GLOBEX

CONSOLIDATED FINANCIAL STATEMENTS OF
GLOBEX MINING ENTERPRISES INC.
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN CANADIAN DOLLARS)

Responsibilities for Financial Statements

The management of Globex Mining Enterprises Inc. (the "Corporation" or "Globex") 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 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 consolidated 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 Corporation's consolidated financial statements. Their report outlines the nature of their audit and expresses their opinion of the consolidated financial statements of the Corporation.

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

(signed) "Jack Stoch"
Jack Stoch
President and Chief Executive Officer

(signed) *"Carmelo Marrelli"*
Carmelo Marrelli
Chief Financial Officer

MNP SENCRL srl / LLP

Independent Auditor's Report

To the Shareholders of Globex Mining Enterprises Inc.:

Opinion

We have audited the consolidated financial statements of Globex Mining Enterprises Inc. (the "Company") and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017, and the consolidated statements of (loss) income and comprehensive (loss) income, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jo-Ann Lempert.

MNP SENCRL, srl [1]

Montréal, Québec

March 2, 2019

[1] CPA auditor, CA, public accountancy permit no. A122514

MNP SENCRL srl / LLP

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in Canadian Dollars)

	Year ended December 31, 2018	Year ended December 31, 2017
Continuing operations		
Revenues (note 15)	**$ 3,050,420**	$ 3,963,315
Expenses		
Exploration and evaluation expenditures (note 17)	**1,428,395**	1,564,867
Salaries	**421,046**	506,617
Professional fees and outside services (note 16)	**380,512**	424,034
Administration (note 16)	**333,580**	345,030
Share-based compensation (note 19)	**113,146**	-
Depreciation (note 11)	**27,061**	20,895
Bad debt recovery	**(6,138)**	-
(Gain) loss on foreign exchange	**(157,126)**	25,874
	2,540,476	2,887,317
Income from operations	**509,944**	1,075,998
Other income (expenses)		
Gain (loss) on the sale of investments	**82,485**	(213,227)
Interest and dividends	**25,648**	14,165
Management services (note 20)	**12,335**	53,028
Other	**649**	10,967
Joint venture loss (note 10)	**(1,338)**	(2,214)
Decrease in fair value of financial assets	**(657,977)**	(143,282)
	(538,198)	(280,563)
(Loss) income before taxes	**(28,254)**	795,435
Income tax expense (note 14)	**67,373**	40,549
(Loss) income and comprehensive (loss) income for the year	**$ (95,627)**	$ 754,886
Basic (loss) income per share (note 18)	**$ (0.00)**	$ 0.02
Diluted (loss) income per share (note 18)	**$ (0.00)**	$ 0.01
Weighted average number of common shares outstanding - basic	**51,462,625**	49,662,049
Weighted average number of common shares outstanding - diluted	**51,462,625**	51,043,485

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

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2018	2017
Operating activities:		
(Loss) income and comprehensive (loss) income for the year	**$ (95,627)**	$ 754,886
Adjustments for:		
Disposal of mineral properties for investments (note 21)	**(447,500)**	(1,442,925)
Decrease in fair value of financial assets	**657,977**	143,282
Depreciation (note 11)	**27,061**	20,895
Foreign exchange rate variation on reclamation bond	**(12,565)**	10,142
(Gain) loss on sale of investments	**(82,485)**	213,227
Deferred tax recovery (note 14)	**(386,488)**	(211,057)
Income tax payments	**-**	(190,446)
Foreign exchange gain	**(156,966)**	47,788
Share-based compensation (note 19)	**113,146**	-
Share of net loss from investment in joint venture (note 10)	**1,338**	2,214
	(382,109)	(651,994)
Change in non-cash working capital items (note 21)	**169,518**	133,807
Net cash and cash equivalents used in operating activities	**(212,591)**	(518,187)
Financing activities:		
Issuance of common shares (note 19)	**875,000**	1,345,000
Proceeds from exercised options (note 19)	**-**	43,475
Proceeds from exercised warrants (note 19)	**-**	25,000
Share capital issue costs (note 19)	**(61,656)**	(100,652)
Share repurchased (note 19)	**(213,491)**	-
Increase (decrease) in related party payable (note 20)	**10,358**	(1,221)
Net cash and cash equivalents provided by financing activities	**610,211**	1,311,602
Investing activities:		
Acquisition of property, plant and equipment (note 11)	**(60,400)**	(3,432)
Proceeds from sale of investment	**427,245**	372,300
Net cash and cash equivalents provided by investing activities	**366,845**	368,868
Net change in cash and cash equivalents	**764,465**	1,162,283
Effect of exchange rate changes on cash held in foreign currencies	**156,966**	(47,788)
Cash and cash equivalents, beginning of year	**2,526,768**	1,412,273
Cash and cash equivalents, end of year	**$ 3,448,199**	$ 2,526,768
Cash and cash equivalents	**$ 2,704,326**	$ 1,572,189
Cash reserved for exploration	**743,873**	954,579
	$ 3,448,199	$ 2,526,768

