



*Francoeur Gold Mine
Beauchastel Twp., Quebec*

ANNUAL REPORT 2017

Table of Contents

President’s Message to Shareholders	1
Management Discussion and Analysis	2
Responsibilities for Financial Statements.....	48
Independent Auditors’ Report	49
Financial Statements	50
Consolidated Statements of Loss and Comprehensive Loss	50
Consolidated Statements of Cash Flows	51
Consolidated Statements of Financial Position	52
Consolidated Statements of Equity	53
Notes to the Consolidated Financial Statements	54
Corporate Information	Appendix

President's Message to Shareholders

During the latter part of 2016, there was a recognition of the need for rebalancing between supply and demand for a number of commodities including copper and zinc. Following the U.S. election in 2016, stock markets and commodities prices reflected an anticipation of global growth fuelled by economic recovery in China and an improved outlook in Europe as well as anticipated US tax cuts and infrastructure spending. Early in 2017, we saw significant volatility in the world financial markets and despite an overall rise in metal prices, little interest nor movement in the junior mining and exploration market. During 2017, we saw a significant number of financings by junior mining companies which enabled Globex to option a number of properties. Previously other companies had very little funds with which to do acquisitions.

In 2017, we continued to expand our property acquisitions and align our exploration programs in the context, of Globex operating as a property bank. We targeted to create shareholder value by acquiring mineral properties, undertaking limited exploration and preparing properties for optioning, joint venture, or outright sale with the goal of generating near and long term revenue.

On August 22, 2017, the Saxony Mining Office in Germany granted Globex a licence for exploration for mineral resources at the Bräunsdorf Property. The area forming the Bräunsdorf licence has produced, over a 750 year period, at least 882 tonnes of silver (28.8 million ounces) with a current value of approximately USD \$500,000,000.

Following the acquisitions of the Devil's Pike and the Francoeur/Arntfield gold mine properties in 2016, field work was undertaken which was subsequently followed by drilling in 2017 which provided significant additional property knowledge including the identification of new gold zones and horizons. The results from these drill programs are described in this annual report.

We are pleased with our success over the last year in generating option income of \$3,022,857 (2016 - \$1,700,500). In May 2017, the Nyrstar Mid Tennessee mines and mill restarted which resulted in a gross metal royalty of \$940,458 (USD \$737,731) being payable to Globex. We anticipate towards the end of 2018, receiving estimated monthly metal royalties from Nyrstar of between \$CDN \$160,000 and \$CDN \$200,000 depending upon the zinc price and the Canadian/US dollar exchange rate.

During the year, private placements generated "flow-through" gross proceeds of \$1,345,000. At December 31, 2017, \$954,579 of "flow-through" funds were available to fund exploration in 2018.

We are proud of our achievements in 2017, all of which would not have been possible without the contributions of our directors, employees, consultants, professional advisors, contractors and suppliers. Again, this year, I would also like to thank our shareholders for their continued support and appreciation of our combined efforts.

We believe in the long-term value of our large, diversified portfolio of quality projects and consider the Abitibi region where we hold a large number of property interests as one of the pre-eminent geological and mining locations in the world.

Management's Discussion and Analysis

For the year ended December 31, 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") audited annual consolidated financial statements for the two years ended December 31, 2017 and December 31, 2016. This document has been prepared as of March 27, 2018.

Table of contents

Overview.....	2
Economic environment and corporate focus	3
Highlights for the year	5
Forward-looking statements	6
Qualified person	6
Exploration activities and mining properties.....	6
Timmins Talc-Magnesite Project ("TTM")	8
Quebec projects.....	9
New Brunswick projects	11
Europe project	12
Mineral property acquisitions	13
Optioned and royalty properties	14
Sales and option income.....	20
Royalties	23
New and revised International Financial Reporting Standards	23
Change in accounting policy	25
Results of Operations - Selected Annual Information	27
Variation in results.....	27
Fourth quarter transactions	28
Summary of quarterly results	28
Results of operations for the year ended December 31, 2017.....	29
Financial position	32
Liquidity, working capital, cash flow and capital resources	33
Financial instruments	34
Investment Strategies and Oversight	38
Outstanding share data	38
Risks and uncertainties.....	40
Related party information	43
Significant assumptions, judgments, and estimates	44
Disclosure Controls and Procedures and Internal Controls over Financial Reporting	45
Internal controls over financial reporting (ICFR)	45
Outlook	46
Additional information	47
Authorization	47

Overview

Globex Mining Enterprises Inc. ("Globex") is a North American focused exploration and project generator/property bank 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 its 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 NI 43-101 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 agreements, 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 162 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, Tradedate, and Lang & Schwartz Stock Exchanges. Globex 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 is 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 the lack of new production capacity coming on stream. 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,				
		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					
	Q3 -1,283.10					
	Q4 - 1,291.00					
Silver (\$/oz.)	Q1 - 18.06	16.24	13.83	15.70	19.44	30.06
	Q2 - 16.61					
	Q3 - 16.86					
	Q4 - 16.87					
Nickel (\$/pound)	Q1 -4.51	4.53	4.00	6.68	6.31	7.89
	Q2 - 4.26					
	Q3 -4.72					
	Q4 -5.67					
Copper (\$/pound)	Q1 -2.64	2.50	2.13	2.85	3.35	3.61
	Q2 - 2.69					
	Q3 - 2.93					
	Q4 -3.26					
Zinc (\$/pound)	Q1 -1.24	1.16	0.73	0.98	0.89	0.92
	Q2 -1.25					
	Q3 -1.45					
	Q4 - 1.50					

Table 1

On September 27, 2016, Nyrstar Inc. announced that as a result of increases in the zinc prices it was restarting its Mid Tennessee mining and processing operations in Q1 2017. This decision was supported by the recent increase in the 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 are trading at USD \$1.49 per pound. Production at the facilities began in May 2017 and Globex received Gross Metal Royalty payments from May to December 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 year

- Exploration expenses for the year totalled \$1,564,867 (flow-through expenditures - \$1,290,421) compared to \$1,493,119 in 2016 (flow-through expenditures - \$1,122,113). All of the flow-through funds raised in December 2016 were spent prior to December 31, 2017. Further details on pages 5- 13.
- Revenue for the year was \$3,963,315 as compared to \$1,700,500 in 2016. The increase in option income reflects the results of completing three new option agreements in 2017 and the continuance of seven new option agreements signed in 2016. In 2017, the Corporation received USD \$737,731 (CDN \$940,458) from Nyrstar Inc. (2016 - \$Nil). Further details on page 28.
- In 2017, the total expenses were \$2,887,317 (2016 - \$2,645,121). After adjusting for the non-cash items (depreciation, share-based compensation, and bad debts), the cash operating expenses were \$2,866,422 (2016 - \$2,462,040).
- In 2017, Globex reported a net income of \$754,886 as compared to a net loss of \$712,193 in 2016. The increase in the net income is mainly as a result of an increase in the option income and metal royalties (Note 17 of the audited consolidated financial statements).
- 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.
- On December 5, 2017, the Corporation issued 846,153 flow-through shares under a private placement at a price of \$0.65 per share for gross proceeds of \$550,000. The fair value of these shares was \$346,923 (\$0.41 per share) based on the TSX closing price on December 5, 2017.
- At December 31, 2017, cash and cash equivalents totalled \$2,526,768 (restricted funds - \$954,579) compared to \$1,412,273 in 2016 (restricted funds - \$900,000).
- In 2017, property acquisitions costs totalled \$136,762 (2016 - \$250,539 (cash of \$51,039, value of \$199,500 in shares)). The acquisitions in the current year include \$35,000 related to six cells located in Blondeau Township, Quebec. The cells cover the Kelly Lake copper, nickel, platinum, palladium and cobalt zone. On October 5, 2017, Globex sold its Donalda Property to Falco Resources Inc. In addition to the cash and shares, Globex received Falco's Dickenson Property, which was merged with Globex Francoeur Property at an estimated value of \$9,932. On October 12, 2017, Globex increased the value of its Francoeur Property by paying \$25,000 to Monarques Gold Corporation to cancel a 0.5% NSR. In 2016, the most significant acquisitions were the Devil's Pike Gold Property, the Beauchemin Claims in Duverny Township and the Francoeur, Arncoeur and Norex properties. Further details are outlined on pages 12 - 13.
- Proceeds from the sale of investments for the year ended December 31, 2017 totalled \$372,300 (2016 - \$135,080). 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 of mineral resources or reserves as defined by the Canadian Institute of Mining, Metallurgy and Petroleum Standards for Mineral Resources and Mineral Reserves;
- The issuer is not treating the historical estimate as current mineral resources or mineral reserves; and
- The historical estimate should not be relied upon.

Exploration expenditures for the year ended December 31, 2017, totaled \$1,564,867 (Mineral property acquisitions - \$136,762; Exploration expenditures \$1,428,105) (2016 - \$1,493,119 (Mineral property acquisitions - \$250,539; Exploration expenditures - \$1,242,580)), which reflects eligible flow-through expenditures of \$1,290,421 (2016 - \$1,122,113) and non-flow through expenditures of \$274,446 (2016- \$371,006).

During the years ended December 31, 2017 and 2016, exploration expenditures were incurred on the various projects as follows:

Region/Property/Township	2017 \$	2016 \$ <i>(Restated, Note 1)</i>
Ontario		
• Timmins Talc-Magnesite (Deloro)	103,037	114,405
• Other projects	10,441	14,660
	113,478	129,065
Quebec		
• Blackcliff (Malartic)	416	36,132
• Cameron (Grevet)	7,098	29,181
• Carpentier (Carpentier)	878	11,053
• Chenier (Duverny)	-	114,020
• Chubb, McNeely (Lacorne)	6,044	17,957
• DuvanCopper (Desmeloizes/La Reine)	1,858	12,694
• Fabie Bay / Magusi (Hebecourt, Montbray)	162,782	45,735
• Feldspar (Johan-Beetz)	1,186	17,800
• Francoeur (Beauchastel)	432,169	116,797
• Great Plains (Clermont)	767	17,277
• Kelly Lake (Blondeau)	39,470	-
• Lac Ontario (St-Urbain)	22,075	3,829
• Lac Savignac (Northern Quebec)	127,072	18,510
• Lyndhurst (Destor/Pouliaries)	41,046	26,486
• Mc Neely (Lacorne)	8,856	13,140
• Montalembert (Montalembert)	773	194,074
• Pandora-Wood & Central Cadillac (Cadillac)	6,977	15,422
• Pyrox (Clairy)	84,156	25,350
• Rousseau (Rousseau)	1,300	22,130
• Tonnancour (Tonnancour, Josselin)	20,814	9,910
• Turner Falls (Villedieu/Atwater)	4,253	13,119
• Windfall East (Bressami)	19,008	-
• Other projects	144,906	224,527
• Quebec general exploration	146,764	180,632
Total Quebec exploration	1,280,668	1,165,775
Other regions		
• Nova Scotia	10,131	2,970
• New Brunswick	84,708	177,951
• Canada (others)	475	1,943
• Europe	59,065	-
• Other including Bell Mountain (USA)	16,342	15,415
Total exploration expenditures	1,564,867	1,493,119
Q1	410,662	314,787
Q2	336,962	411,235
Q3	388,810	257,861
Q4	428,433	509,236
Total exploration expenditures	1,564,867	1,493,119

Table 2

Note:

1. Restated as a result of a change in Accounting Policy related to IFRS 6. See note 6 to the Consolidated Financial Statements for further details.

The exploration and evaluation expenditures by type are detailed in note 19 to the Consolidated Financial Statements. During the year ended December 31, 2017, the following major types of expenditures were incurred:

- Labour - \$558,893 (2016 - \$762,393),
- Drilling - \$218,050 (2016 - \$52,782),
- Laboratory analysis and sampling - \$165,766 (2016 - \$91,566),
- Transport and road access – \$159,717 (2016 – \$43,418),
- Mineral property acquisitions - \$136,762 (2016 – \$250,539),
- Mining property tax, permits and prospecting - \$92,680 (2016 - \$66,887),
- Geophysics - \$54,122 (2016 - \$2,685),
- Line cutting - \$41,807 (2016 - \$Nil),
- Consulting - \$37,112 (2016 – \$16,589),
- Reports, maps and supplies - \$35,248 (2016 - \$58,056),
- Geology - \$34,675 (2016 -\$105,977),
- Other - \$30,035 (2016 - \$42,227).

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 dated March 29, 2017. 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 developed 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 were 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. Currently, we anticipate issuing a revised resource estimate late in 2017 or in the first half of 2018.
- During 2017, \$103,037 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 or in the first half of 2018.
- Globex continues to explore various opportunities for the potential products that could be produced and to seek senior level financing opportunities for the project.

Quebec projects

During 2017, exploration expenditures totalling \$1,280,668 (2016 - \$1,165,775) were incurred on Quebec projects. The expenditures include the completion of exploration assessment reports in 2017 for work completed in late 2016 on the Francoeur/Arntfield Mines gold project.

Ground geophysics was completed on the Lac Savignac, Pyrox, and Tonnancour projects and airborne geophysics on the 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 during 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 returned 1.19 gpt Au over 74.0 m including 4.64 gpt Au over 8 m. Over 230 core samples from historical drilling were sampled and assayed.

Prospecting in different areas of the property including Arncoeur, Murphy zone, Francoeur shaft #1, Arntfield shaft #1, led to a trenching program completed over late summer consisting of 9 trenches totalling approximately 302 metres in length and averaging 4 meters in width. Best results came from the South Shear located immediately south of the main Francoeur-Wasa shear between Francoeur shaft #1 and Arntfield shaft #1, returning 9.52 gpt Au over 7.1 m including 15.4 gpt Au over 4.1 m. Also the main structure, the Francoeur-Wasa shear, returned 8.07 gpt Au over 2.0 m (open to the south) east of Francoeur shaft #1 and 5.36 gpt Au over 4.2 m west of Francoeur shaft #1.

A 10-hole drilling program totalling 680 metres was completed late October testing the Main and the South shear near surface where gold zones were intersected in the recent trenching. Best results from the South Shear returned 6.25 gpt Au over 3.25 m (true width) and 4.04 gpt Au over 7.34 m (true width) in drillholes FS-17-40 and FS-17-41 respectively. These two holes are located between Francoeur Shaft #1 and Arntfield Shaft #1. Best result from the Main Shear returned 11.57 gpt Au over 2.16 m (true width) in drillhole FS-17-45, located west of Francoeur shaft #1 (December 6, 2017 – press release).

- **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 is 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 have not been observed in the core.
- **Lyndhurst** (Destor, Poularies) A 108 metre drillhole was completed on the Lyndhurst property testing the northwest extension of zone #1 mineralized envelop. Alteration zones were intersected but only weak mineralization was present.
- **McNeely** (Lacorne, Landrienne) Three days of prospecting and sampling were completed on the McNeely lithium property. Two grab samples of pegmatite dyke presenting spodumene returned anomalous values of 0.38 % and 0.14 % Li.
- **Pendora-Wood** (Cadillac) – A 25 kg sample from the Amm intrusion was selected and shipped to University of Toronto for geochronology analysis to be compared with similar intrusive found regionally along the Cadillac break. The Amm intrusion, a quartziferous monzodiorite, is dated $2688 \pm 4\text{Ma}$. As a comparison, the Canadian Malartic Mine intrusions are 10 Ma younger dated between 2675 to 2679 Ma.

- **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 quarter 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 and magnetic and electromagnetic surveys were completed on these grid extensions. Anomalies were delineated that are now ready to drill.

New Brunswick projects

- During 2016, exploration expenses of \$177,951 (Mineral property acquisition - \$98,897; Exploration expenditures - \$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 metres including 1.36 gpt Au over 16.65 m from 91.85 to 108.5 metres and 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 drilled by Globex is separate from the area where Roscoe Postle Associates Inc. reported an inferred gold resource as summarized below:

Resource Classification	Zone	Tonnes	Capped Au(gpt)	AuOz	UncappedAu(gpt)	AuOz
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

NI43-101 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 NI43-101 report on Globex's website, at www.globexmining.com). Inferred resources are not mineral reserves and do not have demonstrated economic viability.

- During 2017, exploration expenses of \$84,708 (Mineral property acquisition - \$2,645; Exploration expenditures - \$82,063) (net of \$40,000 from the New Brunswick Mineral Assistance Program) were incurred on the Devil's Pike Gold Property. Globex has completed prospecting, reconnaissance geological mapping and trenching focused on the eastern extension of the Albright Brook occurrence where drilling in 2016 encountered significant mineralization within altered quartz porphyry such as 0.91 gpt Au over 37.15 metres or 1.36 gpt Au over 16.65 metres and 12.5% Sb over 0.5 metres in hole DPA-16-01 and 2.38 gpt Au and 4.74% Sb over 0.3 metres in DPA-16-03. Outcrop within this sector is sparse due to a thin but extensive cover of glacial tills.

However, the program did successfully identify the host altered quartz porphyry approximately 1.5 kilometres to the east of the gold occurrence.

The trenching program, consisting of six trenches totalling approximately 494 metres, was completed to the northeast of the Devils Pike South Deposit. Anomalous gold values in grab and chip sampling were encountered in five of the six trenches, ranging from 0.40 g/t to 2.87 g/t gold over 0.6 metres. The anomalous gold mineralization is associated with both “north” and “east” trending structures within metasediments and mafic volcanics.

