**Net Option Income** **$**	**Recovery of Property Acquisition** **$**	**Recovery of Exploration Expenses** **$**
Sales and Options			
• Khalkos Exploration Inc., Deanne property, Cadillac, Quebec, cash of $10,000 and 175,000 common shares with a fair market value of $25,375, April 20, 2017 agreement.	**22,136**	**-**	**13,239**
• Other, Fabie Bay, Magusi, Hébecourt & Montbray Twps, Quebec, cash payment of $25,000.	**-**	**-**	**25,000**
Option and sale payments under Agreements from prior years			
• Enforcer Gold, Montalembert property, Quebec, cash payment of $300,000 and 1,500,000 common shares with a fair market value of $315,000.	**218,722**	**6,749**	**389,529**
• Enerspar Corp. (name changed from Walmer Capital), Johan Beetz (Feldspar) property, Johan Beetz, Quebec, cash payment of $100,000 and 2.0 M. common shares with a fair market value of $100,000.	**181,392**	**120**	**18,488**
• Galway Metals, Tower Hill property, Quebec, acquired for 260,000 common shares with a fair market value of $79,300.	**78,640**	**660**	**-**
• Great Thunder Gold Corp., Chubb and Bouvier properties, Quebec, cash payments of $20,000.	**18,167**	**-**	**1,833**
• Manganese X Energy Corp., Houlton Woodstock property, New Brunswick, cash payments of $100,000 and 1.0 M shares with a fair market value of $185,000.	**283,933**	**-**	**1,067**

Property, Agreements Summary[1]	Net Option Income $	Recovery of Property Acquisition $	Recovery of Exploration Expenses $
• Opawica Explorations Inc., Beauchastel claims, Quebec, cash payments of $35,000 and 750,000 common shares with a fair market value of $62,500.	**97,500**	**-**	**-**
• Renforth Resources, Parbec Property, Quebec, cash payments of $75,000 and 500,000 common shares with a fair market value of $37,500.	**-**	**-**	**112,500**
• RJK Explorations Ltd, Maude Lake (Ramp Property), Ontario, 100,000 common shares with a fair market value of $15,000.	**14,243**	**-**	**757**
Advance royalties			
• Tres-Or Resources, Duvay (5 claims), Quebec, cash payment of $35,000.	**35,000**	**-**	**-**
Net option income and advance royalties for the period	**949,733**	**7,529**	**562,413**
Quarter-ended			
• **March 31, 2017**	**480,394**	**7,409**	**416,497**
• March 31, 2016	55,000	-	37,500
Quarter-ended			
• **June 30, 2017**	**469,339**	**120**	**145,916**
• June 30, 2016	475,442	113,958	21,100
Six months ended			
• **June 30, 2017**	**949,733**	**7,529**	**562,413**
• June 30, 2016	530,442	113,958	58,600

Table 5

Note

1. Details of the original option agreements negotiated in prior years are detailed in the Corporation's 2016 Annual Information Form.

First Quarter 2017 Option Agreements

Galway Metals Inc., Tower Hill Property

On December 14, 2016, Globex entered into an agreement with Galway Metals Inc. and 252780 Ontario Inc. for them to acquire the Tower Hill Property located in New Brunswick. The purchase price of the property consisted of; (a) the issuance of 260,000 common shares of Galway Metals Inc. and the grant of a 2.5% gross metal royalty. The shares were received on January 3, 2017.

Second Quarter 2017 Option Agreements

Khalkos Exploration Inc., Deane Property

On April 20, 2017, Globex entered into a purchase agreement whereby Khalkos Exploration Inc. agreed to acquire a 100% legal and beneficial interest in the Deane Property located in Cadillac Township, Quebec comprised of 3 mining claims. Under the agreement, Khalkos agreed to; make a cash payment of $10,000, issue 175,000 Khalkos common shares and reserve a 2% GMR for Globex.

RJK Explorations Ltd., Maude Lake (Ramp Mine)

On April 21, 2017, Globex entered into an agreement providing for the deferral of the payment date of the annual property payment of $250,000 due on May 16, 2017 to July 16, 2017 in return for the issuance of 100,000 RJK Exploration Class A subordinate voting share to Globex. The 100,000 shares were issued on May 8, 2017 at a deemed price of $0.15 per share. On July 13, 2017, RJK notified the Corporation that it would not be making its payment and therefore terminating its option agreement.

Royalties

At June 30, 2017, thirty-one royalty arrangements were in effect at various stages. The overall total of royalty arrangements remained unchanged from December 31, 2016. The Corporation's Annual Information Form and website www.globexmining.com provides Property Descriptions, a list of Royalty Interests, as well as the Optionees of the various properties.

Globex is entitled to a Gross Metal Royalty ("GMR") for zinc production from the Nyrstar Gordonsville facility. Under this agreement, if the LME zinc sale price is at or above USD$ 0.90 per pound, but below USD $1.10 per pound then the royalty is 1% and if the LME zinc sale rice is equal to or above USD $1.10 per pound then the royalty is 1.4%.

Summary of quarterly results

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

		2017				2016		2015
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	$	$	$	$	$	$	$	$
Total revenues	668,147	480,394	374,242	452,305	475,442	55,000	20,000	31,569
Total expenses	400,586	410,009	813,314	615,404	268,245	306,425	2,074,489	1,263,982
Other income (expenses)	(321,094)	166,637	(118,188)	114,703	(79,664)	97,379	(7,299)	(94,323)
Income (loss)[(1)]	(177,607)	143,644	(240,128)	(71,570)	58,611	(130,669)	(1,610,973)	(945,833)
Income (loss) per common share - Basic and diluted	0.00	0.00	(0.01)	(0.00)	0.00	(0.00)	(0.04)	(0.02)

Table 6

Note:

1. Attributable to common shareholders of the Corporation.

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

- Globex generates revenue from sale/option arrangements and gross metal royalty income from Nyrstar Inc. if the zinc price is above USD $0.90 per pound. In the third quarter of 2015, Zinc prices fell below USD. $0.90 per pound and the facilities were put on a "care and maintenance" basis on December 7, 2015. In May 2017, the Nyrstar facilities restarted and the average LME zinc prices were greater than USD $1.16 per pound and as a result, during the second quarter of 2017, gross metal royalty income of $198,808 (USD $150,272) was recorded.

- During the second, third and fourth quarters of 2016, as well as the first two quarters of 2017, the revenues reflect the successful completion of a number of option arrangements as a result of the renewed level of financings in the Junior Mining Sector which represents Globex customers.

- The total quarterly expenses as reported above reflect, salaries, administration, professional fees and outside services, share based compensation, impairment provisions, loss (gain) on foreign exchange and bad debt expenses. In accordance with GMX's accounting policy, general exploration expenses are expensed as incurred; however, in these respective periods as outlined below, additional impairment provisions have been recorded:

- 2016 - Q4 - $526,339
- 2016 - Q3 - $233,887
- 2015 - Q4 - $1,636,913
- 2015 - Q3 - $1,009,876

- During the first and second quarters of 2017, the quarterly expenses have increased by approximately $113,000 over the fourth quarter 2016 expenses after excluding impairment provisions, The increase mainly represents additional administration and investor relations expenses.

  The expenses for the third quarter of 2016 and the fourth quarter of 2015 also include $141,620 and $38,448 respectively for stock based compensation related to stock options that were issued in the period and immediately vested.

- The variations in other income or expenses mainly reflect an increase or decrease in the fair value of equity investments. During the second quarter of 2017, the Corporation recorded a decline in the fair value of investments of $300,463 as compared to an increase of $133,032 in the first quarter of 2017. These changes mainly related to equity investments received as compensation under sale/option agreements negotiated in 2016. Part of the decline in the fair value is a result of the "four-month" hold period imposed on these shares.

Results of operations for the three-month and six-month periods ended June 30, 2017

Revenues

Revenues for the second quarter of 2017 were $668,147 as compared to $475,442 in 2016 with the majority of the increase as a result of the receipt of zinc metal royalties of $198,808 (2016 - $Nil).

The revenues for the six-month period ended June 30, 2017 were $1,148,541 as compared to $530,442 in 2016 with the increase of $618,099 reflecting zinc metal royalties of $198,808 (2016 - $Nil) and net option income of $949,733 in the current year as compared to $530,442 in 2016. The increase in option income in the current year of $419,291 represents a higher level of cash receipts of $333,500 representing continuing payments under agreements negotiated in prior years with the remainder of $85,791 reflecting the net of the increase in the fair value of shares received and the offsetting increase in recovered costs.