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

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2018	As December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	**$ 2,704,326**	$ 1,572,189
Cash reserved for exploration (note 6)	**743,873**	954,579
Investments (note 7)	**904,544**	1,459,781
Accounts receivable (note 8)	**215,149**	225,949
Prepaid expenses and deposits	**37,619**	41,317
Total current assets	**4,605,511**	4,253,815
Non-current assets		
Reclamation bonds (note 9)	**789,120**	776,555
Investment in joint venture (note 10)	**46,522**	47,860
Property, plant and equipment (note 11)	**418,802**	385,463
Total assets	**$ 5,859,955**	$ 5,463,693
LIABILITIES AND EQUITY		
Current liabilities		
Payables and accruals (note 12)	**$ 190,916**	$ 160,342
Current income tax	**185,606**	61,160
Total current liabilities	**376,522**	221,502
Non-current liabilities		
Related party payable (note 20)	**68,048**	57,690
Other liabilities (note 13)	**233,789**	345,277
Restoration liabilities (note 9)	**628,175**	628,175
Total liabilities	**1,306,534**	1,252,644
Equity		
Share capital (note 19)	**55,685,745**	55,925,483
Contributed surplus	**4,676,969**	4,563,823
Deficit	**(55,809,293)**	(56,278,257)
Total equity	**4,553,421**	4,211,049
Total liabilities and equity	**$ 5,859,955**	$ 5,463,693

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

Approved on behalf of the Board:

"Jack Stoch", Director

"Dianne Stoch", Director

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

Equity attributable to shareholders

	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance, December 31, 2016	**$ 55,043,838**	**$ 215,602**	**$ 4,373,377**	**$ (57,033,143)**	**$ 2,599,674**
Fair value of shares issued under private placements	861,993	-	-	-	861,993
Share issue costs, net of taxes	(73,979)	-	-	-	(73,979)
Issued on exercise of options	66,553	-	(23,078)	-	43,475
Issued on exercise of warrants	27,078	(2,078)	-	-	25,000
Expired warrants	-	(213,524)	213,524	-	-
Income and comprehensive income	-	-	-	754,886	754,886
Balance, December 31, 2017	**55,925,483**	**-**	**4,563,823**	**(56,278,257)**	**4,211,049**
Fair value of shares issued under private placements	600,000	-	-	-	600,000
Share repurchased	(778,082)	-	-	564,591	(213,491)
Shares issuance costs, net of taxes	(61,656)	-	-	-	(61,656)
Share-based compensation	-	-	113,146	-	113,146
Loss and comprehensive loss	-	-	-	(95,627)	(95,627)
Balance, December 31, 2018	**$ 55,685,745**	**$ -**	**$ 4,676,969**	**$ (55,809,293)**	**$ 4,553,421**

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

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. Globex's current mineral portfolio consists of approximately 160 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

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 ("FVTPL") as indicated in note 3. All financial information is presented in Canadian dollars.

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").

Approval of Financial Statements

The Corporation's Board of Directors approved these consolidated financial statements on March 2, 2019.

3. 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, 2018	December 31, 2017
Globex Nevada Inc.	Subsidiary	100%	100%
WorldWide Magnesium Corporation (1)	Subsidiary	0%	0%
Eco Refractory Solutions Inc. Corporation (1)	Subsidiary	0%	0%

(1) The consolidated statement of (loss) income and comprehensive (loss) income 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.

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 dollar ("CDN") 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 compressive income in the consolidated statement of (loss) income and comprehensive (loss) income. 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).

3. Summary of Significant Accounting Policies (Continued)

(c) Interest in joint ventures (continued)

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, redeemable deposits and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

(e) Cash reserved for exploration

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

(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 instruments

Effective January 1, 2018, the Corporation adopted IFRS 9, Financial Instruments (replacement of IAS 39) ('IFRS 9"). In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Corporation has adopted IFRS 9 on a retrospective basis, however, this guidance had no material impact to the Corporation’s consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVTOCI”) and FVTPL.