- A program of line cutting, prospecting/geology, soil geochemical surveys and 24 kilometres of ground geophysics (magnetics and VLF-EM) was completed in the Grant Brook area of the property, which is located approximately 2.4 km from the Devils Pike South Deposit. This area contains two known mineral occurrences, the Grant Brook Central and Grant Brook West, which have yielded gold values of up to 10.90 g/t and 5.8 g/t, respectively, from previous prospecting. The altered quartz porphyry that hosts the Albright Brook occurrence ~4.0 km to the west, trends through the northern portion of the area. Historical soil geochem sampling, only covering the western edge of this area, has identified anomalous values up to 334 ppm As, 4.5 ppm Mo, 20.9 ppm Sb and 642 ppb Au.
- The 2017 surveys have highlighted a number of target areas that warrant further exploration work. The soil geochemical survey returned anomalous Au, Ag, Cu, Mo, Sb and As assay results with peak values of 302 ppb Au, 7.7 ppm Ag, 1520 ppm Cu, 28 ppm Mo, 76 ppm Sb and 1170 ppm As. The VLF-EM survey also returned favorable results with interesting trends indicated in vicinity of the altered quartz porphyry (Albright Brook occurrence setting) and Grant Brook Central occurrence, as well as others.

Europe project

On August 22, 2017, Saxony Mining Office granted Globex a mining license for the exploration of mineral resources at the Bräunsdorf Property. The license expires on September 30, 2022 unless renewed.

The Corporation acquired a 164 square km (63.3 square mile) land package measuring 36 km long by up to 5 km wide in the State of Saxony in southeast Germany. The project herein called the Bräunsdorf licence includes the western part of the famous Freiberg silver mining district which, over an approximate 850 year history, has produced some 5,700 tonnes of silver as well as zinc and lead. The area forming the Bräunsdorf licence has produced, over a 750 year period, at least 882 tonnes of silver (28.8 million ounces) with a current value of over US\$ 500,000,000 (at US\$ 17.50 per oz). For more details, please refer to our press release of September 12, 2017.

- During 2017, exploration expenses of \$59,065 were incurred on the Bräunsdorf Property. Exploration activities included conducting property evaluations and compilations, historical drill core sampling and analysis, geophysical survey planning and pricing and prospecting, including assaying as well as additional claim staking. In particular prospecting in the southern half of the licence in overburden covered areas located small rock samples in fields that returned highly anomalous silver, lead and zinc. This suggests that the overburden covered areas prospected between the known mining camps may well be mineralized and have never been explored with modern methods.
- Re-logging & sampling of small remnants of core from one historic hole (from tin exploration campaign, in 1976), drilled south of the historically mined Bräunsdorf mining camp was undertaken. This 700 m long inclined hole intersected the two principal NW dipping vein zones, but in addition numerous yet unknown further vein and stockwork zones, all returning weakly to highly anomalous silver values. Best assay results (out of 18 core samples) returned interval 251.6-251.9 m with 154 ppm Ag, 7.82% Pb and 2.96% Zn. This isolated 30 cm long piece of drill core is derived from the hanging-wall part of the 7.1 m wide Zweifler vein zone. A historically unknown 8.9 m wide stockwork and vein zone was intersected between 326.4-335.3 m.

Only four minor core samples of this zone are available, and so far two have been analyzed. Sample 502 (329-330 m = 1 m) returned 39.1 ppm Ag, sample 512 (332.2-332.4 m = 0.2 m) returned 25.7 ppm Ag.

- First field reconnaissance was undertaken in October 2017. A total of 30 grab, chip and float samples were collected from surface and from mine dumps (14 samples). Highest values were returned the three grab samples taken from a mine dump near the village Großvoigtsberg (Christbescherung mine): Sample 19: 707 ppm Ag and 257 ppb Au; sample 20: 186 ppm Ag and 212 ppb Au; Sample 21: 355 ppm Ag, 1.33% Cu, 8.76% Pb and 5.75% Zn.
- Interpretation of all available historic data and vein quartz float discovered during field reconnaissance led to the definition of target zones outside of known historic mining activity. Most important is the almost 7 km long NE trending Fortuna Target Zone connecting the historic mining camps of Bräunsdorf in the south and Großvoigtsberg in the north. It occurs along a lithological contact zone with mica schist in the NW and a mica schist-gneiss sequence to the SE. The target zone is almost completely covered with 1-5 m thick overburden (consisting of clay soil, talus, weathered rock). Within this zone, six samples of vein quartz float and hydrothermally altered rock returning highly anomalous values of silver (1.2 – 9.5 ppm), gold (up to 100 ppb), arsenic (up to 2018 ppm), antimony (up to 52 ppm) and bismuth (up to 165 ppm) were collected at two sites. At another target (Zellwald target zone) one sample of a single vein quartz float piece returned 16.2 ppm silver and 88.9 ppm antimony.
- Further field reconnaissance, review of historic drill core and sampling will be undertaken in the 2018. Geochemical surveys and ground geophysical surveys followed by drilling programs will be planned at the different exploration targets.

Mineral property acquisitions

During 2017, Globex spent \$136,762 (2016 - \$51,039 cash, value of \$199,500 in shares) on property acquisitions. The acquisitions in the current year include \$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 kilometre 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 minières 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.

On October 5, 2017, Globex sold its Donalda Property to Falco Resources Inc. In addition to the cash and shares, Globex received Falco's Dickenson Property, which was merged into the Francoeur Property at an estimated value of \$9,932.

On October 12, 2017, Globex increased to the value of its Francoeur Property by paying \$25,000 to Monarques Gold Corporation to cancel a 0.5% NSR.

During 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 McNeely, Pyrox and Certac properties.

Optioned and royalty properties

The most significant partner reporting for the period is as follows:

Johan Beetz Property (Walmer Capital Corp. (name changed to Enerspar Corp. on 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 approval, Enerspar 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 recently commenced exploration work on the Johan Beetz property, which should result in an NI 43-101 resource estimate in 2018 (an initial 43-101 Technical Report was completed earlier in 2017 and is available on the Company's website). According to the management of the Company, this event should lead to a decision to sell the project or take it into production.

Fontana Gold Property (Duverny) - On May 31, 2017, Tres-Or Resources released assay results from the first two drill holes 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.

On December 8, 2017 Tres-Or Resources released assay results from the latest two drill holes of their drill program on the Globex's Fontana Gold Property northeast of Amos, Quebec. Drill hole F17-03 returned 3.49 g/t Au over 0.4 metre. Drill hole F17-04 has returned 1.00 g/t Au over 3.5 metres including 5.7 g/t Au over 0.5 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, plus acquisition costs, and retained a 1% Net Smelter Return (NSR) up to \$500,000. 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 (SiO₂) 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% SiO₂ and Inferred Mineral Resources estimated at 4.6 Mt grading 98.6% SiO₂. According to the press release, the resource estimate includes resources from three 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.

On August 10, 2017, Rogue issued a press release explaining that they were informed by the Ministère des Forêts, de la Faune et des Parcs ("MFFP") that the initial permit will take "additional analysis" and as such this analysis is expected to be completed in the Spring of 2018.

On August 14, 2017, Rogue issued a press release announcing that they have completed the initial stripping of 4,500 m³ at the Silicon Ridge project. This stripped area would be the site of initial production once and if a positive development decision is made.

Maude Lake (Ramp Mine) (Beatty, Carr, Coulson Wilkie Twps.) - On February 7, 2017, RJK Explorations Ltd. announced assay result from four holes totalling 578 metres 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. On July 13, 2017, RJK notified the Corporation that the option was terminated due to a lack of funds to undertake the next phase of exploration.

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 cells, 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 January 25, 2017, Globex received 1,500,000 common shares which were valued at \$315,000 based on market price of the stock on the date of issuance. On November 16, the second option payment of \$300,000 was received and an additional 2,000,000 common shares were issued to Globex which were valued at \$170,000 based on market price of the stock on the date of issuance.

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. They stated that the 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 No. 2 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 would 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 would be at 25 m centers to a vertical depth of 100 m. HQ sized core would 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 would be 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 October 31, 2017, Globex amended the Enforcer Gold option agreement by reducing the aggregate exploration expenditures over the five year term by \$5,000,000 from \$15M to \$10M.

On December 20, 2017, Enforcer reported final drilling results and recapped the 2017 exploration program at the Montalembert Gold project. The Galena vein structure was exposed at surface over 300 m strike length (open) and up to 140 m vertical depth (open). The No. 2 vein structure is now exposed on surface and/or intersected by drilling over 600 m strike length (open) and up to a 140 m vertical depth (open).

A total of 133 channels was collected from Galena, No. 2 and No. 3 veins. The most significant results reported in Enforcer's press release dated September 12, 2017 include:

Sample #	Vein	Gold (g/t)	Width (m)
MCH 223511	No.2 North	3.92	1.8
MCH 223539	No.2 North	13.50	1.0
MCH 223576	No.2 North	105.00	1.0
MCH 225544	Galena	5.09	1.0
MCH 225702	No.2 North	3,310.00	1.0
MCH 225909	No.3	3.45	0.9
MCH 225996	No.2 North	104.68	2.0

A high-resolution aeromagnetic VLF-EM survey was flown over the entire 7,300-hectare property.

Forty-five (45) HQ holes totalling 5,874 metres were drilled on the Galena and No. 2-3 vein structures. All drill holes intersected structures with quartz±carbonate veining, sulphides and alteration. Gold mineralization with a grade above 0.5 g/t were returned in 27 of the 45 holes. Most significant results reported by Enforcer's include:

Sample #	Vein	From	To	Gold (g/t)	Width (m)
MDD170006	No.2	27.30	28.50	197.13	1.20
	Incl.	27.86	28.16	782.00	0.30
MDD 170022	No.3	153.25	153.75	13.70	0.50
	and	160.00	161.00	17.50	1.00
MDD 170028	No.2-3	84.86	85.71	4.71	0.85
MDD 170032	No.3	25.68	26.05	17.50	0.37
MDD 170043	No.2	36.30	37.30	8.51	1.0

In 2018, Enforcer is contemplating a surface bulk sample of the No. 2 vein as well as exploring and drilling the extensions of the currently-defined deformation corridor, especially the No. 2 vein structure.

Nordeau (Vauquelin, Pershing and Denain Twps.) - On March 7, 2017, Chalice Gold Mines Ltd. 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. On October 27, 2017, Chalice announced that a 7,700 metre drilling program on the East Cadillac Gold Project (including Chalice option of Nordeau property) was in progress. On January 16, 2018, Chalice announced that it has expanded the exploration drilling program at the East Cadillac Project with an additional 21,000 metres after identifying 14 new high-priority targets.

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 21, 2017 which were valued at \$185,000 based on market price of the stock on the date of issuance.

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).

On February 3, 2017, Manganese X press release 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 was also their intention to produce an inferred resource NI 43-101 Technical Report by December 2017.

On March 2, 2017, the Company issued a press release providing an update with Technical Insights highlighting 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, also known as EMD. EMD is a high value manganese product 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 analytical 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.

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).

On August 10, 2017, Manganese X Energy Corp. announced results from its second phase drilling at Battery Hill (new project name) consisting of 9 holes totalling 1599 metres on the Sharpe Farm and Moody Hill areas. All holes of the program, with the exception of SF17-14, encountered significant amounts of manganese mineralization. Hole SF17-16 returned 13.19% MnO over 44.6 metres including 17.37 MnO over 23.6 metres.

On August 24, 2017, Manganese X reported having commissioned a NI 43-101 resource estimate on its Battery Hill manganese property to be prepared by Mercator Geological Services Limited of Dartmouth, Nova Scotia.

On September 14, 2017, Manganese X Energy reported having entered into a confidentiality agreement with the University of Minnesota to develop value-added manganese products.

A review of 2017 work and 2018 strategies and goals was released on December 19, 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 optionee, 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 additional considerations 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 \$35,000 cash payment and the issuance of 500,000 Opawica common shares, which were valued at \$65,000 based on market price on the date of issuance, were made effective on April 21, 2017.

Opawica has fulfilled final option agreement requirements and Beauchastel claims have been transferred to Opawica. Globex retains a 3% Gross Metal Royalty ("GMR") with the Company retaining the right to purchase 1% of the GMR for \$1,000,000 within five year.

Donalda Property sale (Falco Resources Ltd) - In consideration for the acquisition of the Donalda Gold Mine property, Falco has agreed to pay Globex \$300,000 in cash and issue 350,000 units to Globex. Each unit consists of one (1) common share of Falco and one (1) common share purchase warrant of Falco. Each warrant will entitle Globex to purchase one (1) common share of the Company at a price of C\$1.15 per common share, for a period of 5 years following the closing date. Additionally, Falco has agreed to grant Globex a 2.5% Gross Metal Royalty on all mineral production from the Donalda Gold Mine property and to transfer a 100% ownership of Falco's Dickenson gold property located on the east side and adjoining Globex's Francoeur/Arntfield gold property to Globex.

The Dickenson property consists of three claims totalling 211.38 ha. Historical drilling on the Dickenson property returned numerous gold intersections. Geologically, the claims may cover up to 1.5 km of the eastward extension of the gold localising Francoeur-Wasa Fault which is associated with six historical mines on Globex's Francoeur/Arntfield gold property. In addition, the property holds the potential down dip extensions of gold zones being explored as part of Globex's ongoing exploration on the Francoeur/Arntfield land package.

On October 6, 2017, Globex received a cash payment of \$300,000, 350,000 shares with a fair value of \$416,500, and 350,000 warrants with a fair market value of \$36,750 as well as the Dickenson Property with a fair value of \$9,932.

On December 21, 2017, Falco closed an \$8.5 million private placement financing to fund its 2018 exploration program. The bulk of the placement proceeds were to be spent on the Donalda property and surrounding properties located near Horne and Quemont mines. The Donalda property is located 800 metres east of the Horne 5 deposit.

In 2017, about 4,700 metres were drilled on the Donalda property, and results are pending. The drilling consisted of testing the extensions of the known mineralization and confirming historical results. Following the receipt of drill results, a preliminary NI 43-101 resources calculation is to be initiated. Given its close proximity to the Horne 5 deposit, potential underground mineralization would be accessible from the Horne 5 future underground infrastructure. The Donalda targets consists of a gold quartz vein systems. However, the volcanogenic massive sulfide potential remains to be tested.

Parbec Deposit (Malartic Twp.) – On January 23, 2018, Renforth Resources Inc. provided assays from their December 2017 drill program on Globex’s Parbec property. The drilling “extended the mineralized resource model horizons at Parbec by 60 metres on strike to the northwest with gold intersected in each of seven holes.” Intersections reported include 2.34 g/t Au over 11.05 m, 1.15 g/t Au over 15.35 m, 1.25 g/t Au over 23.2 m. (See Renforth Press Release dated January 23, 2018 for details).

Globex is pleased with the drill results and looks forward to the results from the current drill program.

Chubb Lithium (Lacorne Twp.) – On January 23, 2018, Great Thunder Gold Corp announced assay results from Globex’s Chubb Lithium royalty property. “Highlights from hole C-17-01 include 1.33% of lithium oxide (Li₂O) over 5.3 m and 1.15% Li₂O over 2.1 m. Hole C-17-02 yielded 0.9% Li₂O over 3.6 m.” (See Great Thunder Press Release dated January 23, 2018 for details).

Sales and option income

Year-Ended December 31, 2017

Property, Agreements Summary ¹	Cash	Shares and warrants	Others
	\$	\$	\$
Sales and Options			
<ul style="list-style-type: none"> • Khalkos Exploration Inc., Deane Property, Cadillac, Quebec, cash of \$10,000 and 175,000 common shares with a fair market value of \$25,375, April 20, 2017 agreement. • Falco Resources Ltd, Donalds Property, Rouyn, Quebec, cash of \$300,000, 350,000 shares and warrants with a fair market value of \$453,250 and consideration in the amount of \$9,932, October 6, 2017 agreement. • Other, Fabie Bay / Magusi, Hébecourt & Montbray Twps, Quebec, cash payment of \$25,000. 	<p>10,000</p> <p>300,000</p> <p>25,000</p>	<p>25,375</p> <p>453,250</p> <p>-</p>	<p>-</p> <p>9,932</p> <p>-</p>
Option and sale payments under Agreements from prior years			
<ul style="list-style-type: none"> • Enforcer Gold, Montalembert Property, Quebec, cash payments of \$600,000 and 3.5 M. common shares with a fair market value of \$485,000. • Enerspar Corp. (Walmer Capital), Feldspar Property, Johan Beetz, Quebec, cash payment of \$100,000 and 2.0 M. common shares with a fair market value of \$100,000. • Galway Metals, Tower Hill Property, Quebec, acquired for 260,000 common shares with a fair market value of \$79,300. • Great Thunder Gold Corp., Chubb and Bouvier properties, Quebec, cash payments of \$20,000. • 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. 	<p>600,000</p> <p>100,000</p> <p>-</p> <p>20,000</p> <p>100,000</p>	<p>485,000</p> <p>100,000</p> <p>79,300</p> <p>-</p> <p>185,000</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>

Property, Agreements Summary¹	Cash	Shares and warrants	Others
	\$	\$	\$
<ul style="list-style-type: none"> Opawica Explorations Inc., Beauchastel claims, Quebec, cash payments of \$35,000 and 750,000 common shares with a fair market value of \$62,500. 	35,000	62,500	-
<ul style="list-style-type: none"> Renforth Resources, Parbec Property, Quebec, cash payments of \$125,000 and 500,000 common shares with a fair market value of \$37,500. 	125,000	37,500	-
<ul style="list-style-type: none"> RJK Explorations Ltd, Ramp Property, Ontario, 100,000 common shares with a fair market value of \$15,000. 	-	15,000	-
<ul style="list-style-type: none"> Chalice Gold Mines (Quebec), Nordeau East and West Gold property, Quebec, initial \$170,000 on signing, \$470,000 option payments over four years, \$2.5 M. of exploration expenditures and 3% gross metal royalty. 	170,000	-	-
<ul style="list-style-type: none"> Tres-Or Resources, Fontana property, cash payments of \$50,000. 	50,000	-	-
Advance royalties			
<ul style="list-style-type: none"> Tres-Or Resources, Duvay (5 claims), Quebec, cash payment of \$35,000. 	35,000	-	-
Sales, option income and advance royalties for the year	1,570,000	1,442,925	9,932
Q1	485,000	419,300	-
Q2	215,000	400,375	-
Q3	-	50,000	-
Q4	870,000	573,250	9,932
Total	1,570,000	1,442,925	9,932

Table 5

Note:

1. Details of the original option agreements negotiated in prior years are in the Corporation's 2016 Annual Information Form dated March 29, 2017.