Total expenses

In the second quarter of 2017, the total expenses were $400,586 compared to $268,245 in 2016. The net increase of $132,341 represents an increase in salaries, administration and professional fees.

During the six-month period ended June 30, 2017, total expenses were $810,595 as compared to $574,670 in the comparable period ended June 30, 2016. The increase of $235,925 reflects increased:

- salary costs of $63,916,
- administration expenses of $57,853 representing increased facilities and security, translation, transfer agent and investment costs,
- professional fees of $149,596 representing additional investor relations and project finder's fees and

An offsetting net decrease of $35,440 representing differences in impairment provisions, share-based compensation and payments, loss (gain) on foreign exchange and bad debt expense.

Salaries

- The increase in salaries from $86,375 in the second quarter of 2016 to $110,900 in the period ended June 30, 2017 reflects a partial reinstatement of the President and CEO and Executive Vice-President salary reductions which had been instituted in 2014 and limited salary increases implemented in the fourth quarter of 2016.

- During the six-month period ended June 30, 2017, the total salaries increased from $172,278 to $236,194 with the increase of $63,916 mainly representing a partial reinstatement of executive 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 17 to the Interim Condensed Consolidated financial statements.

- During the three-month period ended June 30, 2017, the administration expenses totalled $103,084 as compared to $69,826 in the comparable period in 2016. The increase of $33,258 mainly reflects additional facility and security and translation costs.

- During the six-month period ended June 30, 2017, the administration expenses totalled $188,289 as compared to $130,436 with the increase of $57,853 attributable to the various items as detailed above.

Professional fees and outside services

- The professional fees and outside services represent a combination of services as detailed in note 17 to the Interim Condensed Consolidated financial statements.

- During the three-month period ended June 30, 2017, the Professional fees and outside service costs totalled $139,974 as compared to $67,981 in 2016. The increase of $71,993 is mainly related to the additional investor relations efforts reflected in additional expense of $50,355 and additional audit and accounting fees of $20,175 related to U.S. taxes, accounting for the Francoeur property and the evaluation of the impact of future revenue recognition accounting guidance. These items are offset by variations in other items.

- During the six-month period ended June 30, 2017, professional fees and outside services totalled $279,693 as compared to $130,097. The increase of $149,596 mainly represents an increase in investor relations expenses of $123,384 and additional audit and accounting fees of $21,175 with the remaining $5,037 related to other professional fees.

Depreciation and amortization

- The decrease in the depreciation expense in the three-month period ended June 30, 2017 from $9,191 in the comparable period in 2016 to $5,192 and from $19,855 for the six-month period ended June 30, 2016 to $10,384 in the current year is due to some fixed assets being fully amortized in 2016.

Share-based compensation and payments

- For the three-month and six-month periods ended June 30, 2017, no share-based compensation and payments were recorded as compared to $3,118 and $7,796 in the respective periods in 2016. No stock options were granted during the six-month periods ended June 30, 2017 or June 30, 2016.

Impairment of mineral properties and deferred exploration expenses

- The impairment provision is made against properties for which claims have lapsed or no immediate future expenditures are planned as well as general exploration expenses.

- During the second quarter of 2017, there were no significant changes in the exploration plans or budgets which were established at December 31, 2016 and therefore no properties were identified as impaired during the period. The $40,466 (2016 - $34,743) represents the expensing of general exploration.

- During the six-month period ended June 30, 2017, no properties were identified as impaired. The $93,546 (2016

- $91,160) represents the expensing of general exploration.

Loss on foreign exchange

- During the three-month period ended June 30, 2017, a loss on foreign exchange of $970 (June 30, 2016 - gain of $2,989) was recorded which mainly represents the net adjustment of the values of assets and liabilities at the end of the period. The change in the current period reflects the reduction in the Corporation's US dollar net assets.

- During the six-month period ended June 30, 2017, a loss on foreign exchange of $2,489 was recorded as compared to a loss of $17,283 in 2016. The change in the current period reflects the reduction in the Corporation's US dollar net assets as it was not in receipt of U.S. dollar metal receipts from Nyrstar Inc. in the current year.

Bad debt

- During the three-month period and six-month periods ended June 30, 2017, no bad debt expense was recorded (June 30, 2016 – $5,765).

Other income (expenses)

- Other income (expenses) reflects interest income, joint venture loss, decrease in fair value of financial assets, management services including administrative, compliance, corporate secretarial, risk management support and advisory services provided to Chibougamau Independent Mines Inc. ("CIM").

- During the three-month period ended June 30, 2017 the Corporation recorded other expenses of $321,094 as compared to $79,664. In both periods, the expense mainly reflects the decrease in fair value of financial assets.

Decrease in fair value of financial assets

- In the first quarter of 2017, the Corporation recorded an increase in fair value of financial assets of $133,032 (2016 - $72,087) and in the second quarter of 2017, a decrease in the fair value of financial assets of $300,463 (2016 - $115,815) was reported.

- For the six-month period ended June 30, 2017, a decrease in the fair value of financial assets of $167,431 (2016 - $43,728) was reported which reflects the increased number of shares which the Corporation received under option agreements negotiated in 2016. The fair value of equity investments is detailed in note 6 to the June 30, 2017 Interim Condensed Consolidated financial statements.

Gain (loss) on sale of investments

- In the first quarter of 2017, the Corporation recorded a gain of $2,150 on the sale of one million Secova Metals Corp. and 300,000 Great Thunder Gold Corp common shares which had been received under property option agreements. In the first quarter of 2016, the Corporation sold 250,000 Integra Gold Corporation shares at $0.40 per share for net proceeds of $99,980 and a gain on sale of investments of $17,480.

- During the second quarter of 2017, shares in the following Corporations were sold, which resulted in a loss on sale of investments of $33,521 (2016 - $Nil):

Number of Shares	Issuer
200,000	Canadian Metals Inc.
25,000	Great Thunder Gold Corp.
1,031,000	Laurion Mineral Exploration Inc.
1,000,000	Manganese X Energy Corp.

Number of Shares	Issuer
1,000,000	Plato Gold Inc.
500,000	Renforth Resources Inc.
50,000	Rogue Resources Inc.
587,000	Sphinx Resources Ltd.
30,000	Vantex Resources Ltd.

- For the six-month period ended June 30, 2017, a loss on the sale of investments of $31,371 (2016 - gain of $17,480) was recorded.

Management services

- During the three-month period ended June 30, 2017, the Corporation recorded management services income of $9,965 (June 30, 2016 - $18,220) which was lower than the previous year, as in 2016, CIM completed a share consolidation and a financing which required additional management efforts in that quarter.

- During the six-month period ended June 30, 2017, the management fees earned totalled $30,227 as compared to $20,720 and the increase reflects additional time involved with completing the year-end and annual filings.

Income and mining tax expense (recovery)

- An income and mining tax expenses of $124,074 was reported in the second quarter of 2017 as compared to a $68,922 in the comparable period in 2016. The increase mainly reflects the impact of a current tax provision of $52,419 related to gross metal royalties from Nyrstar which were not received in 2016.

- During the six-month period ended June 30, 2017, a provision of $217,452 has been made as compared to $45,545 in 2016. The increase in the provision reflects income before taxes of $183,489 as compared to a loss of $26,513 in the comparable period in 2016 and a lower recovery of income and duties as a result of the sale of tax benefits as the premium on flow-through shares issued in 2016 was lower than the previous year.

Financial position

Total assets

The $850,128 increase in total assets from $18,724,603 at December 31, 2016 to $19,574,731 at June 30, 2017 mainly represents an increase in cash and cash equivalents of $371,922, cash reserved for exploration of $158,917, investments of $287,278 and mineral properties of $51,397 and offsetting reductions in other assets of $19,386.

Total liabilities

At June 30, 2017, the current liabilities were $215,603 as compared to $282,123 at December 31, 2016 which represents a decrease of $66,520. The decrease in the accounts payable and accruals reflects the decrease in exploration activities involving outside contracts during May and June 2017.

The related party payable of $36,216 represents a liability to Duparquet Assets Limited (“DAL”) of $78,883 (December 31, 2016 - $83,179) and offsetting other related party receivables of $42,667 (December 31, 2016 - $24,268). The liability to DAL represents option payments received directly by Globex for the Duquesne West Gold Property which had been optioned to Xmet Inc. The property is held under a joint venture arrangement between Globex and Jack Stoch Geoconsultant Services 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 June 30, 2017, the liability was $305,002 (December 31, 2016 - $100,000) which reflects the impact of qualified flow-through exploration expenditures during the first six months of 2017 as well as the impact of the June 21, 2017, private placement.