The new hedge accounting guidance had no impact on the Corporation's consolidated financial statements.

3. Summary of Significant Accounting Policies (Continued)

(g) Financial instruments (continued)

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash and cash equivalents	Loans and receivables	FVTPL
Cash reserved for exploration	Loans and receivables	FVTPL
Investments	FVTPL	FVTPL
Accounts receivable (less taxes receivable)	Loans and receivables	Amortized cost
Reclamation bonds	Available for sale	Amortized cost
Payables and accruals	Other financial liabilities (amortized cost)	Amortized cost
Related party payable	Other financial liabilities (amortized cost)	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Corporation's December 31, 2017 consolidated financial statements has been updated as follows:

Financial assets:

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Corporation determines the classification of its financial assets at initial recognition.

(a) Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Corporation's cash and cash equivalents, cash reserved for exploration and investments are classified as financial assets measured at FVTPL.

(b) Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Corporation's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Corporation's accounts receivable (less taxes receivable) and reclamation bonds are classified as financial assets measured at amortized cost.

Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Corporation determines the classification of its financial liabilities at initial recognition.

(a) Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination. The Corporation's payables and accruals and related party payable do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

3. Summary of Significant Accounting Policies (Continued)

(g) Financial instruments (continued)

Financial liabilities (continued):

(b) Financial liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five categories detailed above. The Corporation does not have any liabilities classified at FVTPL.

Transaction costs:

Transaction costs associated with financial instruments carried at FVTPL are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement:

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition:

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment Model:

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Corporation’s consolidated financial statements.

The Corporation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Corporation considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Corporation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(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.

3. Summary of Significant Accounting Policies (Continued)

(i) Property, plant and equipment

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

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of property, 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 property, 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.

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

Property, 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.

3. 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).

3. 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 (loss) income and comprehensive (loss) income, except where they relate to items recognized in other comprehensive income or directly in equity, in which case the related taxes are recognized in other comprehensive income or equity. Taxes on income are recorded using the tax rate that would be applicable to expected annual income.

The current income tax charge is based on taxable income for the period. Taxable income differs from net income as reported in the consolidated statements of (loss) income and comprehensive (loss) income 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.

3. Summary of Significant Accounting Policies (Continued)

(q) Current and deferred taxes (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 (loss) income and comprehensive (loss) income 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

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-Scholes 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) Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current fiscal year.

3. Summary of Significant Accounting Policies (Continued)

(v) (Loss) income per common share

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

Diluted (loss) income per share is computed similar to basic (loss) income 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.

(w) New and revised IFRS 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.

IAS 28, Investments in Associates and Joint Ventures ("IAS 28"):

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 FVTOCI if a specified condition is met instead of at FVTPL.

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 does not anticipate the amendment to have an impact on the accounts of the Corporation.

IFRS 16, Leases ("IFRS 16"):

On January 13, 2016, the IASB issued IFRS 16. The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 - Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Corporation intends to adopt IFRS 16 in its consolidated financial statements for the period beginning on January 1, 2019. Management early adopted this Standard in the prior year which resulted in no material impact on the consolidated financial statements.

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 does not anticipate a significant impact on adoption of this interpretation as there are no outstanding disputes with taxation authorities.

4. 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) Collectability of option agreements
Collectability of considerations to be received on option agreements entered into with 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
The estimate of share-based compensation costs requires the selection of an appropriate valuation model and consideration as the inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options.

The Corporation uses the Black-Scholes option pricing model to calculate the fair value of the share-based compensation 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.

(Expressed in Canadian Dollars)

4. Significant Accounting Assumptions, Judgments and Estimates (Continued)

(c) Property, plant and equipment
The Corporation reviews the estimated useful lives and residual value of property, plant and equipment at the end of each annual reporting period. During the year, Management determined that the useful lives and residual value of the property, plant and 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.

5. Cash and Cash Equivalents

	As at December 31, 2018	As at December 31, 2017
Bank balances	**$ 641,669**	$ 760,776
Short-term deposit	**2,062,657**	811,413
	$ 2,704,326	$ 1,572,189

6. Cash Reserved for Exploration

	As at December 31, 2018	As at December 31, 2017
Bank balances	**$ 43,873**	$ 54,579
Short-term deposit	**700,000**	900,000
	$ 743,873	$ 954,579

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.