In 2017, Globex generated sales, option income and advance royalties from three new option/sale agreements (2016 – seven) and ten ongoing agreements (2016 - five). The sales, option income and advance royalties of \$3,022,857 consisted of cash receipts of \$1,570,000, shares and warrants in optionee corporations with a fair value of \$1,442,925 and the fair value of other considerations of \$9,932.

In 2016, the Corporation generated sales, option income and advance royalties from seven new option agreements (2015 - four) and five ongoing agreements (2015 – three).

The sales, option income and advance royalties of \$1,700,500 (2015 - \$545,056) consisted of cash receipts of \$1,096,500 and shares in optionee corporations with a fair market value of \$604,000.

Additional Option Agreements Negotiated in 2017

(i) 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 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 and had a fair value of \$79,300 based on the market price on the date of issuance.

(ii) 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, comprising three 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.

(iii) 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 would be terminating its option agreement.

(iv) Falco Resources Ltd, Donalda Gold Mine Property

On October 5, 2017, Globex entered in a sale agreement whereby Falco Resources Ltd agreed to acquire a 100% legal and beneficial interest in the Donalda Gold Mine Property located in Rouyn Township, Quebec.

In consideration for the acquisition of the Donalda Gold Mine Property, Falco has agreed to pay \$300,000 in cash and issue 350,000 units to Globex. Each unit of Falco Resources Ltd consists of one (1) common share of Falco and one (1) common share purchase warrant of Falco. Each warrant will entitle the Globex thereof to purchase one (1) common share of the Company at a price of C\$1.15 per common share, for a period of 5 years following the closing date.

Additionally, Falco has agreed to grant Globex a 2.5% Gross Metal Royalty on all mineral production from the Donalda Gold Mine property and to transfer a 100% ownership of Falco's Dickenson gold property located on the east side and adjoining Globex's Francoeur/Arntfield gold property. The Dickenson property consists of three claims totally 211.38 ha. Historical drilling on the Dickenson property returned numerous gold intersections.

Royalties

At December 31, 2017, thirty-five royalty arrangements were in effect at various stages. During the year ended December 31, 2017, Globex added five new royalty arrangements.

Property, Township, Province	Royalty Interests	Optionee
Deane, Cadillac, Quebec	2% GMR	Khalkos Explorations Inc.
Matchi-Manitou, Pershing, Quebec	2% GMR	Renforth Resources Inc.
Penaroya, Carheil&Lapeltrie, Quebec	1% GMR	Midland Explorations Inc.
Silica Properties, Fortune Bay, Gros Morne, Newfoundland	1% GMR	MidAtlantic Minerals Inc.
Silica Properties, Villejoin & Robineau, Quebec	1% GMR	MidAtlantic Minerals Inc.

Globex is entitled to a Gross Metal Royalty (“GMR”) for zinc production from the Nyrstar Tennessee 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% GMR. If the LME zinc sale price is equal to or above USD \$1.10 per pound, then the royalty is 1.4% GMR.

The Corporation’s Annual Information Form dated March 29, 2017 and website www.globexmining.com provides Property Descriptions, a list of Royalty Interests, as well as the Optionees of the various properties.

New and revised International Financial Reporting Standards

International Financial Reporting Standards adopted

In preparing the audited financial statements for the year ended December 31, 2017, the Corporation has adopted the following new standards or amendments.

IAS 7 Statement of Cash Flows:

The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. These amendments were adopted on January 1, 2017 and had not resulted in any material changes in these consolidated financial statements or reported results.

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.

The Corporation early adopted IFRS 15 and realized no significant changes regarding the revenue recognized in relation to the option agreement income. Additional disclosure was included in note 17 of the Audited Consolidated Financial Statements for the year ended December 31, 2017 to comply with this standard.

IFRS 16 Leases:

In January 2016, the IASB issued IFRS 16, Leases (“IFRS 16”). IFRS 16 revises the definition of leases and requires companies to bring most leases on-balance sheet, recognizing new assets and liabilities. The objective of this change is to increase the transparency and comparability of a company’s financial statements. As the Corporation has no material lease contracts that fall under IFRS 16, the adoption of this standard has not resulted in any material changes in the financial statements.

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

At the date of authorization of these consolidated financial statements, the IASB and IFRS Interpretations Committee (IFRIC) have issued the following new and revised Standards and Interpretations which were not yet effective and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements.

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 but does not anticipate any material impact on adoption of these amendments as it does not encounter these circumstances regularly.

IFRS 9 Financial Instruments (replacement of IAS 39):

Issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements.

The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation and does not anticipate any material impact from adopting this standard due to the nature of its financial instruments.

IAS 28 Investments in Associates and Joint Ventures:

In October 2017, the IASB issued amendments to IAS 28.

The amendments to the financial instruments Standard, IFRS 9, allow companies to measure particular pre-payable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

The amendments to IAS 28 Investments in Associates and Joint Ventures clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9 and does not anticipate any material impact from applying this amendment due to the immaterial nature and lack of achieving of these investments.

These amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

IFRIC 22 Foreign Currency Transactions and Advance Consideration:

Issued by the IASB in December 2016 and provides guidance on the issue of the "date of the transaction" for the purpose of determining the exchange rate at the time of the transaction, to apply to transactions that are within the scope of IAS 21, Effects of Changes in Foreign Exchange Rates, which involve the receipt or payment of an advance consideration in a foreign currency. The interpretation applies for annual reporting periods beginning on or after January 1, 2018. Management does not anticipate any material impact of this IFRIC due to the limited nature of its foreign currency transactions.

IFRIC 23 Uncertainty Over Income Tax Treatments

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. Management has not yet considered the impact of adoption this IFRIC.

Change in accounting policy

During the year ended December 31, 2017, the Corporation changed its accounting policy for mineral properties and deferred exploration expenses to recognize these costs in the Statements of Income (loss) and Comprehensive Income (loss) in the period incurred, as permitted under *IFRS 6, Exploration for and Evaluation of Mineral Resources*. Management believes that the change in accounting policy will result in clearer and more relevant financial information.

The previous accounting policy was that the mineral properties and the deferred exploration expenses were capitalized in respect of each identifiable area of interest, once the legal right to explore had been acquired, until the technical feasibility and commercial viability of extracting a mineral resource demonstrated.

The impact of this change on the consolidated statement of financial position as at January 1, 2016 is as follows:

	As previously reported \$	Effect of change in accounting policy \$	Restated \$
STATEMENT OF FINANCIAL POSITION			
Minerals properties	2,908,634	(2,908,634)	-
Deferred exploration expenses	11,848,864	(11,848,864)	-
Total assets	17,174,211	(14,757,498)	2,416,713
Deferred tax liability	1,275,315	(1,275,315)	-
Deficit	(42,838,767)	(13,482,183)	(56,320,950)
Total equity	15,054,494	(13,482,183)	1,572,311
Total equity and liabilities	17,174,211	(14,757,498)	2,416,713

The impact of this change on the consolidated financial statement as at and for the year ended December 31, 2016 is as follows:

	As previously reported \$	Effect of change in accounting policy \$	Restated \$
STATEMENT OF FINANCIAL POSITION			
Minerals properties	3,027,363	(3,027,363)	-
Deferred exploration expenses	12,028,357	(12,028,357)	-
Total assets	18,724,603	(15,055,720)	3,668,883
Deferred tax liability	1,245,100	(1,245,100)	-
Deficit	(43,222,523)	(13,810,620)	(57,033,143)
Total equity	16,410,294	(13,810,620)	2,599,674
Total equity and liabilities	18,724,603	(15,055,720)	3,668,883
STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)			
Revenues	1,356,989	343,511	1,700,500
Exploration and evaluation expenses	-	1,493,119	1,493,119
Impairment of mineral properties and deferred exploration expenses	851,386	(851,386)	-
Deferred tax recovery	(248,413)	30,215	(218,198)
Loss and comprehensive loss for the year	(383,756)	(328,437)	(712,193)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)
STATEMENT OF CASH FLOWS			
Loss and comprehensive loss for the year	(383,756)	(328,437)	(712,193)
Impairment of mineral properties and deferred exploration expenses	851,386	(851,386)	-
Exploration and evaluation expenditures (paid in shares)	-	199,500	199,500
Deferred income and mining tax (recovery)	(248,413)	30,215	(218,198)
Net cash used by operating activities	(417,599)	(950,108)	(1,367,707)
Deferred exploration expenses	(1,242,580)	1,242,580	-
Mineral properties acquisitions	(51,039)	51,039	-
Proceed on mineral properties optioned	343,511	(343,511)	-
Net cash generated (used) by investing activities	(901,398)	950,108	48,710

Results of Operations - Selected Annual Information

	2017 \$	2016 \$ <i>(Restated, Note 1)</i>	2015 \$ <i>(Restated, Note 1)</i>
Option and metal royalty income	3,963,315	1,700,500	1,160,338
Management services	53,028	42,040	10,000
Other income (expenses)	(331,377)	(27,810)	(57,275)
Joint venture income (loss)	(2,214)	-	2,781
Net revenues	3,682,752	1,714,730	1,115,844
Total expenses	2,887,317	2,645,121	3,985,032
Income (loss) before taxes	795,435	(930,391)	(2,869,188)
Income tax expense (recovery)	40,549	(218,198)	(452,155)
Income (loss) and comprehensive income (loss) for the year	754,886	(712,193)	(2,417,033)
Income (loss) per common share			
- Basic	0.02	(0.02)	(0.06)
- Diluted	0.01	(0.02)	(0.06)
Total Assets	5,463,693	3,668,883	2,416,713
Other non-current financial liabilities	57,690	58,911	132,043

Table 6

Note:

1. Restated as a result of a change in Accounting Policy related to IFRS 6. See note 6 to the Consolidated Financial Statements for further details.

Variation in results

In 2017, Globex reported a net income of \$754,886 as compared to a net loss of \$712,193 in 2016. The improvement is mainly a result of:

- an increase of \$2,262,815 in option and metal royalty income,
- as well as offsets in the expenses and the other income (expenses).

The net revenues for 2017 were \$3,682,752 as compared to \$1,714,730 in 2016. The current year revenues consist of:

- option income and advance royalties of \$3,022,857 (2016 - \$1,700,500),
- metal royalties of \$940,458 (2016 - \$Nil),
- management services of \$53,028 (2016 - \$42,040),
- other expenses of \$331,377 (2016 - \$27,810) mainly representing the decline in the fair market value of investments and the loss on the sale of investments.
- joint venture loss of \$2,214 (2016 - \$Nil).

In 2017, Globex reported total expenses of \$2,887,317 (2016 - \$2,645,121).

After adjusting for the non-cash items (depreciation, share-based compensation and bad debts), cash operating expenses were as follows:

- 2017 - \$2,866,422,
- 2016 - \$2,452,166,

The variations in the income tax expense (recoveries) (2017 – \$40,459; 2016 – (\$218,198)) reflect the impact of the level of income as well as non-deductible expenses, recovery of deferred mining duties, changes in the valuation allowance for tax assets, rate variations, and the deferred taxes related to flow-through shares.

Total assets

The \$1,794,810 increase in total assets from \$3,668,883 at December 31, 2016 to \$5,463,693 at December 31, 2017 mainly represents an increase in:

- cash and cash equivalents of \$1,059,916,
- the fair market value of investments of \$714,116,

Other non-current financial liabilities

The other non-current financial liabilities of \$57,960 at December 31, 2017 mainly represents related party payables and receivables (December 31, 2016 - \$58,911).

Within the related party payables, the liability to Duparquet Assets Limited of \$78,883 (December 31, 2016 - \$83,179) represents option payments received directly by Globex, whereas the property which had been optioned to Xmet Inc. is held under a joint venture arrangement between Globex and Jack Stoch Geoconsultant Services Limited. This liability is offset by other intercompany receivables of \$20,923 (2016 - \$24,268).

Fourth quarter transactions

On December 5, 2017, 846,153 common flow-through shares were issued at a price of \$0.65 per share for gross proceeds of \$550,000. The fair value of these shares was \$0.41 per share based on the value of the other common shares issued on the same date.

Summary of quarterly results

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

	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$	\$	\$	\$	\$	\$	\$	\$
	(Restated, Note 1)							
Total revenues	1,842,248	402,585	814,182	904,300	380,000	617,500	610,500	92,500
Total expenses	723,724	698,920	697,082	767,591	596,711	639,378	844,237	564,795
Other income (expenses)	(69,920)	(56,186)	(321,094)	166,637	(118,188)	114,703	(79,664)	97,379
Income (loss) ⁽²⁾	1,024,567	(151,582)	(328,067)	209,968	(47,982)	69,651	(382,323)	(351,539)
Income (loss) per common share								
- Basic	0.02	(0.00)	(0.00)	0.00	(0.00)	0.00	(0.01)	(0.01)
- Diluted	0.01	(0.00)	(0.00)	0.00	(0.00)	0.00	(0.01)	(0.01)

Table 7

Note:

1. Restated as a result of a change in Accounting Policy related to IFRS 6. See note 6 to the Consolidated Financial Statements for further details.
2. 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, Nyrstar facilities restarted. The average LME zinc prices were greater than USD \$1.16 per pound and as a result, during the second, third and fourth quarters of 2017, gross metal royalty income of \$940,458 (USD \$737,731) was recorded.

- In 2017, Globex signed three new option/sale agreements as a result an increase of \$823,557 in the option income added to 2016 new agreements that continue.
- During the second, third and fourth quarters of 2016, the revenues have significantly increased as Globex completed 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 expenses have increased by \$242,196 from 2016 to 2017. As the market seems more responsive to marketing efforts, it was decided that it was time to spend more on investor relations as well as taking the opportunity to undertake mineral exploration in Germany.
- In 2017, no stock based compensation was record as compared to \$152,199 in 2016.
- The variations in other income or expenses mainly reflects an increase or decrease in the fair value of equity investments. During the year ended December 31, 2017, the Corporation recorded a decline in the fair value of investments of \$143,282 (2016 -\$65,039). These changes are 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 year ended December 31, 2017

Revenues

During the year ended December 31, 2017, revenues totalled \$3,963,315 which was \$2,262,815 higher than the \$1,700,500 reported in the comparable period in 2016. In 2017, Globex completed a number of option arrangements as a result of the renewed level of financings in the Junior Mining Sector, which represents Globex customers. In May 2017, Nyrstar restarted the Tennessee mine and mill and the royalties were reinstated shortly after.

Option income and advance royalties

In 2017, Globex generated option income of \$3,022,857 (2016 - \$1,700,500) which reflects cash of \$1,570,000 (2016 -\$1,096,500), shares and warrants with an initial fair market value of \$1,442,925 (2016 -\$604,000) and other consideration in the amount of \$9,932 (2016 - \$Nil). Further details of the option income are provided in Sales and Option income analysis section of this report on page 19-20.

Metal royalty income

The Corporation is entitled to a gross metal royalty of 1.0% if the LME monthly average zinc price is greater than USD \$0.90 per pound in the month after the production at the Nyrstar Middle Tennessee zinc operations. The gross metal royalty would increase to 1.4% if the monthly average zinc price is greater than \$1.10. On December 7, 2015, Nyrstar announced that it was placing the Middle Tennessee Mine on care and maintenance as a result of the challenging metal price environment.

In May 2017, the Nyrstar facilities restarted. The average LME zinc prices were greater than USD \$1.16 per pound and as a result, during the second, third and fourth quarter of 2017, gross metal royalty income of \$940,458 (USD \$737,731) was recorded.

No metal royalty income was recorded in 2016, as the Nyrstar Middle Tennessee zinc mine was not in operation.

Total expenses

In 2017, the total expenses were \$2,887,317 as compared to \$2,645,121 in 2016. This represents an increase of \$242,196 mainly related to an increase in salaries and in professional fees.

Salaries

- In 2017, the salaries totalled \$506,617 as compared to \$376,001 in 2016. This represents an increase of \$130,616 mainly representing a partial reinstatement of executive salaries and the departure allowance of the former Chief Financial Officer, who resigned from the organization effective September 20, 2017.

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 18 to the consolidated financial statements.
- In 2017, the administration expenses totalled \$345,030 as compared to \$291,096 the previous year. The increase of \$53,934 is mainly related to an increase in advertising and shareholder information as well as an increase in conventions and meetings expenses.