Deferred tax liabilities

The deferred tax liabilities were $1,472,612 at June 30, 2017 as compared to $1,245,100 at December 31, 2016. The net increase of $227,512 reflects the net impact of income generated in the quarter, the renunciation of tax benefits to subscribers under flow-through share arrangements as well as changes in the valuation allowance.

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 liability mainly is 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 June 30, 2017, owners' equity, consisting of share capital, warrants, deficit, and contributed surplus - equity settled reserve totalled $16,917,123 (December 31, 2016 - $16,410,294). Details of the changes are provided in the Interim Condensed Consolidated Statement of Equity.

Share capital

At June 30, 2017, the share capital of the Corporation totalled $55,605,420 which represented an increase of $561,582 from $55,043,838 at December 31, 2016 and reflected 50,172,424 common shares outstanding.

Liquidity, working capital, cash flow and capital resources

At June 30, 2017, the Corporation had cash and cash equivalents of $884,195 (December 31, 2016 - $512,273) and cash reserved for exploration of $1,058,917 (December 31, 2016 - $900,000). In addition, it had Investments with a fair market value of $1,032,943 (December 31, 2016- $745,665) which represents shares received under mining option agreements.

The Corporation's working capital (based on current assets minus current liabilities) was $2,997,156 at June 30, 2017 (December 31, 2016 - $2,147,063).

As a result of the restart of the Nyrstar Gordonsville facility in May 2017, Globex earned Gross Metal Royalties in May 2017 and June 2017 and based on current zinc prices and average production levels prior to the suspension of operations, Globex anticipates receiving monthly metal royalties of between $CDN. $100,000 and $CDN $120,000 per month for the remainder of the year.

In addition to this potential source of liquidity, Globex has a number of sale/option agreements in place which are estimated to generate gross option payments of in excess of $1.0 M in 2017. These payments are subject to the Optionee having sufficient funds available to meet the obligations. Globex monitors the outstanding amounts on an ongoing basis. The Corporation continues to negotiate option and royalty agreements and the potential sale of major properties.

In order to retain its existing portfolio of properties, management has estimated that the claims renewal costs for 2017 would be approximately $50,000 and the exploration work commitments necessary to retain the existing portfolio of properties would be approximately $200,000 in 2017.

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 six-month period ended June 30, 2017, the operating activities used $410,652 (June 30, 2016 - $281,841), the financing activities generated $808,273 (2016 - $476,941) and the Investing activities generated $133,218 (2016 used - $428,923). The operating, financing, and investing activities during the six-month period ended June 30, 2017, resulted in a net increase in cash and cash equivalents of $530,839 (2016 – decrease of $233,823).

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 matches with the Corporation's planned expenditures.

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

- Retain cash and cash equivalents, cash reserved for exploration expenditures, and accounts receivable which are equal to or greater than the committed exploration expenditures;

- Retain equity investments and debt instruments, with a combined fair market value, which are greater than twelve months of projected operating and administrative expenditures.

The Corporation is not subject to any externally imposed capital requirement. The Corporation's overall strategy remains unchanged from 2016.

The Corporation may need additional capital resources to complete or carry out its exploration and development plans beyond the next twelve months. The Corporation continually considers a number of options including the optioning 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 accruals 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 quotes.

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 $1,943,112 as at June 30, 2017 (December 31, 2016 - $1,412,273). 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”), 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. The maximum exposure to credit risk was:

	June 30, 2017	December 31, 2016
	$	$
Cash and cash equivalents	**884,195**	512,273
Cash reserved for exploration	**1,058,917**	900,000
Investments	**1,032,943**	745,665
Accounts receivable	**178,025**	104,450
	3,154,080	2,262,388

Table 7

(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 outside of the ordinary course of business.

Contractual maturities of financial liabilities are as follows; payables and accruals less than one year; restoration liabilities prior to September 2019; and related party liabilities from future free cash flow.

(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 with a current fair market value of $1,032,943 (December 31, 2016- $745,665). Based on the balance outstanding at June 30, 2017, a 10% increase or decrease would impact income and loss by $103,204 (December 31, 2016 - $74,566).

(d) Currency risk

Globex receives US dollar gross metal royalty payments from Nyrstar’s Zinc operations in Tennessee if the Zinc price is greater than USD $0.90 per pound. 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 six-month periods ended June 30, 2017, Globex recorded a royalty income of USD $150,272 (CDN $198,808) and a current tax expense of USD $39,622 (CDN $52,419). During the six-month period ended June 30, 2016, no royalty income and no current tax expense were recorded.

At June 30, 2017, no USD advance royalty liability was outstanding (December 31, 2016 – USD $56,450; CDN - $75,796).

(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 data (unobservable inputs).

June 30, 2017	**Level 1**	**Level 2**	**Level 3**	**Total Financial Assets at fair Value**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	-	884,195	-	884,195
Cash reserved for exploration	-	1,058,917	-	1,058,917
Equity investments	992,431	40,512	-	1,032,943
Accounts receivable	-	-	178,025	178,025
Reclamation bonds	-	781,714	-	781,714
	992,431	2,765,338	178,025	3,935,794

Table 8

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

The level 2 equity investments have been measured using the quoted price of the shares on the market which has been determined to be non-active. For all other financial assets and liabilities, the fair value is equal to the carrying value.

December 31, 2016	Level 1	Level 2	Level 3	Total Financial Assets at fair Value
	$	$	$	$
Financial assets				
Cash and cash equivalents	-	512,273	-	512,273
Cash reserved for exploration	-	900,000	-	900,000
Equity investments	737,225	8,440	-	745,665
Accounts receivable	-	-	104,450	104,450
Reclamation bonds	-	786,697	-	786,697
	737,225	2,207,410	104,450	3,049,085

Table 9

Outstanding share data

At December 31, 2016, the Corporation had 48,852,706 common shares, 3,121,975 warrants, as well as 3,242,500 stock options outstanding which resulted in fully diluted common shares of 55,217,181.

Exercise of warrants

- On March 2, 2017, 50,000 warrants with a fair market value per share of $0.04156 were exercised at an exercise price of $0.50 per share.

Exercise of options

- On April 4, 2017, 110,000 stock options with a fair value per share of $0.124 were exercised at an exercise price of $0.235 per share. Globex's shares closed at $0.54 per share on that date. On June 2, 2017, 40,000 stock options with a fair value per share of $0.124 were exercised at an exercise price of $0.235 per share. Globex's shares closed at $0.60 per share on that date.

Private placement

- On June 21, 2017, the Corporation issued 1,119,718 flow-through shares under a private placement at a price of $0.71 per share for gross proceeds of $795,000. The fair value of these shares was $515,070 ($0.46 per share) based on the TSX closing price on June 21, 2017. The $279,930 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in Other Liabilities.

Warrants

At December 31, 2016, 3,121,975 warrants were outstanding and following the exercise on March 2, 2017 of 50,000 warrants, 3,071,975 were outstanding at June 30, 2017 and July 28, 2017.

Warrants Outstanding,
June 30, 2017

	Issue Date	Expiry Date	Number of Warrants	Exercise Price
1.	November 26, 2015	November 26, 2017	1,551,975	$0.50 per share
2.	June 14, 2016	December 14, 2017	1,320,000	$0.55 per share
3.	December 15, 2016	December 15, 2017	200,000	$0.60 per share
			3,071,975	

Table 10

Stock Options

At December 31, 2016, the Corporation had 3,242,500 stock options outstanding and 1,720,000 options were available for future grants. During the six-month period ended June 30, 2017, 150,000 stock options were exercised and 5,000 options expired. which resulted in 3,087,500 options outstanding and 1,725,000 were available for grant under all option plans at June 30, 2017 and at July 28, 2017.

Fully Diluted Shares

At June 30, 2017, the Corporation had 50,172,424 common shares issued, 3,071,975 warrants outstanding and 3,087,500 options outstanding for fully diluted common shares of 56,331,899 which remained unchanged at July 28, 2017.

Risks and uncertainties

The Corporation, like all other mining exploration companies, is exposed to a variety of financial and environmental risks as well as operational and safety risks. It is also subject to risks related to other factors, such as metal prices and financial market conditions. Further details with respect to the following risks are outlined in the Corporation's December 31, 2016 Annual Information Form:

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

Related party information

Related party payables (receivables)	June 30, 2017 $	December 31, 2016 $
Jack Stoch Geoconsultant Limited	**(6,717)**	(6,717)
Chibougamau Independent Mines Inc.	**(35,950)**	(17,551)
Duparquet Assets Limited	**78,883**	83,179
	36,216	58,911

Table 11

As reflected in the statement of cash flows there was a net cash decrease of $22,695 (2016 – Increase of $24,561) in the related party net payables during the period.