(Expressed in Canadian Dollars)

7. Investments

	December 31, 2018		December 31, 2017	
Corporation Name	**Number of shares**	**Fair value $**	**Number of shares**	**Fair value $**
Enerspar Corp.	**-**	$ **-**	2,000,000	$ 100,000
Enforcer Gold Corp. [(6)]	**1,166,667**	**75,833**	1,166,667	297,500
Falco Resources Ltd.[(1)]	**350,000**	**138,250**	350,000	334,250
Galway Metals Inc.	**260,000**	**46,800**	260,000	91,000
Great Thunder Gold Corp.	**2,075,000**	**20,750**	2,075,000	83,000
Integra Resources Corp.[(2)]	**128,000**	**107,520**	128,000	140,800
Knick Exploration Inc.	**1,000,000**	**5,000**	1,000,000	30,000
Laurion Mineral Exploration Inc.	**88,000**	**8,360**	1,969,000	88,605
Manganese X Energy Corp.	**2,000,000**	**260,000**	662,000	89,370
Opawica Explorations Inc.[(3)]	**250,000**	**7,500**	250,000	47,500
Pershimex Resources Corporation [(4)]	**175,000**	**5,250**	175,000	15,750
Renforth Resources Inc.[(5)]	**3,700,000**	**166,500**	700,000	35,000
RJK Explorations Inc.	**50,000**	**2,000**	100,000	6,500
Rogue Resources Inc.	**50,000**	**6,000**	50,000	15,000
Sphinx Resources Ltd.	**513,000**	**20,520**	513,000	23,085
Other equity investments	**-**	**34,261**	-	62,421
		$ **904,544**		$ 1,459,781

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. 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 1,250,000 shares of Opawica Explorations Inc. On December 11, 2017, Opawica Explorations Inc. completed a five for one reverse split.

(4) On December 12, 2017, Khalkos Exploration Inc. changed its name to Pershimex Resources Corporation.

(5) On January 22, 2018, Renforth Resources Inc. issued to Globex 500,000 shares (fair market value of $25,000) in connection with the option on Parbec Property. In addition, on November 21, 2018, Renforth Resources Inc. issued to Globex 2,500,000 shares (fair market value of $62,500) in connection with the option on Parbec Property.

(6) In November 2018, Enforcer Gold Corp. completed a three for one reverse split.

(Expressed in Canadian Dollars)

8. Accounts Receivable

	December 31, 2018	December 31, 2017
Trade receivables	**$ 207,324**	$ 221,173
Bad debt provision	**(4,109)**	(4,109)
Net trade receivables	**203,215**	217,064
Taxes receivable	**11,934**	8,885
	$ 215,149	$ 225,949

Net trade receivables of $203,215 (December 31, 2017 - $217,064) 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.

9. Reclamation Bonds and Restoration Liabilities

Reclamation Bonds

	December 31, 2018	December 31, 2017
Nova Scotia bond - Department of Natural Resources	**$ 57,974**	$ 57,974
Option reimbursement	**(50,000)**	(50,000)
Nova Scotia bond	**7,974**	7,974
Washington State bond - Department of Natural Resources	**152,971**	140,406
Deposits with Province of Quebec, MERN	**628,175**	628,175
	$ 789,120	$ 776,555

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 Richmont 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'Energie et des Ressources naturelles ("MERN").

As part of the arrangement with Richmont 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.

(Expressed in Canadian Dollars)

9. Reclamation Bonds and Restoration Liabilities (Continued)

Restoration Liabilities

	December 31, 2018	December 31, 2017
Francoeur Property restoration and rehabilitation liabilities		
Balance, beginning of the year	**$ 628,175**	$ 628,175
Additions during the year	**-**	-
Balance, end of the year	**$ 628,175**	$ 628,175

10. Investment in Joint Venture

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
Add:	
Globex's 50% share of DAL's net loss for the year ended December 31, 2018	(1,338)
Balance, December 31, 2018	$ 46,522

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, Chief Executive Officer (“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 period-ends follows.