Professional fees and outside services

- The professional fees and outside services represent a combination of services as detailed in note 18 to the consolidated financial statements.
- For the year ended December 31, 2017, the Professional fees and outside services totalled \$424,034 as compared to \$283,591 in 2016. The increase of \$140,443 is mainly related to the increase of \$102,592 in investor relations as well as an increase of \$19,475 in audit and accounting fees.

Depreciation

- The depreciation expense for the year ended December 31, 2017 was \$20,895 as compared to \$30,882 in 2016. The decrease reflects that some fixed assets were fully amortized in 2016.

Share-based compensation and payments

- During the year ended December 31, 2017, no share-based compensation expense was recorded as compared to \$152,199 in 2016. No options were issued in 2017.
- In 2016, the expense of \$152,199 represents the fair value of \$0.19 per share for 770,000 options granted in the year at a weighted average strike price of \$0.40 per share, which vested immediately, as well as amortization related to 300,000 stock options issued on June 16, 2014 which vested at various dates up to June 16, 2016.

Loss (gain) on foreign exchange

- The loss on foreign exchange of \$25,874 (2016—\$8,359) represents the net adjustment of the values of assets and liabilities at the end of the year. The Corporation held fewer U.S. dominated assets at December 31, 2017 than 2016.

Bad debt

- In 2017, no bad debt expense was recorded as compared to \$9,874 in 2016, which related to outstanding option payments from Mag Copper Limited.

Other income (expenses)

- Other income (expenses) reflects interest income, joint venture income (loss), the increase (decrease) in fair value of financial assets, gain (loss) on sale of investments, management services including administrative, compliance, corporate secretarial, risk management support and advisory services provided to CIM.
- In 2017, the Corporation recorded other expenses of \$280,563 compared with other income of \$14,230 in 2016. The difference of \$294,793 is mainly related to the loss on the sale of investments of \$213,227 (2016 – gain of \$24,880) and the decrease in the fair value of financial assets of \$143,282 (2016 - \$65,039).

Decrease in fair value of financial assets

- In 2017, the Corporation recorded a decrease in fair value of financial assets of \$143,282 (2016- \$65,039). The decrease is mainly related to the fair value of equity investments detailed in note 9 to the Consolidated Financial Statements.

Gain (loss) on the sale of investments

- In 2017, a loss on the sale of investments of \$213,227 (2016 - gain of \$24,480) was recorded.
- In 2017, proceeds of \$372,300 were generated from the sale of investments and a loss on sale of investments of \$213,227 has been reported as follow:

Investment	Number of shares	Proceeds \$	Gain (loss) \$
Canadian Metals Inc.	200,000	12,420	(29,580)
Great Thunder Gold Corp.	325,000	16,250	(27,625)
Laurion Minerals Expl. Inc.	1,031,000	27,595	(28,692)
Mag Copper	17,592	4,405	(50,570)
Manganese X Energy	1,338,000	169,640	(77,890)
Plato Gold Corp.	1,000,000	10,000	(47,500)
Renforth Resources Inc.	550,000	31,000	17,250
Rogue Resources Inc.	50,000	23,030	8,030
Secova Metals Corp.	1,000,000	35,150	10,150
Sphinx Resources Ltd	587,000	36,360	18,750
Vantex Resources Ltd.	30,000	6,450	(5,550)
Total		372,300	(213,227)

Table 8

- In 2016, proceeds of \$135,080 were generated from the sale of investments and a gain on sales of investments of \$24,880 has been reported as follow:

Investment	Number of shares	Proceeds \$	Gain (loss) \$
Integra Gold Corporation.	250,000	99,980	17,480
Laurion Minerals Expl. Inc.	700,000	24,500	-
Mag Copper	40,000	600	400
Sphinx Resources Ltd	100,000	10,000	7,000
Total		135,080	24,880

Table 9

Management services

- In 2017, the Corporation recorded management fees of \$53,028 as compared to \$42,040. The increase of \$10,988 reflects additional time involved with completing the year-end and annual filings and a part of the former Chief Financial Officer's departure allowance.

Income tax expense (recovery)

- During the year ended December 31, 2017, a tax expense of \$40,549 (2016 – recovery of \$218,198) has been recorded. The overall provision in 2017 reflects the combined impact of:
 - (a) current tax expense of \$251,606 (2016 - \$Nil) related to \$940,458 (USD \$737,731) in Nyrstar metal royalty income received in the current year.
 - (b) deferred income and mining duties provision of \$26,673 as compared to a provision for income and mining duties of \$38,517 in 2016. The provision in the current year reflects taxable income after adjusting for non-deductible items such as share based compensation and impairment provisions whereas the 2015 recovery reflects a taxable loss after adjusting for these items.
 - (c) recovery of income and mining taxes as a result of the sale of tax benefits of \$237,730 (2016 -\$256,715). The recovery in the current year reflects a higher level of flow-through expenditures (2017 - \$1,290,421; 2016 - \$1,122,113) as well as a higher premium on these funds (2017 – 56%; 2016–22.8%).
 - (d) the expense and the recovery in the current and the previous year reflects taxable income after adjusting for non-deductible items such as share based compensation.
- The tax expense (recovery) in the current year reflects management’s best estimate of future tax rates substantially enacted and current tax planning strategies. It also reflects the impact of non-deductible items (share-based payments, impairment provisions on non-financial assets, a decrease in fair value of financial assets) as well as tax planning strategies to minimize the taxable income inclusion for shares received under mining option agreements executed on Globex mineral properties.

Financial position

Total assets

At December 31, 2017, total assets were \$5,463,693, which represents an increase of \$1,794,810 from \$3,668,883 at December 31, 2016. The net change reflects:

- a reduction in:
 - prepaid expenses and deposits of \$125,481, mainly related to a deposit for investor relations in 2016,
 - properties, plant and equipment of \$17,463,
 - reclamation bonds of \$10,142, mainly related to a decrease in CDN/USD exchange rate,
 - Investment in joint venture of \$2,214.
- an increase in:
 - cash and cash equivalents as well as cash reserved for exploration of \$1,114,495,
 - carrying value of investments of \$714,116 (fair value of shares received under options of \$1,442,925, decrease in fair market value of \$143,282 and reductions related to dispositions of \$585,527),
 - deferred tax asset of \$992,166,
 - accounts receivable of \$121,499, mainly related to December 2017 Nyrstar royalty.

Cash and cash equivalents, investments, and accounts receivable totalled \$3,257,919 at December 31, 2017, (December 31, 2016 - \$1,362,388) representing 60% (2016 – 37%) of total assets. Cash reserved for exploration was \$945,579 at December 31, 2017 (December 31, 2016 - \$900,000).

Total liabilities

At December 31, 2017, the current liabilities were \$221,502 as compared to \$282,123 at December 31, 2016. This represents a decrease of \$60,621. The reduction in the accounts payable and accruals of \$121,781 is a result of a lower level of exploration activities involving outside contracts at December 31, 2017. Current income tax was payable at December 31, 2017 as the prior year liability was discharged and no income was generated in 2016 related to Nyrstar royalties.

The related party payable of \$57,690 (December 31, 2016 - \$58,911) mainly represents a liability to Duparquet Assets Limited for option payments received directly by Globex.

The Other Liabilities represent the excess of the proceeds received from flow-through share issuances as compared to the fair value at the share issuance date.

At December 31, 2017, the liability was reported at \$345,277 (December 31, 2016 - \$100,000) which reflects the impact of qualified flow-through exploration expenditures during the year as well as the impact of June 21, 2017 and December 5, 2017 private placements.

Deferred tax recovery

The deferred tax recovery was \$Nil at December 31, 2017 (December 31, 2016 - \$Nil).

Due to the change in accounting policy as per note 6 of the audited consolidated financial statements, mineral properties and deferred exploration expenditures have no accounting base compared to the tax base which is not impacted by the policy change for accounting; combined with the unused tax losses, the Corporation would have a deferred tax asset at the end of December 31, 2017 and 2016. However, due to the uncertainty relating to considerations to be received under option agreements in the coming years, the probably criteria for recognizing a deferred tax asset is not met; as a result, no such asset is recognized.

Owners' equity

At December 31, 2017, owners' equity, consisting of share capital, warrants, deficit, and contributed surplus - equity settled reserve totalled \$4,211,049 (December 31, 2016 - \$2,599,674). Details of the changes are provided in the Consolidated Statement of Equity.

Share capital

At December 31, 2017, the share capital of the Corporation totalled \$55,925,483, which represented an increase of \$881,645 from December 31, 2016 and reflected 51,053,577 common shares outstanding.

Liquidity, working capital, cash flow and capital resources

At December 31, 2017, the Corporation had cash and cash equivalents of \$1,572,189 (December 31, 2016 - \$512,273) and cash reserved for exploration of \$954,579 (December 31, 2016 - \$900,000). In addition, it had investments with a fair market value of \$1,459,781 (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 \$4,032,313 at December 31, 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 from May to December 2017. Based on current zinc prices and average production levels prior to the suspension of operations, Globex anticipates receiving monthly metal royalties between CDN \$160,000 and \$200,000 per month for the year 2018 at current zinc price and CDN/USD dollar exchange rate.

In addition to this potential source of liquidity, Globex has a number of option agreements in place which are estimated to generate gross option payments in excess of \$3.0 million in 2018. These payments are subject to the Optionee having sufficient funds available to meet the obligations. We monitor 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 2018 would be approximately \$120,000 and the exploration work commitments necessary to retain the existing portfolio of properties would be approximately \$240,000 in 2018.

The Corporation believes that based on the current cash and working capital position and its access to liquidity sources, it has sufficient resources readily available to meet its current exploration spending commitments and corporate and administrative requirements for the next twelve months.

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

Cash Flow

During the year-ended December 31, 2017, the operating activities used \$565,975 (December 31, 2016 – \$1,367,707), the financing activities generated \$1,311,602 (2016 - \$1,381,208) and the investing activities generated \$368,868 (2016 - \$121,842).

The operating, financing, and investing activities during the year-ended December 31, 2017, resulted in an increase in cash and cash equivalents of \$1,114,495 (2016 - \$135,343).

Financial instruments

Capital risk management

The Corporation manages its share capital, warrants, contributed surplus 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 and properties or developing 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, economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation issues shares, enters into joint venture property arrangements or disposes of properties.

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

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

- Retain cash and cash equivalents, cash reserved for exploration 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'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 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 totalling \$2,526,768 at December 31, 2017 (December 31, 2016- \$1,412,273). These funds are subject to a combination of the \$100,000 maximum guarantee per individual institution 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 financial institutions.

The maximum exposure to credit risk was:

	Notes	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Cash and cash equivalents	7	1,572,189	512,273	199,817
Cash reserved for exploration	8	954,579	900,000	1,077,113
Investments	9	1,459,781	745,665	316,904
Accounts receivable	10	225,949	104,450	77,728
		4,212,498	2,262,388	1,671,562

Table 10

(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. Currently these amount to \$1,459,781 (December 31, 2016- \$745,665). Based on the balance outstanding at December 31, 2016, a 10% increase or decrease would impact income and loss by \$145,978 (December 31, 2016- \$74,556).

(d) Currency risk

Globex receives US dollar gross metal royalty payments from Nyrstar 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 while retaining sufficient funds to meet its U.S. dollar tax obligations.

Assets and liabilities in foreign currency are as follows:

	December 31, 2017	December 31, 2016	January 1, 2016
Assets	\$USD	\$USD	\$USD
Cash and cash equivalents	541,814	112,351	178,468
Accounts receivable	77,210	-	-
Reclamation Bonds	112,132	112,085	112,038
	731,156	224,436	290,506

	December 31, 2017	December 31, 2016	January 1, 2016
Liabilities	\$USD	\$USD	\$USD
Advance royalty	-	56,450	56,450

During the year ended December 31, 2017, Globex recorded a royalty income of USD \$737,731 (CDN \$940,458) and a current tax expense of USD \$197,730 (CDN \$251,606). During the year ended December 31, 2016, no royalty income and no current tax expense were recorded.

At December 31, 2017, no USD advance royalty liability was outstanding (December 31, 2016 – USD \$56,450; CDN - \$75,796) and Globex had a foreign tax liability of USD \$48,752 (CDN \$61,160) (2016 - \$Nil).

The following table shows the estimated sensitivity of the Corporation's financial instruments for the year ended December 31, 2017 from a change in U.S. dollars with all other variables held constant as at December 31, 2017:

Percentage of change in closing exchange rate	Impact on financial instruments from % increase in exchange rate	Impact on financial instruments from % decrease in exchange rate
	\$	\$
2%	14,623	(14,623)
4%	29,246	(29,246)
6%	43,869	(43,869)
8%	58,492	(58,492)
10%	73,116	(73,116)

The following table shows the estimated sensitivity of the Corporation's net after tax income (loss) for the year ended December 31, 2017 from a change in U.S. dollars with all other variables held constant as at December 31, 2017 (in connection with metal royalties paid in U.S. dollars):

Percentage of change in closing exchange rate	Change in net pre-tax income (loss) from % increase in exchange rate	Change in net pre-tax income (loss) from % decrease in exchange rate
	\$	\$
2%	14,755	(14,755)
4%	29,510	(29,510)
6%	44,265	(44,265)
8%	59,020	(59,020)
10%	73,775	(73,775)

(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).

December 31, 2017	Level 1	Level 2	Level 3	Total Financial Assets at fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	-	1,572,189	-	1,572,189
Cash reserved for exploration	-	945,579	-	945,579
Equity investments	1,459,781	-	-	1,459,781
Accounts receivable	-	-	225,949	225,949
Reclamation bonds	-	776,555	-	776,555
	1,459,781	3,303,323	225,949	4,989,053

Table 11

There were no transfers between level 1, level 2 and level 3 during the year.

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 12

There were no transfers between level 1, level 2 and level 3 during the year.

January 1, 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at fair Value \$
Financial assets				
Cash and cash equivalents	-	199,817	-	199,817
Cash reserved for exploration	-	1,077,113	-	1,077,113
Equity investments	265,065	51,839	-	316,904
Accounts receivable	-	-	77,728	77,728
Reclamation bonds	-	163,083	-	163,083
	265,065	1,491,852	77,728	1,834,645

Table 13

There were no transfers between level 1, level 2 and level 3 during the year.

Investment Strategies and Oversight

We generally acquire and hold investments with a medium to long term view, on the basis of perceived value and growth opportunities and the ability of management teams to effectively execute business plans. We manage our investment portfolio in-house, relying upon the broad industry knowledge and expertise of management to identify and evaluate investment opportunities and monitor the investee companies on an on-going basis.

Investment performance is monitored via available market data (including continuous disclosure made by the investees that are public companies) and contact with investee management. Monitoring may also include involvement on the board of directors of an investee, where the size of the investment or other factors so warrant.

Our exit strategies include mergers or the achievement of other significant milestones for our investee companies, but may also involve otherwise timely dispositions of the securities in the secondary market, if and when warranted, and receipt of third-party bids for the securities which are beneficial to us, in the circumstances.

Notwithstanding the foregoing, we may pursue a particular investment or series of investments that may diverge from these strategies from time to time, where suitable opportunities present themselves.

Outstanding share data

At December 31, 2017, the Corporation had 51,053,577 common shares (2016 – 48,852,706), no warrants (2016 – 3,121,975) and 2,997,500 stock options (2016 - 3,242,500) outstanding, which resulted in fully diluted common shares of 54,051,077 (2016 - 55,217,181).

Common Shares Issued

During 2017, the Corporation issued common shares as follows:

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.
- On September 13, 2017, 35,000 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 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.
- On December 5, 2017, the Corporation issued 846,153 flow-through shares under a private placement at a price of \$0.65 per share for gross proceeds of \$550,000. The fair value of these shares was \$346,923 (\$0.41 per share) based on the TSX closing price on December 5, 2017. The \$203,077 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in Other Liabilities.

Normal course issuer bid

- On March 8, 2018, the Corporation announced that it will conduct a normal course issuer bid ("NCIB").
- Under the NCIB, Globex will be entitled to repurchase for cancellation up to 1,000,000 common shares, representing 2.15% of Globex's "public float" as of March 7, 2018, over a twelve-month period starting on March 12, 2018 and ending on March 11, 2019. The purchases by Globex will be effected through the facilities of the TSX and on other alternative trading systems in Canada, and will be made at the market price of the shares at the time of the purchase.
- Any purchases made pursuant to the NCIB will be made in accordance with the requirements of the TSX. Except for exempt offers, Globex will make no purchases of common shares other than open market purchases during the period of the NCIB. Globex has not repurchased any shares during the twelve months ended February 28, 2018.
- In connection with the NCIB, Globex has entered into an automatic share purchase plan with a Canadian securities dealer pursuant to which the securities dealer, acting as Globex's agent, may acquire at its discretion shares on Globex's behalf during "black-out" or "closed" periods under Globex's stock trading policy, subject to certain parameters as to price and number of shares.

At March 27, 2018, 51,053,577 shares were outstanding.

Warrants

Issued

No warrants were issued during the year ended December 31, 2017.

Exercised

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.

Expired

On November 26, 2015, 1,601,975 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.50 per share for a period of twenty-four months. 50,000 warrants were exercised on March 2, 2017. The rest of the 1,551,975 warrants expired on November 26, 2017.

On June 14, 2016, 1,320,000 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.55 per share for a period of eighteen months. These warrants expired on December 14, 2017.