Chibougamau Independent Mines Inc.

CIM is considered a related party as Globex Management consisting of the President and CEO, Executive Vice-President and Chief Financial Officer hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations 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 $9,965 (June 30, 2016 - $18,220) was earned during the three-month period ended June 30, 2017 and $30,227 (2016 - $20,720) was earned during the six-month period ended June 30, 2017. These charges represent 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 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 and Chief Financial Officer, Treasurer and Corporate Secretary) are as follows:

	Three months ended		Six months ended	
	June 30, 2017 $	**June 30, 2016 $**	**June 30, 2017 $**	June 30, 2016 $
Management compensation				
Salaries and other benefits	**67,799**	47,910	**135,427**	96,003
Professional fees and outside services (i)	-	6,169	-	17,124
Deferred exploration expenses - consulting and geology fees (i)	-	18,130	-	37,213
Fair value of share-based compensation	-	3,118	-	7,796
	67,799	75,327	**135,427**	158,136

Table 12

(i) The Vice-President Operations was an independent contractor with a portion of his compensation included in Other Professional fees in the Interim Condensed Consolidated Statement of Income (Loss) and Comprehensive Income (Loss) and the remainder is reported as Deferred exploration expenses – consulting and geologist fees. The Vice-President Operations resigned from the organization effective July 4, 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 significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied (Note 5) to the consolidated financial statements as at and for the year ended December 31, 2016.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate disclosure controls and procedures (“DCP”) as well as internal controls over financial reporting (“ICFR”) as described in our 2016 annual MD&A.

The Corporation’s Chief Executive Officer and Chief Financial Officer, with the participation of management last completed an evaluation of the design and operating effectiveness of the Corporation’s DCP’s and ICFR’s as at December 31, 2016. Based on that assessment, management concluded that the Corporation’s ICFR were operating effectively at December 31, 2016 which was based on the 2013 COSO Model.

During the three-month and six-month periods ended June 30, 2017, the CEO and CFO have evaluated whether there were changes to the ICFR that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation which was based on the 2013 COSO Model.

Outlook

The Economic Environment and Strategy sections of this MD&A (pages 2 and 3), highlight that management monitors the changes in demand/supply balance and metal price trends. Recently, we have seen a revival in global markets in general and commodity markets in particular. As we outlined in our December 31, 2016 MD&A, we recognized the challenges that junior exploration optionee companies were facing in raising the financing needed to enter into Option Agreements on our properties. During 2016, we successfully negotiated ten property sale/option agreements with net option income and advance royalties of $1,301,989. However, at that time, we indicated that we were hopeful that our marketing efforts would generate option agreements in 2017. We are working on various arrangements, but during 2017, we have faced challenges completing new option agreements.

At December 31, 2016, we had also negotiated option/sale agreements which required regulatory approval or the completion of related financings which have generated cash option payments of $700,000 and also resulted in the receipt of common shares in the optionee companies with a fair market value of $819, 675. Further details related to each of the option arrangements are detailed under the Sales and net option income section of this MD&A on pages 15 - 16.

During the second quarter, we worked with Renforth Resources and RJK Explorations to provide accommodations under their option agreements so that they could meet their obligations under the contracts. Unfortunately, RJK Explorations provided their notice of termination on July 13, 2017 and did not make their $250,000 option payment.

We are continuing our marketing efforts; however, based on existing option agreements, we are expecting to generate option income of $270,000 during the remainder of the year.

As described under the capital resources section of this MD&A, page 22, as a result of the restart of the Nyrstar Gordonsville facility in May 2017, Globex earned Gross Metal Royalties in May 2017 and June 2017 and based on current zinc prices and average production levels prior to the suspension of operations, Globex anticipates receiving monthly metal royalties of between CDN $100,000 and CDN $120,000 per month for the remainder of the year.

At December 31, 2016, we developed budgets and plans to spend our Quebec flow-through funds and “Hard Dollars” on various projects with a view towards gaining additional project knowledge and leveraging this into sale/option agreements as we did in 2016. The additional $795,000 of Quebec flow-through funds raised in the June 21, 2017 private placement provides the Corporation with additional flexibility to develop exploration programs for the remainder of the year.

While we are currently optimistic, however, we recognize the potential volatility in the economic outlook due to the lack of predictability related to the U.S. administration’s governing style and political tensions throughout the world. Despite the potential risks and uncertainties, 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, 2016 and December 31, 2015 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 2017 and/or 2016 MD&A, then please send your request to:

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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 July 28, 2017.

GLOBEX MINING ENTERPRISES INC.

Interim Condensed Consolidated Statement of Income (loss) and Comprehensive Income (loss)

(Unaudited - In Canadian dollars)

	Notes	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
		$	$	$	$
Continuing operations					
Revenues	16	**668,147**	475,442	**1,148,541**	530,442
Expenses					
Salaries		**110,900**	86,375	**236,194**	172,278
Administration	17	**103,084**	69,826	**188,289**	130,436
Professional fees and outside services	17	**139,974**	67,981	**279,693**	130,097
Depreciation	10	**5,192**	9,191	**10,384**	19,855
Share-based compensation and payments	19	**-**	3,118	**-**	7,796
Impairment of mineral properties and deferred exploration expenses	11, 12	**40,466**	34,743	**93,546**	91,160
Loss (gain) on foreign exchange		**970**	(2,989)	**2,489**	17,283
Bad debt		**-**	-	**-**	5,765
		400,586	268,245	**810,595**	574,670
Income (loss) from operations		**267,561**	207,197	**337,946**	(44,228)
Other income (expenses)					
Interest & dividends		**2,838**	1,319	**5,912**	2,991
Joint venture loss	9	**(1,247)**	-	**(2,214)**	-
Decrease in fair value of financial assets		**(300,463)**	(115,815)	**(167,431)**	(43,728)
Gain (loss) on the sale of investments		**(33,521)**	-	**(31,371)**	17,480
Management services	20	**9,965**	18,220	**30,227**	20,720
Other		**1,334**	16,612	**10,420**	20,252
		(321,094)	(79,664)	**(154,457)**	17,715
Income (loss) before taxes		**(53,533)**	127,533	**183,489**	(26,513)
Income and mining tax expense	15	**124,074**	68,922	**217,452**	45,545
Income (loss) and comprehensive income (loss) for the period		**(177,607)**	58,611	**(33,963)**	(72,058)
Income (loss) per common share					
Basic and diluted	18	**(0.00)**	0.00	**(0.00)**	(0.00)
Weighted average number of common shares outstanding		**49,130,920**	45,929,530	**49,000,593**	44,903,969
Shares outstanding at end of period		**50,172,424**	46,402,706	**50,172,424**	46,402,706

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

GLOBEX MINING ENTERPRISES INC.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited - In Canadian dollars)

	Notes	**Six months ended June 30, 2017**	2016
		$	$
Operating activities			
Loss and comprehensive loss for the period		**(33,963)**	(72,058)
Adjustments for:			
Disposal of mineral properties for shares	21	**(819,675)**	(336,500)
Decrease in fair value of financial assets		**167,431**	43,728
Depreciation	10	**10,384**	19,855
Foreign exchange rate variation on reclamation bond		**4,983**	10,277
Impairment of mineral properties and deferred exploration expenses	11, 12	**93,546**	91,160
Loss (gain) on the sale of investments		**31,371**	(17,480)
Current tax expense	15	**52,419**	-
Deferred income and mining tax expense	15	**165,033**	45,545
Income and mining tax refund		**-**	(55,603)
Share-based compensation and payments	19	**-**	7,796
		(294,508)	(191,222)
Share of net loss from investment in joint venture	9	**2,214**	-
Changes in non-cash working capital items	21	**(84,395)**	(18,561)
		(410,652)	(281,841)
Financing activities			
Issuance of common shares	19	**795,000**	528,000
Proceeds from exercised options	19	**35,250**	1,025
Proceeds from exercised warrants	19	**25,000**	-
Share capital issue costs	19	**(46,977)**	(52,084)
		808,273	476,941
Investing activities			
Increase (decrease) in related party payable	20	**(22,695)**	24,561
Deferred exploration expenses	12	**(688,698)**	(685,693)
Mineral properties acquisitions	11	**(58,926)**	(40,329)
Proceeds from sale of investment		**333,595**	99,980
Proceeds on mineral properties optioned	11, 12	**569,942**	172,558
		133,218	(428,923)
Net increase (decrease) in cash and cash equivalents		**530,839**	(233,823)
Cash and cash equivalents, beginning of period		**1,412,273**	1,276,930
Cash and cash equivalents, end of period		**1,943,112**	1,043,107
Cash and cash equivalents		**884,195**	572,989
Cash reserved for exploration		**1,058,917**	470,118
		1,943,112	1,043,107

Supplementary cash flows information (note 21)

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

GLOBEX MINING ENTERPRISES INC.