	December 31, 2018	December 31, 2017
Assets		
Mineral property and deferred exploration expenses	**$ 27,206**	$ 27,206
Due from Globex Mining Enterprises Inc.	**76,208**	78,883
Current loss	**$ (2,675)**	$ (4,248)

(Expressed in Canadian Dollars)

11. Property, Plant and Equipment

Cost	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2016	**$ 497,627**	**$ 88,210**	**$ 146,274**	**$ 56,177**	**$ 268,241**	**$ 1,056,529**
Additions	-	-	-	-	3,432	3,432
Balance, December 31, 2017	**497,627**	**88,210**	**146,274**	**56,177**	**271,673**	**1,059,961**
Additions	39,340	-	-	-	21,060	60,400
Balance, December 31, 2018	**$ 536,967**	**$ 88,210**	**$ 146,274**	**$ 56,177**	**$ 292,733**	**$ 1,120,361**

Accumulated depreciation	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2016	**$ 115,852**	**$ 88,210**	**$ 146,274**	**$ 56,177**	**$ 247,090**	**$ 653,603**
Depreciation during the year	13,837	-	-	-	7,058	20,895
Balance, December 31, 2017	**129,689**	**88,210**	**146,274**	**56,177**	**254,148**	**674,498**
Depreciation during the year	13,838	-	-	-	13,223	27,061
Balance, December 31, 2018	**$ 143,527**	**$ 88,210**	**$ 146,274**	**$ 56,177**	**$ 267,371**	**$ 701,559**

Carrying value	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2017	**$ 367,938**	**$ -**	**$ -**	**$ -**	**$ 17,525**	**$ 385,463**
Balance, December 31, 2018	**$ 393,440**	**$ -**	**$ -**	**$ -**	**$ 25,362**	**$ 418,802**

12. Payable and Accruals

	December 31, 2018	December 31, 2017
Trade payables and accrued liabilities	**$ 159,091**	$ 120,389
Sundry liabilities	**31,825**	39,953
	$ 190,916	$ 160,342

13. Other Liabilities

	December 31, 2018	December 31, 2017
Balance, beginning of period	**$ 345,277**	$ 100,000
Additions during the period	**275,000**	483,007
Reduction related to qualified exploration expenditures	**(386,488)**	(237,730)
	$ 233,789	$ 345,277

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 19.

(Expressed in Canadian Dollars)

14. Income Taxes

Income tax expense

	Year ended December 31, 2018	Year ended December 31, 2017
Current tax expense	**$ 453,861**	$ 251,606
Deferred tax expense for income and mining duties	**-**	26,673
Recovery of income and mining duties as a result of the sale of tax benefits (flow-through shares)	**(386,488)**	(237,730)
	$ 67,373	$ 40,549

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:

	Year ended December 31, 2018	Year ended December 31, 2017
(Loss) income before taxes	**$ (28,254)**	$ 795,435
Combined tax rates	26.70%	26.50%
(Loss) income and mining tax provision calculated at combined rate	**(7,544)**	210,790
Deferred tax expense related to flow-through shares	**289,884**	341,961
Non-deductible expenses and other	**101,018**	60,597
Change in tax estimates	**(658,231)**	(75,168)
Tax benefits not recognised	**696,039**	(511,237)
Effect of tax rates of foreign jurisdictions	**32,695**	-
Federal Foreign Tax Credit	**(453,861)**	(270)
Foreign Taxes	**453,861**	251,606
Income and mining tax provision	**453,861**	278,279
Other liabilities (sale of tax benefits (flow-through shares))	**(386,488)**	(237,730)
Income and mining tax provision related to continuing operations	**$ 67,373**	$ 40,549

At December 31, 2018, 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
2033	$ 306,464	$ 503,426
2034	1,128,461	155,654
2035	857,218	295,997
	$ 2,292,143	$ 955,077

The Corporation also has non-capital loss carry forwards in the United States totalling $598,025 expiring between 2019 and 2038.

(Expressed in Canadian Dollars)

14. Income Taxes (Continued)

Deferred tax balances

	December 31, 2017	Recognized in income or loss	Recognized in equity	December 31, 2018
Deferred tax assets				
Non-capital losses	$ 1,113,185	**$ (533,939)**	**$ -**	**$ 579,246**
Share issuance costs	60,773	**(12,422)**	**-**	**48,351**
Property, plant and equipment	30,963	**7,171**	**-**	**38,134**
Resource related deductions	1,677,740	**288,099**	**-**	**1,965,839**
Financial asset at FVTPL	280,649	**87,182**	**-**	**367,831**
Capital losses	-	**17,610**	**-**	**17,610**
Foreign business income tax credits	-	**842,336**	**-**	**842,336**
	3,163,310	**696,037**	**-**	**3,859,347**
Deferred tax assets not recognized	(3,163,310)	**(696,037)**	**-**	**(3,859,347)**
Deferred tax assets	$ -	**$ -**	**$ -**	**$ -**