On December 15, 2016, 200,000 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.60 per share for a period of twelve months. These warrants expired on December 15, 2017.

Outstanding

At March 27, 2018, no warrants were outstanding.

Stock Options

During 2017, the following stock option transactions occurred:

- (i) 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.
- (ii) 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.
- (iii) On September 13, 2017, 35,000 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 that date.

At March 27, 2018, 3,082,500 stock options were outstanding and 1,880,000 were available for future grant.

Fully Diluted Shares

At December 31, 2017, the Corporation had 51,053,577 common shares (2016 – 48,852,706), no warrants (2016 – 3,121,975) and 2,997,500 stock options (2016 - 3,242,500) outstanding, which resulted in fully diluted common shares of 54,051,077 (2016 - 55,217,181).

At March 27, 2018, the Corporation had 51,053,577 common shares, no warrants and 3,082,500 stock options outstanding, which result in fully diluted common shares of 54,136,077.

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. The main risks to which the Corporation is exposed are as follows:

(i) Financing Risk

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

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

(ii) Financial Market Risk

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

(iii) Volatility of Stock Price and Limited Liquidity

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

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

(iv) Permits and licences

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

(v) Government Laws and Regulations

The Corporation's operations and exploration activities are subject to the laws and regulations of federal, provincial, and local governments in the jurisdictions in which the Corporation operates. These laws and regulations are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, environmental protection, mine safety and other matters.

Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, closing, reclaiming and rehabilitating mines and other facilities. New laws, regulations or taxes, amendments to current laws, regulations or taxes governing operations and activities of mining corporations or more stringent implementation or interpretation thereof could have a material adverse impact on the Corporation, cause a reduction in levels of production and delay or prevent the development of new mining properties.

The Canadian mining industry is subject to federal and provincial environmental protection legislation. This legislation sets high standards on the mining industry in order to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently emitted into the air or water.

Compliance with applicable environmental legislation and review processes, as well as the obtaining of permits, particularly for the use of the land, permits for the use of water, and similar authorizations from various governmental bodies, increases the costs of planning, designing, drilling, as well as exploration and operating activities.

Some of the Corporation's operations are subject to reclamation, site restoration and closure requirements. Costs related to ongoing site restoration programs are expensed when incurred. It is possible that the Corporation's estimates of its ultimate reclamation liability could change as a result of possible changes in laws and regulations and changes in cost estimates. Failure to comply with applicable laws and regulations may result in enforcement actions and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(vi) Aboriginal rights and duty to consult

The Corporation operates and does exploration on properties that are subject to Aboriginal rights or titles. The Corporation, under its Corporate Social Responsibility program, and local laws and regulations, consults with First Nations about any impact of its activities on such rights, titles or claims, which may cause delays in making decisions or project start-ups. Further, there is no assurance of favourable outcomes of these consultations. The Corporation may have to face adverse consequences such as significant expenses on account of lawsuits and loss of reputation.

(vii) Environmental Risks

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

(viii) Title Matters

The staked mining claims in which the Corporation has an interest have not been surveyed, and accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land may be in doubt. Although the Corporation has taken all possible measures to ensure proper title to its properties and royalty interests, including filing of necessary documents and payments to local regulatory authorities, there is no guarantee that the title of any of its properties will not be challenged. The provincial governments have or are currently working to convert mining claims to map-designated cells which should mitigate this risk.

(ix) Metal Prices

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

(x) Key Personnel

The management of the Corporation rests on some key personnel and mostly on its President and Chief Executive Officer. The loss of the President and Chief Executive Officer could have a negative impact on the development and the success of its operations.

Related party information

	December 31, 2017	December 31, 2016	January 1, 2016
Related party payables (receivables)	\$	\$	\$
Jack Stoch Geoconsultant Limited	(6,717)	(6,717)	(6,717)
Chibougamau Independent Mines Inc.	(14,476)	(17,551)	(30,408)
Duparquet Assets Limited	78,883	83,179	169,168
	57,690	58,911	132,043

Table 14

The loans due (receivables) from the related parties bear no interest, are without specific terms of repayment and are unsecured. As reflected in the statement of cash flows, there was a net cash increase of \$1,221 (2016 – decrease of \$73,132) in the related party net payables during the year.

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 \$53,028 (December 31, 2016 - \$42,040) for the year ended December 31, 2017 represents Globex’s estimate of the specific costs related to performing these services in accordance with the Management Services Agreement. The increase of \$10,988 reflects additional time involved with completing the year-end and annual filings and a part of the former Chief Financial Officer’s departure allowance.

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) is as follows:

	December 31, 2017	December 31, 2016
	\$	\$
Management compensation		
Salaries and other benefits ⁽ⁱ⁾	359,944	212,142
Professional fees and outside services ⁽ⁱⁱ⁾	20,218	17,124
Deferred exploration expenses – consulting and geology fees ⁽ⁱⁱⁱ⁾	-	37,213
Fair value of share-based compensation ⁽ⁱⁱⁱ⁾	-	149,416
	380,162	415,895

Table 15

- (i) It includes the departure allowance of the former Chief Financial Officer, who resigned from the organization effective September 20, 2017 as well as a benefit related to the exercised of options.
- (ii) In 2017, Management consulting fees of \$20,218 were paid to the new Chief Financial Officer and the new Corporate Secretary.

In 2016, 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). The remainder is reported as Deferred exploration expenses – consulting and geologist fees. The Vice-President Operations resigned from the organization effective July 4, 2016.

- (iii) In 2016, \$149,416 reflects the fair value of share based compensation related to 120,000 stock options issued to Directors and 600,000 issued to the President and CEO on July 25, 2016 at a strike price of \$0.39 per share. The options vested immediately and had a fair value of \$0.197 per share or \$141,620. The number also includes \$7,796 of amortization related to 300,000 stock options issued to the Vice-President Operations on June 16, 2014, which vested on June 16, 2016.

Significant assumptions, judgments, and estimates

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

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

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

Judgments

(a) Going concern

The assessment of the Corporation's ability to continue as a going concern involves judgment regarding future funding available for its operations as discussed in Note 2 of the Audited Consolidated Financial Statements.

(b) Collectability of option agreements

Collectability of considerations to be received on option agreements entered into third parties on the Company's properties, involves judgment regarding the probability that the optionee will be able to meet their spending commitments and pay the considerations specified in the agreement.

Since there is significant uncertainty as to whether the optionee will be able to make all the required payments in the contract, the Company only recognizes revenue as the option payments are due. The optionee can avoid payments prior to them becoming due, but not after.

Estimates

(a) Estimate of share-based compensation and payments

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

(b) Fair value estimates of investments

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

(c) Properties, plant and equipment

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

(d) Refundable tax credit and mining duties

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

(e) Deferred tax balances

The Corporation uses the asset and liability method in accounting for deferred taxes. Under this method, deferred taxes are recognized for the future income tax.

In preparing these estimates, management is required to interpret substantially enacted legislation as well as economic and business conditions along with management's tax and corporate structure plans which may impact taxable income in future periods.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for the information disclosed in this document and has in place the appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have evaluated the design and effectiveness of the Corporation's disclosure controls and procedures as defined in the rules of the Canadian Securities Administrators as at December 31, 2017.

Based on that evaluation, they have concluded that the Corporation's disclosure controls and procedures for the year ending December 31, 2017, were appropriately designed and operating effectively.

Internal controls over financial reporting (ICFR)

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

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

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

- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Corporation are being made only in accordance with the authorization of management and directors of the Corporation; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Corporation's assets that could have a material effect on the financial statements.

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

During the year ended December 31, 2017, and as at December 31, 2016, the CEO and CFO have participated in the evaluation of the design of ICFR based on criteria established in the Committee of Sponsoring Organizations Internal Control Framework (2013).

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

During the quarter ended December 31, 2017, there have been no material changes in the Corporation's ICFR that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Outlook

The Economic Environment and Strategy section of this MD&A (pages 2 - 4), highlights 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 March 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. However, at that time, we were hopeful that our marketing efforts would generate option agreements. During 2016, we successfully negotiated ten property sale/option agreements with net option income and advance royalties of \$1,301,989 being recorded in the second, third and fourth quarters of the year as compared to \$55,000 in the first quarter.

At December 31, 2017, our option/sale income and advance royalties were reported at \$3,022,857 as compared to \$1,356,989 in 2016 and \$545,056 in 2015. At December 31, 2017, we had successfully negotiated three additional option/sale agreements on which we anticipate recording revenues during 2018. We have continued our marketing efforts and are projecting option revenues in excess of \$3.0 million based on existing contracts and positive market conditions.

As described under the capital resources section of this MD&A, page 32, Globex anticipates towards the end of 2018, receiving estimated monthly metal royalties from Nyrstar Inc. between CDN \$160,000 and \$200,000 per month.

While we are optimistic, we also recognize the risks and volatility that currently exist partly because of the uncertainty related to the current U.S. administration, metal prices and world economic factors.

On the exploration front, we have developed plans and budgets with a view to gaining additional project knowledge and leveraging this into sale/option agreements as we did on a number of projects in 2017.

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, 2017 and December 31, 2016 and additional information, including the Annual Information Form (“AIF”) dated March 29, 2018, 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 2017and/or 2016 MD&A, then please send your request to:

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

Authorization

The contents and the dissemination of this Management’s Discussion and Analysis have been approved by the Board of Directors of the Corporation on March 27, 2018.

Responsibilities for Financial Statements

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

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

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

MNP SENCRL, srl / LLP, "CPA Auditor", have been appointed by the shareholders to conduct an independent audit of the Company's financial statements. Their report outlines the nature of their audit and expresses their opinion of the financial statements of the Company.

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

"Jack Stoch"

Jack Stoch
President and Chief Executive Officer

"Carmelo Marrelli"

Carmelo Marrelli
Chief Financial Officer

Independent Auditors' Report

To the Shareholders of Globex Mining Enterprises Inc.:

We have audited the accompanying consolidated financial statements of Globex Mining Enterprises Inc., and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of income (loss) and other comprehensive income (loss), equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Globex Mining Enterprises Inc., and its subsidiaries, as at December 31, 2017 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 3 which explains that the Company has early adopted IFRS 15 and IFRS 16 as at January 1, 2017 and that the transition did not have any material impact on the comparative periods.

Furthermore, without modifying our opinion, we draw attention to note 6 which explains that the Company has changed its accounting policy to expense its mineral properties and deferred exploration expenses.

Other Matter

The consolidated financial statements as of December 31, 2016 were audited by other auditors whose report dated February 24, 2017 expressed an unqualified opinion on those financial statements.

Montréal, Québec

March 27, 2018



¹ CPA auditor, CA, public accountancy permit No. A122514

GLOBEX MINING ENTERPRISES INC.
Consolidated Statement of Income (loss)
and Comprehensive Income (loss)
(In Canadian dollars)

	Notes	December 31, 2017 \$	December 31, 2016 \$ <i>(Restated, Note 6)</i>
Continuing operations			
Revenues	17	3,963,315	1,700,500
Expenses			
Salaries		506,617	376,001
Administration	18	345,030	291,096
Professional fees and outside services	18	424,034	283,591
Depreciation	13	20,895	30,882
Exploration and evaluation expenditures	19	1,564,867	1,493,119
Share-based compensation and payments	21	-	152,199
Loss (gain) on foreign exchange		25,874	8,359
Bad debt		-	9,874
		2,887,317	2,645,121
Income (loss) from operations		1,075,998	(944,621)
Other income (expenses)			
Interest & dividends		14,165	6,076
Joint venture loss	12	(2,214)	-
Increase (decrease) in fair value of financial assets		(143,282)	(65,039)
Gain (loss) on the sale of investments		(213,227)	24,880
Management services	22	53,028	42,040
Other		10,967	6,273
		(280,563)	14,230
Income (loss) before taxes		795,435	(930,391)
Income tax expense (recovery)	16	40,549	(218,198)
Income (loss) and comprehensive income (loss) for the year		754,886	(712,193)
Income (loss) per common share			
Basic	20	0.02	(0.02)
Diluted	20	0.01	(0.02)
Basic weighted average number of common shares outstanding		49,662,049	45,796,913
Diluted weighted average number of common shares outstanding		51,043,485	45,796,913
Shares outstanding at end of period		51,053,577	48,852,706

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

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Cash Flows

(In Canadian dollars)

	Notes	December 31, 2017 \$	December 31, 2016 \$ <i>(Restated, Note 6)</i>
Operating activities			
Income (loss) and comprehensive income (loss) for the year		754,886	(712,193)
Adjustments for:			
Disposal of mineral properties for shares	23	(1,442,925)	(604,000)
Decrease in fair value of financial assets		143,282	65,039
Depreciation	13	20,895	30,882
Foreign exchange rate variation on reclamation bond		10,142	4,561
Loss (gain) on the sale of investments		213,227	(24,880)
Fair value of shares issued in connection with mineral property acquisition	21, 23	-	199,500
Current tax expense	16	251,606	-
Deferred tax recovery	16	(211,057)	(218,198)
Income tax payments		(190,446)	(55,603)
Share-based compensation and payments	21	-	152,199
		(1,205,276)	(450,500)
Share of net loss from investment in joint venture	12	2,214	-
Changes in non-cash working capital items	23	(117,799)	(205,014)
		(565,975)	(1,367,707)
Financing activities			
Issuance of common shares	21	1,345,000	1,573,000
Proceeds from exercised options	21	43,475	24,524
Proceeds from exercised warrants	21	25,000	-
Share capital issue costs	21	(100,652)	(143,184)
Decrease in related party payable	22	(1,221)	(73,132)
		1,311,602	1,381,208
Investing activities			
Acquisition of properties, plant and equipment	13	(3,432)	(13,238)
Proceeds from sale of investment		372,300	135,080
		368,868	121,842
Net increase in cash and cash equivalents		1,114,495	135,343
Cash and cash equivalents, beginning of year		1,412,273	1,276,930
Cash and cash equivalents, end of year		2,526,768	1,412,273
Cash and cash equivalents		1,572,189	512,273
Cash reserved for exploration		954,579	900,000
		2,526,768	1,412,273
Supplementary cash flows information (note 23)			

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

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Financial Position

(In Canadian dollars)

	Notes	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
			<i>(Restated, Note 6)</i>	<i>(Restated, Note 6)</i>
Assets				
Current assets				
Cash and cash equivalents	7	1,572,189	512,273	199,817
Cash reserved for exploration	8	954,579	900,000	1,077,113
Investments	9	1,459,781	745,665	316,904
Accounts receivable	10	225,949	104,450	77,728
Prepaid expenses and deposits		41,317	166,798	111,424
		4,253,815	2,429,186	1,782,986
Reclamation bonds	11	776,555	786,697	163,083
Investment in joint venture	12	47,860	50,074	50,074
Properties, plant and equipment	13	385,463	402,926	420,570
		5,463,693	3,668,883	2,416,713
Liabilities				
Current liabilities				
Payables and accruals	14	160,342	282,123	405,041
Current income tax		61,160	-	55,603
		221,502	282,123	460,644
Related party payable	22	57,690	58,911	132,043
Other liabilities	15	345,277	100,000	251,715
Restoration liabilities	11	628,175	628,175	-
		1,252,644	1,069,209	844,402
Owners' equity				
Share capital	21	55,925,483	55,043,838	53,592,497
Warrants	21	-	215,602	76,298
Contributed surplus - Equity settled reserve		4,563,823	4,373,377	4,224,466
Deficit		(56,278,257)	(57,033,143)	(56,320,950)
		4,211,049	2,599,674	1,572,311
		5,463,693	3,668,883	2,416,713

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

Approved by the board

"Jack Stoch"

Jack Stoch, Director

"Dianne Stoch"

Dianne Stoch, Director

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Equity

(In Canadian dollars)

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
		<i>(Restated, Note 6)</i>	<i>(Restated, Note 6)</i>
Common shares			
Beginning of year	55,043,838	53,592,497	52,882,570
Issued on exercise of options	66,553	37,541	-
Issued on exercise of warrants	27,078	-	-
Fair value of shares issued under private placements	861,993	1,468,000	833,027
Fair value of shares issued in connection with mineral property acquisition	-	199,500	-
Fair value of warrants	-	(137,833)	(66,569)
Share issuance costs, net of taxes (December 31, 2017 - \$26,673; December 31, 2016 - \$38,517)	(73,979)	(115,867)	(56,531)
End of year	55,925,483	55,043,838	53,592,497
Warrants			
Beginning of year	215,602	76,298	41,902
Issued in connection with private placement	-	137,833	66,569
Issued to a finder	-	11,200	-
Exercised during the year	(2,078)	-	-
Expired during the year	(213,524)	(9,729)	(32,173)
End of year	-	215,602	76,298
Contributed surplus - Equity settled reserve			
Beginning of year	4,373,377	4,224,466	4,135,133
Share-based compensation	-	152,199	57,160
Exercised options	(23,078)	(13,017)	-
Expired warrants during the year	213,524	9,729	32,173
End of year	4,563,823	4,373,377	4,224,466
Deficit			
Beginning of year	(57,033,143)	(56,320,950)	(40,421,734)
Gain (loss) attributable to shareholders	754,886	(712,193)	(15,899,216)
End of year	(56,278,257)	(57,033,143)	(56,320,950)
Total Equity	4,211,049	2,599,674	1,572,311

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

GLOBEX MINING ENTERPRISES INC.
Notes to Consolidated Financial Statements
Years ending December 31, 2017 and 2016
(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 162 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 following the approval of shareholders on June 12, 2014, it was continued under the Canada Corporations Act, effective October 28, 2014. Its head office is located at 89 Belsize Drive, Toronto, Ontario M4S 1L3 and its principal business office is located at 86, 14th Street, Rouyn-Noranda, Quebec, J9X 2J1, Canada.