Interim Condensed Consolidated Statements of Financial Position

(Unaudited - In Canadian dollars)

	Notes	**June 30, 2017 $**	December 31, 2016 $
Assets			
Current assets			
Cash and cash equivalents	4	**884,195**	512,273
Cash reserved for exploration	5	**1,058,917**	900,000
Investments	6	**1,032,943**	745,665
Accounts receivable	7	**178,025**	104,450
Prepaid expenses and deposits		**58,679**	166,798
		3,212,759	2,429,186
Reclamation bonds	8	**781,714**	786,697
Investment in joint venture	9	**47,860**	50,074
Properties, plant and equipment	10	**392,542**	402,926
Mineral properties	11	**3,078,760**	3,027,363
Deferred exploration expenses	12	**12,061,096**	12,028,357
		19,574,731	18,724,603
Liabilities			
Current liabilities			
Payables and accruals	13	**163,184**	282,123
Current income tax	15	**52,419**	-
		215,603	282,123
Related party payable	20	**36,216**	58,911
Other liabilities	14	**305,002**	100,000
Deferred tax liabilities	15	**1,472,612**	1,245,100
Restoration liabilities	8	**628,175**	628,175
Owners' equity			
Share capital	19	**55,605,420**	55,043,838
Warrants	19	**213,524**	215,602
Contributed surplus - Equity settled reserve		**4,354,665**	4,373,377
Deficit		**(43,256,486)**	(43,222,523)
		16,917,123	16,410,294
		19,574,731	18,724,603

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

Approved by the board

"Jack Stoch"
Jack Stoch, Director

"Dianne Stoch"
Dianne Stoch, Director

GLOBEX MINING ENTERPRISES INC.

Interim Condensed Consolidated Statements of Equity

(Unaudited - In Canadian dollars)

	Notes	**Three months ended June 30, 2017**	Three months ended June 30, 2016	Year ended December 31, 2016
		$	$	$
Common shares				
Beginning of period		**55,043,838**	53,592,497	53,592,497
Issued on exercise of options	19	**53,962**	1,567	37,541
Issued on exercise of warrants	19	**27,078**	-	-
Fair value of shares issued under private placements	19	**515,070**	528,000	1,468,000
Fair value of shares issued in connection with mineral property acquisition	19	**-**	199,500	199,500
Fair value of warrants	19	**-**	(137,833)	(137,833)
Share issuance costs, net of taxes (December 31, 2016 - $38,517)	19	**(34,528)**	(38,074)	(115,867)
End of period		**55,605,420**	54,145,657	55,043,838
Warrants				
Beginning of period		**215,602**	76,298	76,298
Issued in connection with private placement	19	**-**	137,833	137,833
Issued to a finder	19	**-**	-	11,200
Exercised during the period	19	**(2,078)**	-	-
Expired during the period	19	**-**	-	(9,729)
End of period		**213,524**	214,131	215,602
Contributed surplus - Equity settled reserve				
Beginning of period		**4,373,377**	4,224,466	4,224,466
Share-based compensation	19	**-**	7,796	152,199
Exercised options	19	**(18,712)**	(542)	(13,017)
Expired warrants during the preriod	19	**-**	-	9,729
End of period		**4,354,665**	4,231,720	4,373,377
Deficit				
Beginning of period		**(43,222,523)**	(42,838,767)	(42,838,767)
Loss attributable to shareholders		**(33,963)**	(72,058)	(383,756)
End of period		**(43,256,486)**	(42,910,825)	$ (43,222,523)
Total Equity		**16,917,123**	15,680,683	$ 16,410,294

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

Notes to the Interim Condensed Consolidated Financial Statements
Periods ending June 30, 2017 and 2016
(Unaudited - In Canadian dollars)

1. General business description

Globex Mining Enterprises Inc. (“Globex” or the ‘’Corporation’’) is a North American focused exploration and development property bank which operates under the project generator business model. It seeks to create shareholder value by acquiring mineral properties, undertaking limited exploration and therefore readying them for optioning, joint venturing, or outright sale. Our current mineral portfolio consists of approximately 150 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, feldspar, pyrophyllite as well as talc and magnesite).

Globex was incorporated in the Province of Quebec and 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’s common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol GMX, in Europe under the symbol G1MN on the Frankfurt, Stuttgart, Berlin, Munich, Tradegate, Lang & Schwartz Stock Exchanges and trades under the symbol GLBXF on the OTCQX International Exchange in the United States.

2. Basis of presentation and going concern

Basis of Presentation

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

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

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

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

2. Basis of presentation and going concern (continued)

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

Statement of Compliance

These Interim Condensed Consolidated financial statements have been prepared by Management in accordance with IAS 34, Interim Financial Reporting.

The preparation of Interim Condensed Consolidated financial statements in accordance with IAS 34 requires the use of certain critical judgments, estimates and assumptions that effect the applications of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied (Note 5) in the Consolidated financial statements as at and for the year ended December 31, 2016.

Approval of Financial Statements

The Corporation's Board of Directors approved these Interim Condensed Consolidated financial statements for the periods ended June 30, 2017 and June 30, 2016 on July 28, 2017.

3. Summary of significant accounting policies

These Interim Condensed Consolidated financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual consolidated financial statements (Note 4) of the Corporation's audited financial statements for the year ended December 31, 2016 with the exception of the International Financial Reporting Standards adopted as described below.

The disclosure contained in these Interim Condensed Consolidated financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements. Accordingly, the Interim Condensed Consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016.

(a) International Financial Reporting Standards adopted

In preparing these Interim Condensed Consolidated financial statements for the three-month and the six month periods ended June 30, 2017 and as at June 30, 2017, the Corporation has adopted the amendments to *IAS 7 Statement of Cash Flow* which related to the disclosure of changes in liabilities arising from financing activities. The adoption of these standards has not resulted in any material changes in these Interim Condensed Consolidated financial statements or reported results.

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

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective, and have not been applied in preparing these Interim Condensed Consolidated financial statements.

3. Summary of significant accounting policies (continued)

IFRS 2 Share based payment (amendments published in June 2016)

On June 20, 2016, the IASB published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions.

These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity.

These changes are effective for annual periods beginning on or after January 1, 2018. Management is in the process of evaluating the impacts of these changes on the Corporation.

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. This new standard may result in revenue recognition timing differences. The Corporation expects that a Canadian Viewpoint regarding the application of this standard to Option and "Earn-in" arrangements will be issued by the Canadian Chartered Professional Accountants during the third quarter of 2017. Management is in the process of evaluating the impacts of this standard and it has recognized that under this standard it will need to consider at the outset all forms of payments of each contract and the likelihood that all of the obligations will be met.

4. Cash and cash equivalents

	June 30, 2017	December 31, 2016
	$	$
Bank balances	**884,195**	512,273

5. Cash reserved for exploration

	June 30, 2017	December 31, 2016
	$	$
Bank balances	**58,917**	-
Short-term deposit	**1,000,000**	900,000
	1,058,917	900,000

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.