	December 31, 2016	Recognized in income or loss	Recognized in equity	December 31, 2017
Deferred tax assets				
Non-capital losses	$ 1,704,690	**$ (591,505)**	**$ -**	**$ 1,113,185**
Share issuance costs	69,648	**(35,548)**	**26,673**	**60,773**
Property, plant and equipment	35,912	**(4,949)**	**-**	**30,963**
Resource related deductions	1,629,318	**48,422**	**-**	**1,677,740**
Financial asset at FVTPL	261,651	**18,998**	**-**	**280,649**
	3,701,219	**(564,582)**	**26,673**	**3,163,310**
Deferred tax assets not recognized	(3,701,219)	**537,909**	**-**	**(3,163,310)**
Deferred tax assets	$ -	**$ (26,673)**	**$ 26,673**	**$ -**

15. Revenues

Based on IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), 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.

Within the option agreements, Globex's performance obligations are to:

(i) provide access to the mineral property to allow the customer the right to explore and assess a mineral property during an option period; and
(ii) transfer the title to the mineral property after all of the option/sale terms have been completed.

(Expressed in Canadian Dollars)

15. Revenues (Continued)

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 Gross Metal Royalty ("GMR"). Under 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.

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

	Year ended December 31, 2018	Year ended December 31, 2017
Option income and advance royalties	**$ 1,234,985**	$ 3,022,857
Royalties	**1,815,435**	940,458
	$ 3,050,420	$ 3,963,315

In the year ended December 31, 2018, Globex reported option income and advances royalties of $1,234,985 (year ended December 31, 2017 – $3,022,857) which consisted of cash receipts of $787,485 (year ended December 31, 2017 - $1,570,000) and shares in optionee corporations with a fair market value of $447,500 (year ended December 31, 2017 - $1,442,925) and other consideration in the amount of $nil (year ended December 31, 2017 - $9,932).

In 2017, Globex received the following option payments which were greater than 10% of option income and advance royalties:

- 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);
- 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).

(Expressed in Canadian Dollars)

15. Revenues (Continued)

In 2018, Globex received the following option payments which were greater than 10% of option income and advance royalties:

- On January 16, 2018, Globex received a cash payment of $125,000 and on January 22, 2018, Globex received 500,000 common shares with a fair market value of $25,000 from Renforth Resources Inc. in connection with the option of Parbec Property, Malartic Twp., Quebec. In addition, on November 21, 2018, Globex received 2,500,000 common shares with a fair market value of $62,500 from Renforth Resources Inc. in connection with the option on Parbec Property.
- On February 26, 2018, Globex sold Certac Property to Osisko Mining Inc. (''Osisko''). In consideration for the sale is a cash payment of $250,000 and a 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 refinary.
- On October 26, 2018, Globex received a cash payment of $140,000 from Chalice Gold Mines (Quebec) Inc. in connection with the option of the Nordeau Property.
- On November 30, 2018, Globex received 2,000,000 common shares with a fair market value of $360,000 from Manganese X Energy Corp. in connection with the option of Houlton Woodstock Property, New Brunswick.

During the year ended December 31, 2018, Globex recorded metal royalty income of $1,815,435 (year ended December 31, 2017 - $940,458) from Nyrstar Mid-Tennessee Mines.

16. Expenses by Nature

	Year ended December 31, 2018	Year ended December 31, 2017
Administration		
Office expenses	**$ 255,858**	$ 212,743
Conventions and meetings	**32,798**	57,699
Advertising and shareholder information	**32,201**	43,786
Transfer agent	**11,982**	21,188
Other administration	**741**	9,614
	$ 333,580	$ 345,030

	Year ended December 31, 2018	Year ended December 31, 2017
Professional fees and outside services		
Investor relations	**$ 103,217**	$ 193,152
Audit and accounting fees	**89,305**	106,693
Management consulting	**74,545**	20,218
Other professional fees	**63,282**	50,569
Legal fees	**26,382**	28,439
Filing fees	**23,781**	24,963
	$ 380,512	$ 424,034

(Expressed in Canadian Dollars)