Globex'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

(a) Statement of Compliance

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

(b) Basis of Presentation

These consolidated financial statements were prepared on a going concern basis, under the historical cost basis, except for certain assets that are measured at fair value through profit and loss as indicated in note 4. All financial information is presented in Canadian dollars.

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

The Corporation's ability to continue as a going concern depends on its ability to continue to generate revenues from royalties and optioning its existing mining properties and to obtain additional financing when needed. 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.

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

2. Basis of presentation and going concern (continued)

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

(c) Approval of Financial Statements

The Corporation's Board of Directors approved these consolidated financial statements on March 27, 2018.

3. New and revised International Financial Reporting Standards

(a) International Financial Reporting Standards adopted

In preparing these audited financial statements for the year ended December 31, 2017, the Corporation has adopted the following new standards or amendments.

IAS 7 Statement of Cash Flows:

The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. These amendments were adopted on January 1, 2017 and had not resulted in any material changes in these consolidated financial statements or reported results.

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.

The Corporation early adopted IFRS 15 and realized no significant changes regarding the revenue recognized in relation to the option agreement income. Additional disclosure was included in note 17 to comply with this standard.

IFRS 16 Leases:

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 revises the definition of leases and requires companies to bring most leases on-balance sheet, recognizing new assets and liabilities. The objective of this change is to increase the transparency and comparability of a company's financial statements.

As the Corporation has no material lease contracts that fall under IFRS 16, the adoption of this standard has not resulted in any material changes in the financial statements.

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

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

At the date of authorization of these consolidated financial statements, the IASB and IFRS Interpretations Committee (IFRIC) have issued the following new and revised Standards and Interpretations which were not yet effective and which the Corporation has not early adopted. However, the Corporation is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements.

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 but does not anticipate any material impact on adoption of these amendments as it does not encounter these circumstances regularly.

IFRS 9 Financial Instruments (replacement of IAS 39):

Issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements.

The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation and does not anticipate any material impact from adopting this standard due to the nature of its financial instruments.

IAS 28 Investments in Associates and Joint Ventures:

In October 2017, the IASB issued amendments to IAS 28.

The amendments to the financial instruments Standard, IFRS 9, allow companies to measure particular pre-payable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

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

The amendments to IAS 28 Investments in Associates and Joint Ventures clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9 and does not anticipate any material impact from applying this amendment due to the immaterial nature and lack of achieving of these investments.

These amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

IFRIC 22 Foreign Currency Transactions and Advance Consideration:

Issued by the IASB in December 2016 and provides guidance on the issue of the "date of the transaction" for the purpose of determining the exchange rate at the time of the transaction, to apply to transactions that are within the scope of IAS 21, Effects of Changes in Foreign Exchange Rates, which involve the receipt or payment of an advance consideration in a foreign currency. The interpretation applies for annual reporting periods beginning on or after January 1, 2018. Management does not anticipate any material impact of this IFRIC due to the limited nature of its foreign currency transactions.

IFRIC 23 Uncertainty Over Income Tax Treatments

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. Management has not yet considered the impact of adoption of this IFRIC.

4. Summary of significant accounting policies

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

(a) Basis of consolidation

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

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

Corporate Entity	Relationship	December 31, 2017	December 31, 2016
Globex Nevada Inc.	Subsidiary	100%	100%
WorldWide Magnesium Corporation	Subsidiary	0%	90%
Eco Refractory Solutions Inc. Corporation	Subsidiary	0%	75%

The Statement of Income (loss) and Comprehensive Income (loss) for the year ended December 31, 2017 includes the operations of Worldwide Magnesium Corporation and Eco Refractory Solutions Inc. Corporation until the day of their dissolution on November 29, 2017.

4. Summary of significant accounting policies (continued)

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

(b) Functional and Presentation Currency

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Revenue and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized as other comprehensive income in the Consolidated Statement of Income (loss) and Comprehensive Income (loss). However, the foreign operations have been minimal over the past years.

(c) Interest in joint ventures

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

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

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

(d) Cash and cash equivalents

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

4. Summary of significant accounting policies (continued)

(e) Cash reserved for exploration

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

(f) Refundable tax credits and mining duties

The Corporation is entitled to a refundable tax credit of 28% on qualified exploration expenditures incurred in the province of Quebec. The Corporation is also entitled to a refund of mining duties of the lesser of 16% on 50% of qualified mining exploration expenses or operating losses during the period, net of the refundable tax credit. The credit or refunds are recorded based on management's best estimates once the necessary information is available and management believes that the amounts are collectible.

(g) Financial assets

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

Classification of financial assets

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

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

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

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

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

4. Summary of significant accounting policies (continued)

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

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

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in income or loss. Fair value is determined in the manner described in note 24.

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

Held-to-maturity investments

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

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

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

Fair value is determined in the manner described in note 24. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in income or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve.

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

Loans and receivables

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

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

4. Summary of significant accounting policies (continued)

Effective interest rate method

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

Impairment of financial assets at amortized cost

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

Derecognition of financial assets

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

Financial liabilities

The Corporation's financial liabilities include payables and accruals and related party payable.

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

Management has designated all of its financial liabilities as other liabilities.

Derecognition of financial liabilities

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

(h) Reclamation Bonds

Reclamation bonds represent funds that are lodged with government authorities to be held against future reclamation and remediation of environmental disturbances as a result of exploration and development activities. After reclamation and remediation, the funds may be recovered. Where applicable under the arrangement with the government authority, the carrying value is increased by the accrued interest earned during the year.

(i) Properties, plant and equipment

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

4. Summary of significant accounting policies (continued)

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

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

(j) Non-Monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received whichever is more reliable. When the fair value of a non-monetary transaction cannot be reliably measure, it is recorded at the carrying amount (after reduction, when appropriate, for impairment) of the asset given up.

(k) Mineral properties and exploration expenses

The Corporation expenses all acquisition costs of mineral properties and exploration expenses as incurred. See note 6.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(l) Depreciation

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

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

(m) Restoration Liabilities

The Corporation recognizes the fair value of restoration liabilities related to statutory, contractual or legal obligations associated with the retirement of mining claims in the year in which it is incurred when a reasonable estimate of fair value can be made. The Corporation's estimates of such costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures and changes in the net present value.

4. Summary of significant accounting policies (continued)

(n) Provisions

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

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

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

(o) Revenue recognition

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

(i) Sales of mineral properties

The proceeds from the sale of mineral properties are recorded as option income.

(ii) Option income

Option income is recognized on an accrual basis in accordance with the substance of the relevant agreements. Shares received under option agreements are valued at fair value which is determined at quoted market prices if the shares are quoted on an active market. If the market for the shares is not active, fair value is established by using a valuation technique.

(iii) Royalty income

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

(iv) Interest and dividend income

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

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

4. Summary of significant accounting policies (continued)

(p) Share-based compensation and payments

Share-based payments to non-employees

Share-based payments granted to non-employees are measured at the fair value of the goods or services received.

In the event the Corporation cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the underlying equity instrument, measured at the date the Corporation obtains the goods or the counterparty renders the service.

Share-based compensation

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

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modifications which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period. If and when the stock options are exercised, the applicable fair value amounts charged to contributed surplus are transferred to share capital.

(q) Current and deferred taxes

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

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

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

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

4. Summary of significant accounting policies (continued)

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

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

(r) Flow-through shares

The Corporation raises funds through the issuance of flow-through shares which entitles investors to prescribed resource tax benefits and credits once the Corporation has renounced these benefits to the subscribers in accordance with the tax legislation. The Corporation considers the issuance of flow-through shares in substance; (a) an issue of an ordinary share; and (b) the sale of tax deductions.

The sale of tax deductions has been measured based on the residual fair value method. At the time, the flow-through shares are issued; the sale of tax deductions is deferred and presented as an Other Liability. When the Corporation fulfills its obligation; the liability is reduced and the sale of tax deductions is recognized in the Consolidated Statements of Income (loss) and Comprehensive Income (loss) as a reduction of the deferred tax expense; and a deferred tax asset is recognized, in accordance with IAS 12, Income Taxes, for the taxable temporary differences between the tax base of the eligible expenditures and the expensed amount for accounting purposes.

(s) Share Capital

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

(t) Valuation of Warrants

The Corporation engages in equity financing transactions necessary to continue operations and explore and evaluate mineral properties.

These equity financing transactions may involve the issuance of common shares or units. A unit may consist of a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending upon the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement.

Warrants that are part of units are valued based on a relative fair value method. The Corporation considers the market value of the common shares issued as fair value, and measures the fair value of the warrant component of the unit using the Black-Sholes option pricing model. Warrants that are issued as payment for an agency fee or other transaction costs are accounted for as share-based payments.

(u) Income (loss) per common share

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

4. Summary of significant accounting policies (continued)

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

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

5. Significant accounting assumptions, judgments and estimates

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

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

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

Judgments

(a) Going concern

The assessment of the Corporation's ability to continue as a going concern involves judgment regarding future funding available for its operations as discussed in Note 2.

(b) Collectability of option agreements

Collectability of considerations to be received on option agreements entered into third parties on the Corporation's properties, involves judgment regarding the probability that the optionees will be able to meet their spending commitments and pay the considerations specified in the agreement.

Since there is significant uncertainty as to whether the optionee will be able to make all the required payments in the contract, the Corporation only recognizes revenue as the option payments are due. The optionee can avoid payments prior to them becoming due, but not after.

Estimates

(a) Estimate of share-based compensation and payments

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

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

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

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

(b) Fair value estimates of investments

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

(c) Properties, plant and equipment

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

(d) Refundable tax credits and mining duties

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

(e) Deferred income taxes balances

The Corporation uses the asset and liability method in accounting for deferred income taxes and mining duties. Under this method, deferred income taxes are recognized for the future income tax.

In preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate structure plans which may impact taxable income in future periods.

6. Change in Accounting Policy

During the year ended December 31, 2017, the Corporation changed its accounting policy for mineral properties and deferred exploration expenses to recognize these costs in the Statements of Income (loss) and Comprehensive Income (loss) in the period incurred, as permitted under *IFRS 6, Exploration for and Evaluation of Mineral Resources*. Management believes that the change in accounting policy will result in clearer and more relevant financial information.

The previous accounting policy was that the mineral properties and the deferred exploration expenses were capitalized in respect of each identifiable area of interest, once the legal right to explore had been acquired, until the technical feasibility and commercial viability of extracting a mineral resource demonstrated.

6. Change in Accounting Policy (continued)

The impact of this change on the consolidated statement of financial position as at January 1, 2016 is as follows:

	As previously reported \$	Effect of change in accounting policy \$	Restated \$
STATEMENT OF FINANCIAL POSITION			
Minerals properties	2,908,634	(2,908,634)	-
Deferred exploration expenses	11,848,864	(11,848,864)	-
Total assets	17,174,211	(14,757,498)	2,416,713
Deferred tax liability	1,275,315	(1,275,315)	-
Deficit	(42,838,767)	(13,482,183)	(56,320,950)
Total equity	15,054,494	(13,482,183)	1,572,311
Total equity and liabilities	17,174,211	(14,757,498)	2,416,713

The impact of this change on the consolidated financial statement as at and for the year ended December 31, 2016 is as follows:

	As previously reported \$	Effect of change in accounting policy \$	Restated \$
STATEMENT OF FINANCIAL POSITION			
Minerals properties	3,027,363	(3,027,363)	-
Deferred exploration expenses	12,028,357	(12,028,357)	-
Total assets	18,724,603	(15,055,720)	3,668,883
Deferred tax liability	1,245,100	(1,245,100)	-
Deficit	(43,222,523)	(13,810,620)	(57,033,143)
Total equity	16,410,294	(13,810,620)	2,599,674
Total equity and liabilities	18,724,603	(15,055,720)	3,668,883
STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)			
Revenues	1,356,989	343,511	1,700,500
Exploration and evaluation expenses	-	1,493,119	1,493,119
Impairment of mineral properties and deferred exploration expenses	851,386	(851,386)	-
Deferred tax recovery	(248,413)	30,215	(218,198)
Loss and comprehensive loss for the year	(383,756)	(328,437)	(712,193)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)

6. Change in Accounting Policy (continued)

	As previously reported	Effect of change in accounting policy	Restated
	\$	\$	\$
STATEMENT OF CASH FLOWS			
Loss and comprehensive loss for the year	(383,756)	(328,437)	(712,193)
Impairment of mineral properties and deferred exploration expenses	851,386	(851,386)	-
Exploration and evaluation expenditures (paid in shares)	-	199,500	199,500
Deferred income and mining tax (recovery)	(248,413)	30,215	(218,198)
Net cash used by operating activities	(417,599)	(950,108)	(1,367,707)
Deferred exploration expenses	(1,242,580)	1,242,580	-
Mineral properties acquisitions	(51,039)	51,039	-
Proceed on mineral properties optioned	343,511	(343,511)	-
Net cash generated (used) by investing activities	(901,398)	950,108	48,710

7. Cash and cash equivalents

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Bank balances	760,776	269,316	199,817
Short-term deposit	811,413	249,957	-
	1,572,189	512,273	199,817

8. Cash reserved for exploration

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Bank balances	54,579	-	87,113
Short-term deposit	900,000	900,000	990,000
	954,579	900,000	1,077,113

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.

9. Investments

Corporation Name	December 31, 2017		December 31, 2016		January 1, 2016	
	Number of Shares	Fair Value \$	Number of Shares	Fair Value \$	Number of Shares	Fair Value \$
Canadian Metals Inc.	-	-	200,000	24,000	200,000	20,000
Enerspar Corp.	2,000,000	100,000	-	-	-	-
Enforcer Gold Corp.	3,500,000	297,500	-	-	-	-
Falco Resources Ltd ⁽¹⁾	350,000	334,250	-	-	-	-
Galway Metals Inc.	260,000	91,000	-	-	-	-
Great Thunder Gold Corp.	2,075,000	83,000	2,400,000	84,000	-	-
Khalkos Exploration Inc.	175,000	15,750	-	-	-	-
Knick Exploration Inc.	1,000,000	30,000	1,000,000	55,000	1,000,000	15,000
Integra Gold Corp.	-	-	-	-	250,000	85,000
Integra Resources Corp. ⁽²⁾	128,000	140,800	1,687,960	8,440	1,727,960	51,839
Laurion Mineral Exploration Inc.	1,969,000	88,605	3,000,000	120,000	3,700,000	18,500
Manganese X Energy Corp.	662,000	89,370	1,000,000	190,000	-	-
Opawica Explorations Inc. ⁽³⁾	250,000	47,500	500,000	40,000	-	-
Renforth Resources Inc.	700,000	35,000	750,000	26,250	250,000	2,500
RJK Explorations Inc.	100,000	6,500	-	-	-	-
Rogue Resources Inc.	50,000	15,000	100,000	65,000	1,000,000	90,000
Secova Metals Corp.	-	-	1,000,000	35,000	-	-
Sphinx Resources Ltd.	513,000	23,085	1,100,000	66,000	1,200,000	6,000
Other equity investments		62,421		31,975		28,065
		1,459,781		745,665		316,904

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.

Note:

- (1) On October 5, 2017, Falco Resources Ltd issued to Globex 350,000 shares (fair market value of \$304,500 at December 31, 2017) and 350,000 warrants (fair market value of \$29,750 at December 31, 2017) in connection with the sale of Donalda Property.
- (2) 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. On August 25, 2017, Mag Copper Limited changed its name for Integra Resources Corp. The same day the Corporation completed a two and a half for one reverse split.
- (3) After receiving 250,000 shares on February 8, 2017 in connection Beauchastel Cadillac Break option agreement, Globex held 750,000 shares of Opawica Explorations Inc. On December 11, 2017, Opawica Explorations Inc. completed a five for one reverse split.

10. Accounts receivable

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Trade receivables	221,173	96,609	199,080
Bad debt provisions	(4,109)	(4,109)	(175,000)
Net trade receivables	217,063	92,500	24,080
Taxes receivable	8,885	11,950	53,648
	225,949	104,450	77,728

Net trade receivables of \$217,063 (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.

11. Reclamation bonds and restoration liabilities

Reclamation bonds

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Nova Scotia bond - Department of Natural Resources	57,974	57,974	57,974
Option reimbursement	(50,000)	(50,000)	(50,000)
Nova Scotia bond	7,974	7,974	7,974
Washington State bond – Department of Natural Resources	140,406	150,548	155,109
Deposits with Province of Quebec, MERN	628,175	628,175	-
	776,555	786,697	163,083

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 reclamation and environmental bonds are carried at amortized cost and represent management's estimate of their right to reimbursement. Changes in the carrying value of the rights are recognized in income or loss in the period in which these changes occur.

On June 30, 2016, Globex acquired the Francoeur Property and related mining infrastructure as well as the Arncoeur and Norex Properties from Richmond Mines Inc. At that time, Globex also assumed the liabilities for the restoration and rehabilitation of the Francoeur Property mining site of \$628,175 which had been included in a 2013 Closure Plan that had been accepted by the Ministère de l'Énergie et des Ressources naturelles (MERN).