6. Investments

June 30, 2017

	Number of Shares	Cost	Unrealized (loss)/income	Fair Value
		$	$	$
Brookmount Explorations Inc.	500,000	236,250	(223,250)	13,000
Enerspar Corp.	2,000,000	100,000	10,000	110,000
Enforcer Gold Corp.	1,500,000	315,000	(45,000)	270,000
Galway Metals Inc.	260,000	79,300	(14,300)	65,000
Great Thunder Gold Corp.	2,075,000	280,125	(145,250)	134,875
Khalkos Explorations Inc.	175,000	25,375	(7,875)	17,500
Knick Exploration Inc.	1,000,000	60,000	(15,000)	45,000
Laurion Mineral Exploration Inc.	1,970,000	107,648	(58,398)	49,250
Mag Copper Limited (1)	337,592	1,054,975	(1,014,464)	40,511
Manganese X Energy Corp.	1,000,000	185,000	(75,000)	110,000
Opawica Explorations Inc.	1,250,000	125,000	(75,000)	50,000
Renforth Resources Inc.	750,000	43,750	7,500	51,250
RJK Explorations Inc.	100,000	15,000	6,000	21,000
Rogue Resources Inc.	50,000	15,000	10,500	25,500
Sphinx Resources Ltd.	513,000	15,390	10,260	25,650
Xmet Inc.	1,000,000	220,000	(220,000)	-
Other equity investments		195,579	(191,172)	4,407
		3,073,392	(2,040,449)	1,032,943

Notes

(1) On February 2, 2017, Mag Copper Limited completed a five for one share consolidation. The comparative number of shares at December 31, 2016 have been adjusted on the basis of the share consolidation.

6. Investments (continued)

December 31, 2016	Number of Shares	Cost	Unrealized (loss)/income	Fair Value
		$	$	$
Brookmount Explorations Inc.	500,000	236,250	(232,250)	4,000
Canadian Metals Inc.	200,000	42,000	(18,000)	24,000
Great Thunder Gold Corp.	2,400,000	324,000	(240,000)	84,000
Knick Exploration Inc.	1,000,000	60,000	(5,000)	55,000
Laurion Mineral Exploration Inc.	3,000,000	163,783	(43,783)	120,000
Mag Copper Limited (1)	1,687,960	1,054,975	(1,046,535)	8,440
Manganese X Energy Corp.	1,000,000	180,000	10,000	190,000
Opawica Explorations Inc.	500,000	62,500	(22,500)	40,000
Renforth Resources Inc.	750,000	18,750	7,500	26,250
Rogue Resources Inc.	100,000	30,000	35,000	65,000
Secova Metals Corp.	1,000,000	25,000	10,000	35,000
Sphinx Resources Ltd.	1,100,000	33,000	33,000	66,000
Xmet Inc.	1,000,000	220,000	(219,000)	1,000
Other equity investments		85,133	(58,158)	26,975
		2,535,391	(1,789,726)	745,665

These investments were received under various mining option agreements and all of the shareholdings represent less than 10% of outstanding shares of each individual Issuer.

7. Accounts receivable

	June 30, 2017	December 31, 2016
	$	$
Trade receivables	**175,408**	96,609
Bad debt provision	**(4,109)**	(4,109)
Net trade receivables	**171,299**	92,500
Taxes receivable	**6,726**	11,950
	178,025	104,450

Net trade receivables of $171,299 (December 31, 2016 - $92,500) consist primarily of amounts recoverable under joint venture arrangements and royalties. These items are all current and the Corporation anticipates full recovery of these amounts. The taxes receivable represents harmonized and Quebec sales tax ("GST", "HST", "QST") receivable from Canadian taxation authorities.

8. Reclamation bonds and restoration liabilities

Reclamation bonds

	June 30, 2017 $	December 31, 2016 $
Nova Scotia bond - Department of Natural Resources	**57,974**	57,974
Option reimbursement	**(50,000)**	(50,000)
Nova Scotia bond	**7,974**	7,974
Washington State bond – Department of Natural Resources	145,565	150,548
Deposits with Province of Quebec, MERN	**628,175**	628,175
	781,714	786,697

The Nova Scotia and Washington State 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. These 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.

On June 30, 2016, Globex acquired the Francoeur Property and related mining infrastructure as well as the Arncoeur and Norex Properties from Richmont Mines Inc.

Under the arrangement with Richmont Inc., Globex assumed the restoration and rehabilitation liabilities for the Francoeur Property mining site of $628,175 and the ownership of $471,132 deposited with the Ministère de l'Energie et des Ressources naturelles (MERN). The transfers were approved by the MERN on July 13, 2016. On November 24, 2016, Globex issued a letter of credit of $157,043, fully secured by a short-term investment, to the MERN resulting in fully funding the restoration liabilities.

Restoration Liabilities

	June 30, 2017 $	December 31, 2016 **$**
Francoeur Property restoration and rehabilitation liabilities	**628,175**	628,175

9. Investment in joint venture

	$
Balance, January 1, 2017	**50,074**
Add:	
Globex's 50% share of DAL's net loss for the six months ended June 30, 2017	**(2,214)**
Balance, June 30, 2017	**47,860**

10. Properties, plant and equipment

	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer Systems	Total
	$	$	$	$	$	$
Cost						
2016						
January 1,	497,627	88,210	146,274	56,177	255,003	1,043,291
Additions	-	-	-	-	13,238	13,238
December 31,	497,627	88,210	146,274	56,177	268,241	1,056,529
2017						
Additions	-	-	-	-	-	-
June 30,	**497,627**	**88,210**	**146,274**	**56,177**	**268,241**	**1,056,529**
Accumulated depreciation						
2016						
January 1,	(102,016)	(81,840)	(146,274)	(53,075)	(239,516)	(622,721)
Additions	(13,836)	(6,370)	-	(3,102)	(7,574)	(30,882)
December 31,	(115,852)	(88,210)	(146,274)	(56,177)	(247,090)	(653,603)
2017						
Additions	**(6,919)**	**-**	**-**	**-**	**(3,465)**	**(10,384)**
June 30,	**(122,771)**	**(88,210)**	**(146,274)**	**(56,177)**	**(250,555)**	**(663,987)**
Carrying value						
2016						
January 1,	395,611	6,370	-	3,102	15,487	420,570
December 31,	381,775	-	-	-	21,151	402,926
2017						
June 30,	**374,856**	**-**	**-**	**-**	**17,686**	**392,542**

11. Mineral properties

	New Brunswick	Nova Scotia	Ontario	Quebec	Other	Total
	$	$	$	$	$	$
Balance, beginning of period	-	-	49,174	2,859,460	-	2,908,634
Additions	98,897	550	-	151,092	-	250,539
Impairment provisions	-	-	-	(9,257)	-	(9,257)
Recoveries	(160)	-	-	(122,393)	-	(122,553)
December 31, 2016	98,737	550	49,174	2,878,902	-	3,027,363
Additions	**-**	**-**	**-**	**58,926**	**-**	**58,926**
Recoveries	**(660)**	**-**	**-**	**(6,869)**	**-**	**(7,529)**
June 30, 2017	**98,077**	**550**	**49,174**	**2,930,959**	**-**	**3,078,760**

The acquisitions during the six-month period ended June 30, 2017, includes $35,000 related to six cells located in Blondeau Township, Quebec. The cells cover the Kelly Lake copper, nickel, platinum, palladium and cobalt zone.

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. General exploration expenses not allocated to specific projects are expensed as incurred. The impairment provisions have no impact on the Corporation's cash flow or the cash and cash equivalents. 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 will be subject to a number of factors including the successful negotiation of option or sale arrangements.

12. Deferred exploration expenses

	New Brunswick	Nova Scotia	Ontario	Quebec	Other	Total
	$	$	$	$	$	$
Balance, beginning of period	-	-	6,944,771	4,904,093	-	11,848,864
Additions	79,054	2,420	129,065	1,014,683	17,358	1,242,580
Impairment provisions	(7,759)	(1,895)	(3,522)	(811,595)	(17,358)	(842,129)
Recoveries	(2,409)	-	(10,380)	(208,169)	-	(220,958)
December 31, 2016	68,886	525	7,059,934	4,899,012	-	12,028,357
Additions	**6,173**	**6,530**	**37,032**	**624,106**	**14,857**	**688,698**
Impairment provisions	**(260)**	**(1,640)**	**(4,700)**	**(72,339)**	**(14,607)**	**(93,546)**
Recoveries	**(1,067)**	**-**	**(758)**	**(560,588)**	**-**	**(562,413)**
June 30, 2017	**73,732**	**5,415**	**7,091,508**	**4,890,191**	**250**	**12,061,096**

The impairment provision of $93,546 for the six-month period ended June 30, 2017 (June 30, 2016 - $91,160) reflects the expensing of general exploration costs.