17. Exploration and Evaluation Expenditures

	Year ended December 31, 2018	Year ended December 31, 2017
Ontario		
Timmins Talc-Magnesite (Deloro)	**$ 16,108**	$ 103,037
Other projects	**17,349**	10,441
	$ 33,457	$ 113,478
Quebec		
Black Dog South (Stuart)	**$ 5,131**	$ -
Cameron (Grevet)	**-**	7,098
Carpentier (Carpentier)	**12,172**	878
Chubb, McNeely (Lacorne)	**3,670**	6,044
Dalhousie (Bourbaux)	**103,147**	-
Fabie Bay / Magusi (Hebecourt, Montbray)	**32,168**	162,782
Francoeur (Beauchastel)	**285,654**	432,169
Fontbonne (Preissac)	**12,424**	-
Gagné (Joutel)	**9,901**	-
Great Plains (Clermont)	**16,992**	767
Hunter East (Duparquet)	**26,307**	-
Kelly Lake (Blondeau)	**7,794**	39,470
Lac Anctil (Guercheville)	**7,125**	-
Lac Mina (Guercheville)	**10,544**	-
Lac Ontario (St-Urbain)	**25,355**	22,075
Lac Savignac (Northern Quebec)	**10,251**	127,072
Lyndhurst (Destor/Poularies)	**26,539**	41,046
Mc Neely (Lacorne)	**-**	8,856
Moly Hill (La Motte)	**15,211**	-
Napping Dwarf (Glandelet)	**13,778**	-
New Richmond (New Richmond)	**44,633**	-
Pandora-Wood & Central Cadillac (Cadillac)	**105,889**	6,977
Pyrox (Clairy)	**68,636**	84,156
Rosario (Lac Troilus)	**9,260**	-
Shortt Lake Mine	**29,741**	-
Silidor Mine	**10,328**	-
Tavernier Tiblemont (Tavernier)	**10,419**	-
Tonnancour (Tonnancour, Josselin)	**393**	20,814
Turner Falls (Villedieu/Atwater)	**-**	4,253
Trinity (Lamorandiere)	**11,971**	-
Viking Lake (Guyenne)	**5,088**	-
Washibagau (Lesperance)	**10,014**	-
Windfall East (Bressami)	**7,147**	19,008
Other projects	**193,575**	150,439
Quebec general exploration	**191,093**	146,764
	$ 1,322,350	$ 1,280,668

(Expressed in Canadian Dollars)

17. Exploration and Evaluation Expenditures (Continued)

	Year ended December 31, 2018	2017
Other regions		
Nova Scotia	**$ 811**	$ 10,131
New Brunswick	**9,410**	84,708
Canada (others)	**325**	475
Europe	**39,441**	59,340
Other including Bell Mountain (USA)	**22,601**	16,067
	$ 72,588	$ 170,721
Exploration and evaluation expenditures	**$ 1,428,395**	$ 1,564,867

	Year ended December 31, 2018	2017
Exploration and evaluation expenditures		
Consulting	**$ 122,266**	$ 37,112
Core shack, storage and equipment rental	**-**	11,259
Drilling	**-**	218,050
Environmental	**34,573**	18,776
Geology	**53,048**	34,675
Geophysics	**44,495**	54,122
Laboratory analysis and sampling	**38,593**	165,766
Labour	**727,485**	558,893
Line cutting	**19,169**	41,807
Mineral property acquisitions	**141,670**	136,762
Mining property tax, permits and prospecting	**152,467**	92,680
Reports, maps and supplies	**37,706**	35,248
Transport and road access	**56,923**	159,717
	$ 1,428,395	$ 1,564,867

18. (Loss) Income Per Common Share

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

Diluted net (loss) income per share is calculated using the treasury method, where the exercise of warrants and options is assumed to be at the beginning of the period and the proceeds from the exercise of warrants and options and the amount of compensation expense measured, but not yet recognized in (loss) income are assumed to be used to purchase common shares of the Corporation at the average market price during the period. Diluted loss did not include the effect of warrants and options for the year ended December 31, 2018, as they are anti-dilutive.

(Expressed in Canadian Dollars)

18. (Loss) Income Per Common Share (Continued)

Basic and diluted (loss) income per common share

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

	Year ended December 31, 2018	2017
Numerator		
(Loss) income for the year	**$ (95,627)**	$ 754,886
Denominator		
Weighted average number of common shares - basic and diluted	**51,462,625**	49,662,049
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	**51,462,625**	51,043,485
(Loss) income per share		
Basic	**$ (0.00)**	$ 0.02
Diluted	**$ (0.00)**	$ 0.01

19. Share Capital

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

Changes in capital stock

	December 31, 2018		December 31, 2017	
Fully paid common shares	**Number of shares**	**Capital stock**	**Number of shares**	**Capital stock**
Balance, beginning of period	**51,053,577**	**$ 55,925,483**	48,852,706	$ 55,043,838
Issued on exercise of warrants (i)	**-**	**-**	50,000	27,078
Issued on exercise of options (ii)	**-**	**-**	185,000	66,553
Private placements - Flow-through shares (iii)(iv)(vi)(vii)	**1,750,000**	**600,000**	1,965,871	861,993
Share issuance costs (v)(viii)	**-**	**(61,656)**	-	(73,979)
Share repurchase (ix)	**(725,500)**	**(778,082)**	-	-
Balance, end of period	**52,078,077**	**$ 55,685,745**	51,053,577	$ 55,925,483

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.