As part of the arrangement with Richmond Inc., the ownership of \$471,132 deposited with the MERN was transferred to Globex. The transfer of the Francoeur closure liabilities and deposit was approved by the MERN on July 13, 2016. On November 24, 2016, Globex issued a letter of credit of \$157,043 to the MERN resulting in the liability being fully funded. The letter of credit is fully secured by a Globex short-term investment which will remain in place until the letter of credit is withdrawn.

Restoration Liabilities

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Francoeur Property restoration and rehabilitation liabilities			
Balance, beginning of the period	628,175	-	-
Additions during the period	-	628,175	-
Balance end of the period	628,175	628,175	-

12. Investment in joint venture

	\$
Balance, January 1, 2016	50,074
Add:	
Globex's 50% share of DAL's net income for the year ended December 31, 2016	-
Balance, December 31, 2016	50,074
Add:	
Globex's 50% share of DAL's net loss for the year ended December 31, 2017	(2,214)
Balance, December 31, 2017	47,860

12. Investment in joint venture

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

The property was owned 50% by Globex and 50% by GJSL. On February 16, 2010, DAL entered into a joint venture agreement with GJSL and Globex. Globex’s investment has been recorded using the equity method. July 3, 2013, Xmet Inc. dropped its interest in the Duquesne West Gold Property and returned it to DAL. The joint venture is currently inactive.

A summary of the financial assets, liabilities and earnings for the respective year-ends follows.

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Assets			
Mineral property and deferred exploration expenses	27,206	27,336	29,534
Due from Globex Mining Enterprises Inc.	78,883	83,179	169,168
Liabilities			
Due to Jack Stoch Geoconsultant Limited	-	-	86,987
Other liabilities	-	-	1,200
Current earnings	(4,248)	-	5,563

13. 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	-	-	-	-	3,432	3,432
December 31,	497,627	88,210	146,274	56,177	271,673	1,059,961
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	(13,837)	-	-	-	(7,058)	(20,895)
December 31,	(129,689)	(88,210)	(146,274)	(56,177)	(254,148)	(674,498)
Carrying value						
2016						
January 1,	395,611	6,370	-	3,102	15,487	420,570
December 31,	381,775	-	-	-	21,151	402,926
2017						
December 31,	367,938	-	-	-	17,525	385,463

14. Payables and accruals

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Trade payables and accrued liabilities	120,389	154,504	264,818
Nyrstar Inc., advance royalty liability	-	75,796	78,127
Sundry liabilities	39,953	51,823	62,096
	160,342	282,123	405,041

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.

15. Other liabilities

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Balance, beginning of year	100,000	251,715	239,131
Additions during the year	483,007	105,000	255,022
Reduction related to qualified exploration expenditures	(237,730)	(256,715)	(242,438)
	345,277	100,000	251,715

The Other Liabilities represent the excess of the proceeds received from flow-through shares over the fair value of the shares issued. Further details are provided in note 21, Share Capital.

16. Income taxes

Income tax recovery

	December 31, 2017 \$	December 31, 2016 \$ <i>Restated, Note 6</i>
Current tax expense	251,606	-
Deferred tax expense for income and mining duties	26,673	38,517
Recovery of income and mining duties as a result of the sale of tax benefits (flow-through shares)	(237,730)	(256,715)
	(211,057)	(218,198)
	40,549	(218,198)

16. Income taxes (continued)

Tax expense reconciliation

The recovery of income and mining taxes attributable to the loss before taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.5% as a result of the following:

	2017	December 31, 2016
	\$	\$
		<i>(Restated, Note 6)</i>
Income (loss) before taxes	795,435	(930,391)
Combined tax rates	26.5%	26.5%
Income and mining tax provision calculated at combined rate	210,791	(246,554)
Adjustments for share-based compensation and payments	-	40,333
Deferred tax expense related to flow-through shares	341,961	297,360
Non-deductible expenses and other	60,597	1,061
Taxable income at different rates	-	1,524
Mining tax recovery	-	(120,727)
Impact of change in future tax rate	-	13,041
Adjustments related to previous taxation years	(75,168)	42,329
Deferred tax asset not recognized	(511,237)	12,966
Other	(270)	(2,815)
U.S. tax provision	251,606	-
Income and mining tax provision	278,279	38,517
Other liabilities (sale of tax benefits (flow-through shares))	(237,730)	(256,715)
Income and mining tax provision (recovery) related to continuing operations	40,549	(218,198)

At December 31, 2017, the Corporation had non-capital loss carry forwards available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

	Federal	Provincial
	\$	\$
2032	1,326,364	1,523,325
2033	838,444	838,444
2034	1,128,461	155,654
2035	857,218	295,997
	4,150,487	2,813,420

16. Income taxes (continued)

Deferred tax balances

	January 1, 2017 \$	Recognized in income or loss \$	Recognized in equity \$	December 31, 2017 \$
<i>(Restated, Note 6)</i>				
Temporary differences				
Deferred tax assets				
Non-capital losses carry forward	1,704,690	(591,505)	-	1,113,185
Share issue expenses	69,648	(35,548)	26,673	60,773
Properties, plant & equipment	35,912	(4,949)	-	30,963
Exploration and evaluation expenditures	1,629,318	48,422	-	1,677,740
Financial assets at FVTPL	261,651	18,998	-	280,649
	3,701,219	(564,582)	26,673	3,163,310
Deferred tax asset not recognized	(3,701,219)	537,909	-	(3,163,310)
	-	(26,673)	26,673	-

	January 1, 2016 \$	Recognized in income or loss \$	Recognized in equity \$	December 31, 2016 \$
<i>(Restated, Note 6)</i>				
Temporary differences				
Deferred tax assets				
Non-capital losses carry forward	1,787,299	(82,609)	-	1,704,690
Share issue expenses	87,480	(56,349)	38,517	69,648
Properties, plant and equipment	39,548	(3,636)	-	35,912
Exploration and evaluation expenditures	1,628,054	1,264	-	1,629,318
Financial assets at FVTPL	184,388	77,263	-	261,651
	3,726,769	(64,067)	38,517	3,701,219
Deferred tax asset not recognized	(3,726,769)	25,550	-	(3,701,219)
	-	(38,517)	38,517	-

17. Revenues

Based on IFRS 15 Revenue from Contracts with Customers, management has concluded that its typical sale/option agreements with a customer (optionee/purchaser) clearly identifies; (a) the rights and obligations of both parties, (b) Globex performance obligations and (c) the overall transaction price.

Under the option arrangements, the control over the mineral properties occurs at the outset of the agreement while the transfer of title may not occur until after all of the option/sale terms have been satisfied.

17. Revenues (continued)

Within the Option agreements, Globex's performance obligations are:

- (i) provide access to the Mineral Property to allow the Customer the right to explore and assess a mineral property during an option period,
- (ii) transfer the title to the Mineral property after all of the Option/Sale terms have been completed.

As a result of the challenges of estimating future payments, Globex believes that it is appropriate to recognize option revenues as received. As a result of the limited number of contracts in place on an ongoing basis, Globex applies the five step model at the individual contract level.

Payment terms are also clearly identified in the Agreement, and usually include the following:

- (i) cash (upfront and pre-determined amounts at milestone dates);
- (ii) shares (upfront and a fixed number of shares at milestone dates). The shares are valued at the stock price on the date of the share certificate.

Once the option term is completed, and all commitments are met, Globex is also entitled to payments (in cash) relating to the GMR. Under our current accounting policies, net metal royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements. The Corporation will continue to apply the same methods and processes in recording this revenue, as the Corporation believe it fits within the new standard.

In summary, the cash, shares, and royalty payments should all be recorded, as they are due from the customer. There are significant disclosure requirements under IFRS 15, particularly regarding judgements made when applying the requirements of the Standard. The revenue recognition policy clearly indicates that the revenue is only recorded as received.

A summary of the revenues for the respective year-ends follows.

	December 31, 2017	December 31, 2016
	\$	\$
Option income and advance royalties	3,022,857	1,700,500
Metal royalties	940,458	-
	3,963,315	1,700,500

In 2017, Globex reported option income and advances royalties of \$3,022,857 which consisted of cash receipts of \$1,570,000 and shares in optionee corporations with a fair market value of \$1,442,925 and other consideration in the amount of \$9,932.

In 2016, the Corporation recorded cash option income and advance royalties of \$1,700,500 which consisted of cash receipts of \$1,096,500 and shares in optionee corporations with a fair market value of \$604,000.

In 2017, Globex received the following option payments which were greater than 10% of revenues:

- Falco Resources Ltd, gross revenues of \$763,182 (cash - \$300,000; 350,000 common shares with a fair value at receipt of \$416,500; 350,000 warrants with a fair value at receipt of \$36,750; other consideration in the amount of \$9,932),

17. Revenues (continued)

- Enforcer Gold Corp., gross revenues of \$1,085,000 (cash - \$600,000; 3,500,000 common shares with a fair value at receipt of \$485,000).

In 2016, Globex received the following net option payments which were greater than 10% of revenues:

- Great Thunder Gold Corp., gross revenues of \$364,000 (cash - \$40,000; 2,400,000 common shares with a fair value at receipt of \$324,000),
- Manganese X Energy Corp., gross revenues of \$280,000 (cash - \$100,000; 1,000,000 common shares with a fair market value at receipt of \$180,000),
- RJK Explorations Ltd., gross cash revenues of \$260,000.

18. Expenses by nature

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

	December 31, 2017	December 31, 2016
	\$	\$
Administration		
Office expenses	212,743	189,990
Conventions and meetings	57,699	49,209
Advertising and meetings	43,786	16,111
Transfer agent	21,188	22,344
Other administration	9,614	13,442
	345,030	291,096
	December 31, 2017	December 31, 2016
	\$	\$
Professional fees and outside services		
Investor relations	193,152	90,560
Legal fees	28,439	25,803
Audit and accounting fees	106,693	87,218
Filing fees	24,963	31,601
Management consulting	20,218	17,124
Other professional fees	50,569	31,285
	424,034	283,591

19. Exploration and evaluation expenditures

Region/Property/Township	December 31,	December 31,
	2017 \$	2016 \$ (Restated, Note 6)
Ontario		
• Timmins Talc-Magnesite (Deloro)	103,037	114,405
• Other projects	10,441	14,660
	113,478	129,065
Quebec		
• Blackcliff (Malartic)	416	36,132
• Cameron (Grevet)	7,098	29,181
• Carpentier (Carpentier)	878	11,053
• Chenier (Duverny)	-	114,020
• Chubb, McNeely (Lacorne)	6,044	17,957
• Duvan Copper (Desmeloizes/La Reine)	1,858	12,694
• Fabie Bay Magusi (Hebecourt, Montbray)	162,782	45,735
• Feldspar (Johan-Beetz)	1,186	17,800
• Francoeur (Beauchastel)	432,169	116,797
• Great Plains (Clermont)	767	17,277
• Kelly Lake (Blondeau)	39,470	-
• Lac Ontario (St-Urbain)	22,075	3,829
• Lac Savignac (Northern Quebec)	127,072	18,510
• Lyndhurst (Destor/Poularies)	41,046	26,486
• Mc Neely (Lacorne)	8,856	13,140
• Montalembert (Montalembert)	773	194,074
• Pandora-Wood & Central Cadillac (Cadillac)	6,977	15,422
• Pyrox (Clairy)	84,156	25,350
• Rousseau (Rousseau)	1,300	22,130
• Tonnancour (Tonnancour, Josselin)	20,814	9,910
• Turner Falls (Villedieu/Atwater)	4,253	13,119
• Windfall East (Bressami)	19,008	-
• Other projects	144,906	224,527
• Quebec general exploration	146,764	180,632
Total Quebec exploration	1,280,668	1,165,775
Other regions		
• Nova Scotia	10,131	2,970
• New Brunswick	84,708	177,951
• Canada (others)	475	1,943
• Europe	59,340	-
• Other including Bell Mountain (USA)	16,067	15,415
Total exploration expenditures	1,564,867	1,493,119
Q1	410,662	314,787
Q2	336,962	411,235
Q3	388,810	257,861
Q4	428,433	509,236
Total exploration expenditures	1,564,867	1,493,119

19. Exploration and evaluation expenditures (continued)

	December 31, 2017 \$	December 31, 2016 \$
		<i>(Restated, Note 6)</i>
Exploration and evaluation expenditures		
Consulting	37,112	16,589
Core shack, storage and equipment rental	11,259	35,186
Drilling	218,050	52,782
Environmental	18,776	7,041
Geology	34,675	105,977
Geophysics	54,122	2,685
Laboratory analysis and sampling	165,766	91,566
Labour	558,893	762,393
Line cutting	41,807	-
Mineral property acquisitions	136,762	250,539
Mining property tax, permits and prospecting	92,680	66,887
Reports, maps and supplies	35,248	58,056
Transport and road access	159,717	43,418
Total exploration and evaluation expenditures	1,564,867	1,493,119

20. Income (loss) per common share

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

Diluted net income per share is calculated using the treasury method, where the exercise of options is assumed to be at the beginning of the period and the proceeds from the exercise of options and the amount of compensation expense measured, but not yet recognized in income are assumed to be used to purchase common shares of the Corporation at the average market price during the year.

For the year ended December 31, 2016, the diluted loss per share is equal to the basic loss per share because the effect of warrants and stock options is antidilutive as it would decrease the loss per share.

20. Income (loss) per common share (continued)

Basic and diluted income (loss) per common share

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

	December 31, 2017 \$	December 31, 2016 \$
Numerator		
Income (loss) for the year	754,886	(712,193)
Denominator		
Weighted average number of common shares - basic	49,662,049	45,796,913
Effect of dilutive shares		
Stock options ("in the money")	2,887,500	-
Shares assumed to be repurchased	(1,506,064)	-
Weighted average number of common shares - diluted	51,043,485	45,796,913
Income (loss) per share		
Basic	0.02	(0.02)
Diluted	0.01	(0.02)

21. Share capital

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

Changes in capital stock

	Number of shares	December 31, 2017 Capital Stock \$	Number of shares	December 31, 2016 Capital Stock \$
Fully paid common shares				
Balance, beginning of period	48,852,706	55,043,838	44,447,706	53,592,497
Issued on exercise of warrants ⁽ⁱ⁾	50,000	27,078	-	-
Issued on exercise of options ^(ii, vi)	185,000	66,553	105,000	37,541
Private placements				
Common shares ^(vi)	-	-	1,570,000	628,000
Flow-through shares ^(iii, iv, viii, ix)	1,965,871	861,993	2,100,000	840,000
Fair value of warrants	-	-	-	(137,833)
Shares issued in connection with				
Mineral property acquisitions ^(x)	-	-	630,000	199,500
Share issuance costs ^(v)	-	(73,979)	-	(115,867)
Balance, end of period	51,053,577	55,925,483	48,852,706	55,043,838

2017 Issuances

Issued on 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.

21. Share capital (continued)

Issued on 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.

On September 13, 2017, 35,000 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 that date.

Private Placements

- (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.
- (iv) On December 5, 2017, the Corporation issued 846,153 flow-through shares under a private placement at a price of \$0.65 per share for gross proceeds of \$550,000. The fair value of these shares was \$346,923 (\$0.41 per share) based on the TSX closing price on December 5, 2017. The \$203,077 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

- (v) \$73,979 (2016 - \$115,867) (Net of deferred taxes of \$26,673; 2016 - \$38,517).

In 2017, the share issuance costs totalled \$100,652 (December 31, 2016 - \$154,384), in connection with private placements (June 21, 2017 and December 5, 2017), consisted of sales commissions of \$68,775, listing fees of \$14,542, and legal fees of \$16,435 and other disbursements of \$900. A recovery of deferred taxes of \$26,673 (December 31, 2016 - \$38,517) was recorded.

In connection with the June 21, 2017 private placement, Globex paid sales commissions of \$35,775, listing fees of \$7,502, legal fees of \$8,935 and other disbursements of \$200.

In connection with the December 5, 2017 private placement, Globex paid sales commissions of \$33,000, listing fees of \$7,040, and legal fees of \$7500 and other disbursements of \$700.

2016 Issuances

Exercise of options

- (vi) On June 8, 2016, 5,000 stock options with a fair market value per share of \$0.108 were exercised at an exercise price of \$0.205 per share. Globex's shares closed at \$0.40 per share on that date. On July 27, 2016, 100,000 stock options with a fair market value per share of \$0.125 were exercised at an exercise price of \$0.235 per share. Globex's shares closed at \$0.37 per share on that date.

Private Placements

- (vii) On June 14, 2016, 1,320,000 units were issued at a price of \$0.40 per unit, in accordance with the pricing approved by the TSX on June 7, 2016, resulting in gross proceeds of \$528,000. Each unit is comprised of one common share and one common share purchase warrant.
- (viii) On December 15, 2016, 250,000 common shares were issued at a price of \$0.40 per share for gross proceeds of \$100,000.
- (ix) On December 15, 2016, the Corporation issued 2,100,000 flow-through shares under a private placement at a price of \$0.45 per share for gross proceeds of \$945,000. The fair value of these shares was \$0.40 per share based on the value of the other common shares issued on the same date.

Shares Issued in connection with Mineral property acquisitions

- (x) On January 7, 2016, Globex acquired a 100% interest in the Devil's Pike Gold Property located in New Brunswick by issuing 350,000 Globex shares at a deemed price of \$0.25 per share for a deemed value of \$87,500.