12. Deferred exploration expenses (continued)

Exploration Expenditures by Type

	June 30, 2017 $	December 31, 2016 $
Balance - beginning of period	**12,028,357**	11,848,864
Current exploration expenses		
Consulting	**5,635**	16,589
Core shack, storage and equipment rental	**550**	35,186
Drilling	**143,969**	52,782
Geology	**3,250**	105,977
Geophysics	**35,038**	2,685
Laboratory analysis and sampling	**35,809**	91,566
Labour	**254,201**	762,393
Line cutting	**8,467**	-
Mining property tax, permits and prospecting	**58,093**	66,887
Reports, maps and supplies	**10,702**	58,056
Transport and road access	**132,984**	50,459
Total current exploration expenses	**688,698**	1,242,580
Impairment provisions	**(93,546)**	(842,129)
Option revenue offset	**(562,413)**	(220,958)
	(655,959)	(1,063,087)
Current net deferred exploration expenses	**32,739**	179,493
Balance - end of period	**12,061,096**	12,028,357

13. Payables and accruals

	June 30, 2017 $	December 31, 2016 $
Trade payables and accrued liabilities	**100,759**	154,504
Nyrstar Inc., advance royalty liability	**-**	75,796
Sundry liabilities	**62,425**	51,823
	163,184	282,123

The Nyrstar Inc. operations were on “care and maintenance” in 2016, but restarted operations in May 2017. The Nyrstar Inc. advance royalty liability of $75,796 as at December 31, 2016 was offset against royalty payments related to May and June 2017 which were provisionally settled in July 2017.

14. Other liabilities

	June 30, 2017 $	December 31, 2016 $
Balance, beginning of period	**100,000**	251,715
Additions during the period	**279,930**	105,000
Reduction related to qualified exploration expenditures	**(74,928)**	(256,715)
	305,002	100,000

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.

15. Income taxes

Deferred income and mining tax expense (recovery)

	Three months ended		Six months ended	
	June 30, 2017 $	**June 30, 2016 $**	**June 30, 2017 $**	June 30, 2016 $
Current tax expense	**52,419**	-	**52,419**	-
Deferred income tax and mining duties	**109,150**	158,877	**239,961**	193,998
Recovery of income and mining duties as a result of the sale of tax benefits (flow-through shares)	**(37,495)**	(89,955)	**(74,928)**	(148,453)
	71,655	68,922	**165,033**	45,545
	124,074	68,922	**217,452**	45,545

Deferred tax balances

	January 1, 2017 $	Recognized in income or loss $	Recognized in equity $	June 30, 2017 $
Temporary differences				
Deferred tax assets				
Non-capital losses carry forward	1,533,710	**(161,321)**	**-**	**1,372,389**
Share issue expenses	69,646	**(18,901)**	**12,449**	**63,194**
Properties, plant & equipment	67,629	**(527)**	**-**	**67,102**
Financial assets at FVTPL	121,107	**22,185**	**-**	**143,292**
	1,792,092	**(158,564)**	**12,449**	**1,645,977**
Less valuation allowance	(121,107)	**(22,185)**	**-**	**(143,292)**
	1,670,985	**(180,749)**	**12,449**	**1,502,685**
Deferred tax liabilities				
Mining properties and deferred exploration expenses	(2,916,085)	**(59,212)**	**-**	**(2,975,297)**
Deferred tax liabilities	(1,245,100)	**(239,961)**	**12,449**	**(1,472,612)**

16. Revenues

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
	$	$	**$**	$
Net option income and advance royalties	**469,339**	475,442	**949,733**	530,442
Royalties	**198,808**	-	**198,808**	-
	668,147	475,442	**1,148,541**	530,442

17. Expenses by nature

The nature of administration expenses as well as professional fees and outside services:

	Three months ended		Six months ended	
	June 30, 2017	**June 30, 2016**	**June 30, 2017**	June 30, 2016
	$	**$**	**$**	$
Administration				
Office expenses	**69,464**	47,907	**122,414**	83,130
Conventions and meetings	**5,192**	5,772	**24,515**	22,420
Advertising and meetings	**8,243**	5,696	**13,210**	7,478
Transfer agent	**12,687**	6,529	**14,448**	9,434
Other administration	**7,498**	3,922	**13,702**	7,974
	103,084	69,826	**188,289**	130,436

	Three months ended		Six months ended	
	June 30, 2017	**June 30, 2016**	**June 30, 2017**	June 30, 2016
	$	**$**	**$**	$
Professional fees and outside services				
Investor relations	**62,355**	12,000	**149,884**	26,500
Legal fees	**13,482**	16,672	**15,865**	19,202
Audit and accounting fees	**42,943**	22,768	**63,443**	42,268
Filing fees	**3,647**	4,322	**17,954**	18,953
Other professional fees	**17,547**	12,219	**32,547**	23,174
	139,974	67,981	**279,693**	130,097

18. Income (loss) per common share

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

Diluted net income (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 period.

Basic and diluted income (loss) per common share

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

	Three months ended		**Six months ended**	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
	$	$	**$**	$
Numerator				
Income (loss) for the period	**(177,607)**	58,611	**(33,963)**	(72,058)
Denominator				
Weighted average number of common shares - basic	**49,130,920**	45,037,157	**49,000,593**	44,903,969
Effect of dilutive shares				
Stock options ("in the money") [i]	**-**	892,373	**-**	-
Weighted average number of common shares - diluted	**49,130,920**	45,929,530	**49,000,593**	44,903,969
Income (loss) per share				
Basic	**(0.00)**	0.00	**(0.00)**	(0.00)
Diluted	**(0.00)**	0.00	**(0.00)**	(0.00)

[i] Stock options “in the money” (strike price less than the average common share market price during the period) have not been included in the diluted loss per share for the three-month period ended June 30, 2017 and the six-month periods ended June 30, 2017 and 2016 as they were anti-dilutive.

19. 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.

19. Share capital (continued)

Changes in capital stock

Fully paid common shares	Number of shares	Capital Stock	Number of shares	Capital Stock
		June 30, 2017		December 31, 2016
		$		$
Balance, beginning of period	**48,852,706**	**55,043,838**	44,447,706	53,592,497
Exercise of warrants (i)	**50,000**	**27,078**	-	-
Exercise of options (ii)	**150,000**	**53,962**	105,000	37,541
Private placements				
Common shares	**-**	**-**	1,570,000	628,000
Flow-through shares (iii)	**1,119,718**	**515,070**	2,100,000	840,000
Fair value of warrants	**-**	**-**	-	(137,833)
Shares issued in connection with Mineral property acquisitions	**-**	**-**	630,000	199,500
Share issuance costs	**-**	**(34,528)**	-	(115,867)
Balance, end of period	**50,172,424**	**55,605,420**	48,852,706	55,043,838

2017 Issuances

Exercise of warrants

(i) On March 2, 2017, 50,000 warrants with a fair market value per share of $0.04156 were exercised at an exercise price of $0.50 per share for gross proceeds of $25,000.

Exercise of options

(ii) On April 4, 2017, 110,000 stock options with a fair value per share of $0.124 were exercised at an exercise price of $0.235 per share. Globex's shares closed at $0.54 per share on that date. On June 2, 2017, 40,000 stock options with a fair value per share of $0.124 were exercised at an exercise price of $0.235 per share. Globex's shares closed at $0.60 per share on that date.

Private placement

(iii) On June 21, 2017, the Corporation issued 1,119,718 flow-through shares under a private placement at a price of $0.71 per share for gross proceeds of $795,000. The fair value of these shares was $515,070 ($0.46 per share) based on the TSX closing price on June 21, 2017. The $279,930 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in Other Liabilities.

Share Issuance costs (June 30, 2017 - $34,528; December 31, 2016 - $115,867)

(iv) In the six-month period ended June 30, 2017, the share issuance costs totalled $46,977 (December 31, 2016 - $154,384) in connection with the private placement which closed on June 21, 2017 and consisted of sales commissions of $35,775, listing fees of $7,702, and legal fees of $3,500. In the six-month period ended June 30, 2017, a recovery of deferred taxes of $12,449 (December 31, 2016 - $38,517) was recorded.

Escrow Shares

At June 30, 2017, 36,100 (December 31, 2016 - 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.

19. Share capital (continued)

Warrants

	June 30, 2017		December 31, 2016	
	Number of warrants	**Fair value $**	Number of warrants	Fair value $
Balance, beginning of period	**3,121,975**	**215,602**	1,751,975	76,298
Private placements				
June 14, 2016	-	-	1,320,000	137,833
December 15, 2016	-	-	200,000	11,200
Exercised				
March 2, 2017 (i)	**(50,000)**	**(2,078)**	-	-
Expired				
August 27, 2016	-	-	(150,000)	(9,729)
Balance, end of period	**3,071,975**	**213,524**	3,121,975	215,602

Exercised

(i) On March 2, 2017, 50,000 warrants with a fair market value per share of $0.04156 were exercised at an exercise price of $0.50 per share for gross proceeds of $25,000.

Warrants Outstanding,
June 30, 2017

	Issue Date	Expiry Date	Number of Warrants	Exercise Price
1.	November 26, 2015	November 26, 2017	1,551,975	$0.50 per share
2.	June 14, 2016	December 14, 2017	1,320,000	$0.55 per share
3.	December 15, 2016	December 15, 2017	200,000	$0.60 per share
			3,071,975	

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 June 30, 2017, 1,725,000 (December 31, 2016 – 1,720,000) options were available for grant under all option plans in addition to the common share purchase options currently outstanding.

19. Share capital (continued)

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

		June 30, 2017		December 31, 2016
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		$		$
Balance - beginning of period	**3,242,500**	**0.29**	3,017,500	0.25
Cancelled	-	-	(40,000)	0.24
Exercised	**(150,000)**	**0.24**	(105,000)	0.23
Expired	**(5,000)**	**0.24**	(400,000)	0.24
Granted - Directors and employees	-	-	720,000	0.39
Granted - Consultant	-	-	50,000	0.60
Balance - end of period	**3,087,500**	**0.29**	3,242,500	0.29
Options exercisable	**3,087,500**	**0.29**	3,242,500	0.29

The following table summarizes information regarding the stock options outstanding and exercisable as at June 30, 2017:

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	192,500	192,500	2.22	0.21
0.22 - 0.24	1,700,000	1,700,000	1.96	0.24
0.25 - 0.29	255,000	255,000	3.41	0.29
0.39 - 0.42	780,000	780,000	3.82	0.39
0.50 - 0.60	160,000	160,000	0.95	0.56
	3,087,500	3,087,500	2.51	0.29

Share-based compensation and payments

During the three-month period ended June 30, 2017 (June 30, 2016 - $3,118) and during the six-month period ended June 30, 2017 (June 30, 2016 - $7,796), no expense related to share-based compensation costs and payments has been recorded and presented separately in the Interim Condensed Consolidated Statements of Income (loss) and Comprehensive Income (loss).

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.

19. Share capital (continued)

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.

Shareholder Rights Plan

On May 31, 2017, the Shareholders of the Corporation approved an amended and restated Shareholder Rights Plan (the “Rights Plan”). On April 20, 2017, the Toronto Stock Exchange (“TSX”) accepted notice for filing the Rights Plan and on July 13, 2017, they confirmed that they were in receipt of all necessary documents needed to confirm their approval.

The Rights Plan was adopted to: (i) provide shareholders and the Board of Directors time to consider and evaluate any takeover 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 made for the outstanding shares of the Corporation; (iii) encourage the fair treatment of shareholders in connection with any takeover bid for the outstanding shares of the Corporation; and (iv) generally present any person from acquiring beneficial ownership of or the right to vote more than 20% of the outstanding Common shares of the Corporation (or where such person already owns more than 20% of the shares, from acquiring ownership of or right to vote any additional shares) while this process is ongoing or entering into arrangements or relationships that have a similar effect.

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

The Amended Rights Plan will require reconfirmation by the Corporation’s shareholders at the annual meeting of shareholders to be held in 2020.

20. Related party information

Related party payables (receivables)	**June 30, 2017 $**	December 31, 2016 $
Jack Stoch Geoconsultant Limited	**(6,717)**	(6,717)
Chibougamau Independent Mines Inc.	**(35,950)**	(17,551)
Duparquet Assets Limited	**78,883**	83,179
	36,216	58,911

20. Related party information (continued)

As reflected in the statement of cash flows there was a net cash decrease of $22,695 (2016 – Increase of $24,561) in the related party net payables during the period.

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 $9,965 (June 30, 2016 - $18,220) was earned during the three-month period ended June 30, 2017 and $30,227 (2016 - $20,720) was earned during the six-month period ended June 30, 2017. These charges represent 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 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 and Chief Financial Officer, Treasurer and Corporate Secretary) are as follows:

	Three months ended		**Six months ended**	
	June 30, 2017	**June 30, 2016**	**June 30, 2017**	June 30, 2016
	$	**$**	**$**	$
Management compensation				
Salaries and other benefits	**67,799**	47,910	**135,427**	96,003
Professional fees and outside services (i)	-	6,169	-	17,124
Deferred exploration expenses – consulting and geology fees (i)	-	18,130	-	37,213
Fair value of share-based compensation	-	3,118	-	7,796
	67,799	75,327	**135,427**	158,136

(i) The Vice-President Operations was an independent contractor with a portion of his compensation included in Other Professional fees in the Statement of Income (loss) and Comprehensive Income (loss) and the remainder is reported as Deferred exploration expenses – consulting and geologist fees. The Vice-President Operations resigned from the organization effective July 4, 2016.

21. Supplementary cash flows information

Changes in non-cash working capital items

	Six months ended	
	June 30, 2017	June 30, 2016
	$	$
Accounts receivable	**(73,575)**	17,788
Prepaid expenses and deposits	**108,119**	135
Payables and accruals	**(118,939)**	(36,484)
	(84,395)	(18,561)

Non-cash financing and investing activities

	Six months ended	
	June 30, 2017	June 30, 2016
	$	$
Acquisition of mineral properties for shares and warrants	**-**	199,500
Disposal of mineral properties for shares	**819,675**	336,500

22. 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 matches with the Corporation's planned expenditures.

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

- Retain cash and cash equivalents, cash reserved for exploration expenditures and accounts receivable which are equal to or greater than the committed exploration expenditures,

- Retain equity investments and debt instruments with a combined fair market value which are greater than twelve months of projected operating and administrative expenditures.

The Corporation is not subject to any externally imposed capital requirements. The Corporation's overall strategy remains unchanged from 2016.

22. Financial instruments (continued)

The Corporation may need additional capital resources to complete or carry out its exploration and development plans beyond the next twelve months. The Corporation continually considers a number of options including the optioning 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 accruals 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 $1,943,112 as at June 30, 2017, (December 31, 2016 - $1,412,273). 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. The maximum exposure to credit risk was:

	Notes	**June 30, 2017 $**	December 31, 2016 $
Cash and cash equivalents	**4**	**884,195**	512,273
Cash reserved for exploration	**5**	**1,058,917**	900,000
Investments	**6**	**1,032,943**	745,665
Accounts receivable	**7**	**178,025**	104,450
		3,154,080	2,262,388

(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 as follows; payables and accruals less than one year; restoration liabilities prior to September 2019; and related party liabilities from future free cash flow.

(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

22. Financial instruments (continued)

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 with a current fair market value of $1,032,943 (December 31, 2016 - $745,665). Based on the balance outstanding at June 30, 2017, a 10% increase or decrease would impact income and loss by $103,294 (December 31, 2016 - $74,566).

(d) Currency risk

Globex receives US dollar gross metal royalty payments from Nyrstar's Zinc operations in Tennessee if the Zinc price is greater than USD $0.90 per pound. 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 six-month period ended June 30, 2017, Globex recorded a royalty income of USD $150,272 (CDN $198,808) and a current tax expense of USD $39,622 (CDN $52,419). During the six-month period ended June 30, 2016, no royalty income and no current tax expense were recorded.

At June 30, 2017, no advance royalty liability had been recorded (December 31, 2016 – USD $56,450; CDN - $75,796).

(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).

June 30, 2017	Level 1 $	Level 2 $	Level 3 $	Total Financial Assets at fair Value $
Financial assets				
Cash and cash equivalents	-	884,195	-	884,195
Cash reserved for exploration	-	1,058,917	-	1,058,917
Equity investments	992,431	40,512	-	1,032,943
Accounts receivable	-	-	178,025	178,025
Reclamation bonds	-	781,714	-	781,714
	992,431	2,765,338	178,025	3,935,794

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

22. Financial instruments (continued)

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, 2016	Level 1 $	Level 2 $	Level 3 $	Total Financial Assets at fair Value $
Financial assets				
Cash and cash equivalents	-	512,273	-	512,273
Cash reserved for exploration	-	900,000	-	900,000
Equity investments	737,225	8,440	-	745,665
Accounts receivable	-	-	104,450	104,450
Reclamation bonds	-	786,697	-	786,697
	737,225	2,207,410	104,450	3,049,085

23. Commitments and contingencies

At the period-end, the Corporation had no outstanding commitments other than in the normal course of business other than its commitment to incur qualified exploration expenditures to meet its flow-through obligations as described in note 5. At this time, Management anticipates meeting that obligation and as a result, no additional disclosures are required.