On June 28, 2016, Globex issued 280,000 common shares of the Corporation at a deemed issue price of \$0.40 per share as partial consideration for the acquisition of 69 mining claims in Duvernoy, Township held by seven persons comprising the "Groupe Succession Beauchemin." The shares represented a deemed payment of \$112,000.

21. Share capital (continued)

Escrow Shares

At December 31, 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.

Warrants

	December 31, 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 ⁽ⁱ⁾	-	-	1,320,000	137,833
December 15, 2016 ⁽ⁱⁱⁱ⁾	-	-	200,000	11,200
Exercised				
March 2, 2017 ⁽ⁱⁱⁱ⁾	(50,000)	(2,078)	-	-
Expired				
November 26, 2017 ^(iv)	(1,551,975)	(64,491)	-	-
December 14, 2017 ^(v)	(1,320,000)	(137,833)	-	-
December 15, 2017 ^(vi)	(200,000)	(11,200)	-	-
August 27, 2016 ^(vii)	-	-	(150,000)	(9,729)
Balance, end of period	-	-	3,121,975	215,602

Private placements

- (i) Under a private placement, which closed on June 14, 2016, 1,320,000 warrants were issued. Each warrant entitles the holder to acquire one additional Globex common share at \$0.55 per share for a period of eighteen months (expiry date - December 14, 2017). The fair value of each warrant has been estimated at \$0.104 per warrant, which resulted in a fair value of \$137,833.

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

Stock price per share	\$0.42
Exercise price per share	\$0.55
Annual rate of dividends	Nil
Annualized stock volatility %	69.9
Risk free interest rate %	0.63
Expected life - months	18

- (ii) Under a private placement, which closed on December 15, 2016, 200,000 share purchase warrants were issued. Each warrant entitles the holder to acquire one additional Globex common share at \$0.60 per share for a period of twelve months from the closing of the financing. The fair value of each warrant has been estimated at \$0.056 per warrant, which resulted in a fair value of \$11,200.

21. Share capital (continued)

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

Stock price per share	\$0.41
Exercise price per share	\$0.60
Annual rate of dividends	Nil
Annualized stock volatility %	66.2
Risk free interest rate %	0.69
Expected life - months	12

Exercised

- (iii) 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.

Expired

- (iv) On November 26, 2015, 1,601,975 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.50 per share for a period of twenty-four months. 50,000 warrants were exercised on March 2, 2017. The rest of 1,551,975 warrants expired on November 26, 2017.
- (v) On June 14, 2016, 1,320,000 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.55 per share for a period of eighteen months. These warrants expired on December 14, 2017.
- (vi) On December 15, 2016, 200,000 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.60 per share for a period of twelve months. These warrants expired on December 15, 2017.
- (vii) On August 27, 2014, 150,000 share purchase warrants were issued in connection with a property acquisition. Each warrant entitled the holder to acquire one additional Globex common share at \$0.45 per share for a period of twenty-four months. These warrants expired on August 27, 2016.

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.

On April 21, 2016, the Board of Directors amended the 2006 Stock Option Plan so as to increase the number of shares that can be issued thereunder from 2,500,000 to 4,500,000. The amendment to the Plan was approved by the shareholders on May 31, 2016 and on June 20, 2016, the Toronto Stock Exchange approved the listing and reservation of an additional 2,000,000 common shares for issuance upon exercise of stock options granted.

At December 31, 2017, 1,965,000 (December 31, 2017 – 1,720,000) options were available for grant under all option plans (2003 and 2006 Option Plans) in addition to the common share purchase options currently outstanding.

21. Share capital (continued)

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

	December 31, 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 ⁽ⁱ⁾	(185,000)	0.24	(105,000)	0.23
Expired	(60,000)	0.54	(400,000)	0.24
Granted - Directors and employees	-	-	720,000	0.39
Granted - Consultant	-	-	50,000	0.60
Balance - end of period	2,997,500	0.29	3,242,500	0.29
Options exercisable	2,997,500	0.29	3,242,500	0.29

(i) 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.

On September 13, 2017, 35,000 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 that date.

The following table summarizes information regarding the stock options outstanding and exercisable as at December 31, 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	1.71	0.21
0.22 - 0.24	1,660,000	1,660,000	1.46	0.24
0.25 - 0.29	255,000	255,000	2.90	0.29
0.39 - 0.42	780,000	780,000	3.32	0.39
0.50 - 0.60	110,000	110,000	0.67	0.54
	2,997,500	2,997,500	2.05	0.29

21. Share capital (continued)

Stock-based compensation and payments

The Corporation uses the fair value method for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is charged to operations, with an offsetting credit to contributed surplus, over vesting periods (which can vary from immediate vesting to 5 years).

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

	December 31, 2017	December 31, 2016
Expected dividend yield	Nil	Nil
Expected stock price volatility	Nil	62.9%
Risk free interest rate	Nil	0.61%
Expected life	Nil	4.7 years
Weighted average fair value of granted options	Nil	\$ 0.19

During the year ended December 31, 2017, no expense related to stock-based compensation costs and payments has been recorded and presented separately in the Consolidated Statements of Income (loss) and Comprehensive Income (loss) (December 31, 2016 - \$152,199).

Restricted Share Unit Plan

On April 11, 2012, the Board of Directors adopted a Restricted Share Unit Plan (the "RSU Plan") for the Corporation's executives and key employees, subject to regulatory approval.

The RSU Plan is designed to attract and retain qualified individuals, to serve as executives and key employees of the Corporation and its subsidiaries and to promote the alignment of interests of such executives and key employees, on the one hand, and the shareholders of the Corporation, on the other hand. A maximum of 600,000 common shares may be issued from treasury under the RSU Plan.

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

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

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

Shareholders' Rights Plan

On June 12, 2014, the Shareholders approved the adoption of a new Shareholder Rights Plan (the "Rights Plan"). The Rights Plan was adopted to: (i) provide shareholders and the Board of Directors with adequate time to consider and evaluate any take-over bid made for the outstanding shares of the Corporation; (ii) provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives to any such take-over bid; (iii) encourage the fair treatment of shareholders.

21. Share capital (continued)

In connection with any take-over bid made for the outstanding shares of the Corporation; and (iv) generally prevent any person from acquiring beneficial ownership of or the right to vote more than 20% of the outstanding shares of the Corporation (or where such person already owns more than 20% of the shares, from acquiring ownership of or the right to vote any additional shares) while this process is ongoing or entering into arrangements or relationships that have a similar effect.

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

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

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

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

The Rights Plan will provide the Board of Directors with time to review any unsolicited take-over bid that may be made and to take action, if appropriate, to enhance shareholder value.

The Rights Plan attempts to protect the Corporation's shareholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions, failing which such bidders are subject to the dilutive features of the Rights Plan. By creating the potential for substantial dilution of a bidder's position, the Rights Plan encourages an offer or to proceed by way of a Permitted Bid or to approach the Board of Directors with a view to negotiation.

22. Related party information

	December 31, 2017	December 31, 2016	January 1, 2016
Related party payables (receivables)	\$	\$	\$
Jack Stoch Geoconsultant Limited	(6,717)	(6,717)	(6,717)
Chibougamau Independent Mines Inc.	(14,476)	(17,551)	(30,408)
Duparquet Assets Limited	78,883	83,179	169,168
	57,690	58,911	132,043

The loan dues (receivables) from the related parties bear no interest, are without specific terms of repayment and are not secured.

As reflected in the statement of cash flows there was a net cash decrease of \$1,221 (2016 - \$73,132) in the related party net payables during the year.

22. Related party information (continued)

Chibougamau Independent Mines Inc. (CIM)

CIM is considered a related party as Globex Management consisting of the President and CEO and Executive Vice-President 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 \$53,028 (December 31, 2016 - \$42,040) for the year ended December 31, 2017 represents Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement.

All related party transactions disclosed above were at the exchange amount.

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:

	December 31, 2017 \$	December 31, 2016 \$
Management compensation		
Salaries and other benefits ⁽ⁱ⁾	359,944	212,142
Professional fees and outside services ⁽ⁱⁱ⁾	20,218	17,124
Exploration and evaluation expenses – consulting, geology fees ⁽ⁱⁱ⁾	-	37,213
Fair value of share-based compensation ⁽ⁱⁱⁱ⁾	-	149,416
	380,162	415,895

(i) It includes the departure allowance of the former Chief Financial Officer who resigned from the organization effective September 20, 2017 as well as a benefit related to the exercised of options .

(ii) In 2017, Management consulting fees of \$20,218 were paid to the new Chief Financial Officer and the new Corporate Secretary.

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

(iii) In 2016, \$149,416 reflects the fair value of share based compensation related to 120,000 stock options issued to Directors and 600,000 issued to the President and CEO on July 25, 2016 at a strike price of \$0.39 per share which vested immediately and had a fair value per share of \$0.197 per share or \$141,620 as well as \$7,796 of amortization related to 300,000 stock options issued to the Vice-President Operations on June 16, 2014 which vested on June 16, 2016.

23. Supplementary cash flows information

Changes in non-cash working capital items

	December 31, 2017	December 31, 2016
	\$	\$
Accounts receivable	(121,499)	(26,722)
Prepaid expenses and deposits	125,481	(55,374)
Payables and accruals	(121,781)	(122,918)
	(117,799)	(205,014)

Non-cash financing and investing activities

	December 31, 2017	December 31, 2016
	\$	\$
Acquisition of mineral properties for shares and warrants	-	199,500
Restoration liability (note 11)	-	157,043
Disposal of mineral properties for shares	1,442,925	604,000

24. Financial instruments

Capital risk management

The Corporation manages its share capital, warrants, contributed surplus and retained earnings (deficit) as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objective of enhancing projects, properties or the development of properties to the benefit of all stakeholders. As a Canadian exploration corporation, its principal sources of funds consist of; (a) Option income on properties; (b) Metal royalty income; (c) Investment income; (d) proceeds from the issuance of common and flow-through shares and (e) other working capital items. The Corporation manages the capital structure and makes adjustments to it in light of operating results in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation issues shares, enters into joint venture property arrangements or disposes of properties.

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

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

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

The Corporation's overall strategy remains unchanged from 2016.

24. 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 \$2,526,768 as at December 31, 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	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Cash and cash equivalents	7	1,572,189	512,273	199,817
Cash reserved for exploration	8	954,579	900,000	1,077,113
Investments	9	1,459,781	745,665	316,904
Accounts receivable	10	225,949	104,450	77,728
		4,212,498	2,262,388	1,671,562

(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.

24. Financial instruments (continued)

Commodity price risk

Commodity price risk arises from the possible adverse effect on current and future earnings due to fluctuations in commodity prices. The ability of the Corporation to develop its properties and the future profitability of the Corporation is directly related to these prices.

Globex is entitled to a Gross Metal Royalty ("GMR") for zinc production from the Nyrstar Tennessee 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% GMR. If the LME zinc sale price is equal to or above USD \$1.10 per pound, then the royalty is 1.4% GMR. With a Zinc price at USD \$1.50 per pound at December 31, 2017, the Corporation believes that Zinc price should drop dramatically before having a significant impact on the profitability.

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 \$1,459,781 (December 31, 2016 - \$745,665). Based on the balance outstanding at December 31, 2017, a 10% increase or decrease would impact income and loss by \$145,978 (December 31, 2016 - \$74,566).

(c) Currency risk

Globex receives US dollar gross metal royalty payments from to 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. The Corporation has not entered into any foreign currency contracts to hedge its exposure to the currency risk.

Assets and liabilities in foreign currency are as follows:

	December 31, 2017	December 31, 2016	January 1, 2016
Assets	\$USD	\$USD	\$USD
Cash and cash equivalents	541,814	112,351	178,468
Accounts receivable	77,210	-	-
Reclamation Bonds	112,132	112,085	112,038
	731,156	224,436	290,506

	December 31, 2017	December 31, 2016	January 1, 2016
Liabilities	\$USD	\$USD	\$USD
Advance royalty	-	56,450	56,450

During the year ended December 31, 2017, Globex received royalty payments of \$940,458 (USD \$737,731) (2016 USD \$Nil; CDN - \$Nil) and recorded a current tax expense of \$251,606 (USD - \$197,370) (2016 USD \$Nil; CDN - \$Nil).

24. Financial instruments (continued)

The following table shows the estimated sensitivity of the Corporation's financial instruments for the year ended December 31, 2017 from a change in U.S. dollars with all other variables held constant as at December 31, 2017:

Percentage of change in closing exchange rate	Impact on financial instruments from % increase in exchange rate	Impact on financial instruments from % decrease in exchange rate
	\$	\$
2%	14,623	(14,623)
4%	29,246	(29,246)
6%	43,869	(43,869)
8%	58,492	(58,492)
10%	73,116	(73,116)

The following table shows the estimated sensitivity of the Corporation's net after tax income (loss) for the year ended December 31, 2017 from a change in U.S. dollars with all other variables held constant as at December 31, 2017 (in connection with metal royalties paid in U.S. dollars):

Percentage of change in closing exchange rate	Change in net pre-tax income (loss) from % increase in exchange rate	Change in net pre-tax income (loss) from % decrease in exchange rate
	\$	\$
2%	14,755	(14,755)
4%	29,510	(29,510)
6%	44,265	(44,265)
8%	59,020	(59,020)
10%	73,775	(73,775)

(d) 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).

24. Financial instruments (continued)

December 31, 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at fair Value \$
Financial assets				
Cash and cash equivalents	-	1,572,189	-	1,572,189
Cash reserved for exploration	-	954,579	-	954,579
Equity investments	1,459,781	-	-	1,459,781
Accounts receivable	-	-	225,949	225,949
Reclamation bonds	-	776,555	-	776,555
	1,459,781	3,303,323	225,949	4,989,053

There were no transfers between level 1, level 2 and level 3 during the year.

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

There were no transfers between level 1, level 2 and level 3 during the year.

January 1, 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at fair Value \$
Financial assets				
Cash and cash equivalents	-	199,817	-	199,817
Cash reserved for exploration	-	1,077,113	-	1,077,113
Equity investments	265,065	51,839	-	316,904
Accounts receivable	-	-	77,728	77,728
Reclamation bonds	-	163,083	-	163,083
	265,065	1,491,852	77,728	1,834,645

There were no transfers between level 1, level 2 and level 3 during the year.

25. Commitments and contingencies

At the year-end, the Corporation had no outstanding commitments other than in the normal course of business other than its commitment to incur qualified exploration expenditures to meet its flow-through obligations as described in note 8 and 15. At this time, Management anticipates meeting that obligation and as a result, no additional disclosures are required.

26. Subsequent events

Subsequent to year end, the Corporation granted 85,000 stock options at an exercise price of \$0.44 expiring January 31, 2023.

On February 26, 2018, Globex sold Certac Property to Osisko Mining Inc. (“Osisko”). In consideration for the sale is a cash payment of two hundred and fifty thousand dollars (\$250,000) and a Gross Metal Royalty (GMR) payable to Globex on all metal production based upon the gold price upon the date of delivery of the metals by a smelter or royalty. The GMR will be 2.5% at a gold price below \$1,000 per ounce or 3% GMR at a gold price equal to or greater than \$1,000 per ounce. Osisko retains a first right of refusal should Globex decide at any time to sell its GMR as well as an exclusive right to buy back 1.5% GMR for \$1,500,000.

On March 8, 2018, the Corporation announced that it will conduct a normal course issuer bid (“NCIB”).

Under the NCIB, Globex will be entitled to repurchase for cancellation up to 1,000,000 common shares, representing 2.15% of Globex’s “public float” as of March 7, 2018, over a twelve-month period starting on March 12, 2018 and ending on March 11, 2019. The purchases by Globex will be effected through the facilities of the TSX and on other alternative trading systems in Canada, and will be made at the market price of the shares at the time of the purchase.

Any purchases made pursuant to the NCIB will be made in accordance with the requirements of the TSX. Except for exempt offers, Globex will make no purchases of common shares other than open market purchases during the period of the NCIB. Globex has not repurchased any shares during the twelve months ended February 28, 2018.

In connection with the NCIB, Globex has entered into an automatic share purchase plan with a Canadian securities dealer pursuant to which the securities dealer, acting as Globex’s agent, may acquire at its discretion shares on Globex’s behalf during “black-out” or “closed” periods under Globex’s stock trading policy, subject to certain parameters as to price and number of shares.

CORPORATE INFORMATION

Board of Directors

Jack Stoch
Director
Toronto, Ontario Canada

Dianne Stoch
Director
Toronto, Ontario Canada

Independent Directors

Ian Atkinson ⁽¹⁾ ⁽²⁾ ⁽³⁾
The Woodlands,
Texas, USA

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

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

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

Stock Exchange Listings

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

Germany - Trading Symbol: **G1MN**
Frankfurt Stock Exchange
Stuttgart Stock Exchange
Berlin Stock Exchange
Munich Stock Exchange
Tradegate Stock Exchange
Lang & Schwartz Stock Exchange

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

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

CUSIP No. 379900509

Officers

Jack Stoch
President and Chief Executive Officer

Dianne Stoch
Executive Vice President

Carmelo Marrelli
Chief Financial Officer

Andrew Newbury
Corporate Secretary

Auditors

MNP SENCRL, srl / LLP "CPA Auditor"
Montreal, Quebec Canada

Legal Counsel

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

Transfer Agent & Registrar

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Annual Meeting of Shareholders

June 1, 2018 at 11:00 a.m.
Best Western Plus Hotel Albert
84, Principale Avenue
Rouyn-Noranda, Quebec Canada