19. Share Capital (Continued)

2017 issuances (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 (Net of deferred taxes of $26,673).

In 2017, the share issuance costs totalled $100,652, in connection with private placements (June 21, 2017 and December 5, 2017), consisting 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 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 $7,500 and other disbursements of $700.

2018 issuances

Private placements

(vi) On August 30, 2018, the Corporation issued 1,000,000 flow-through shares under a private placement at a price of $0.50 per share for gross proceeds of $500,000. The fair value of these shares was $345,000 ($0.345 per share) based on the TSX closing price on August 29, 2018. The $155,000 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in other liabilities.

(vii) On September 28, 2018, the Corporation issued 750,000 flow-through shares under a private placement at a price of $0.50 per share for gross proceeds of $375,000. The fair value of these shares was $255,000 ($0.34 per share) based on the TSX closing price on September 27, 2018. The $120,000 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in other liabilities.

(Expressed in Canadian Dollars)

19. Share Capital (Continued)

2018 issuances (continued)

Share issuance costs

(viii) In 2018, the share issuance costs totalled $61,656, in connection with private placements (August 30, 2018 and September 28, 2018), consisting of sales commissions of $40,875, listing fees of $14,881, and legal fees of $4,077 and other disbursements of $1,823.

Normal course issuer bid

(ix) During the year ended December 31, 2018, 725,500 common shares were purchased for cash consideration of $213,491 in accordance with the Normal course issuer bid ("NCIB"). The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

Escrow shares

At December 31, 2018, nil (December 31, 2017 - 36,100) common shares 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, 2018		December 31, 2017	
	Number of warrants	**Fair value**	**Number of warrants**	**Fair value**
Balance, beginning of period	-	$ -	3,121,975	$ 215,602
Exercised				
March 2, 2017 (i)	-	-	(50,000)	(2,078)
Expired				
November 26, 2017 (ii)	-	-	(1,551,975)	(64,491)
December 14, 2017 (iii)	-	-	(1,320,000)	(137,833)
December 15, 2017 (iv)	-	-	(200,000)	(11,200)
Balance, end of period	-	$ -	-	$ -

Private placements

Exercised

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

Expired

(ii) 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.

(iii) 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.

(Expressed in Canadian Dollars)

19. Share Capital (Continued)

Warrants (continued)

(iv) 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.

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 TSX approved the listing and reservation of an additional 2,000,000 common shares for issuance upon exercise of stock options granted.

At December 31, 2018, 1,587,500 (December 31, 2017 – 1,965,000) options were available for grant under 2003 and 2006 Option Plans in addition to the common share purchase options currently outstanding.

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

		December 31, 2018		December 31, 2017
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Balance, beginning of period	**2,997,500**	**$ 0.29**	3,242,500	$ 0.29
Exercised (i)	**-**	**-**	(185,000)	0.24
Expired/cancelled	**(570,000)**	**0.31**	(60,000)	0.54
Granted to employees (ii)	**485,000**	**0.39**	-	-
Balance - end of period	**2,912,500**	**$ 0.30**	2,997,500	$ 0.29
Options exercisable	**2,912,500**	**$ 0.30**	2,997,500	$ 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.

(ii) On January 31, 2018, 85,000 stock options with a fair value per share of $0.2676 were granted at an exercise price of $0.44 per share. Globex's shares closed at $0.44 per share on the day before. On July 3, 2018, 400,000 stock options with a fair value per share of $0.226 were granted at an exercise price of $0.38 per share. Globex's shares closed at $0.38 per share on the day before.

(Expressed in Canadian Dollars)

19. Share Capital (Continued)

Stock option (continued)

The following table summarizes information regarding the stock options outstanding and exercisable as at December 31, 2018:

Range of prices	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
$0.18 - $0.21	192,500	192,500	0.71	$ 0.21
$0.22 - $0.24	1,260,000	1,260,000	0.46	0.24
$0.25 - $0.29	255,000	255,000	1.90	0.29
$0.30 - $0.38	400,000	400,000	4.51	0.38
$0.39 - $0.42	720,000	720,000	2.32	0.39
$0.44 - $0.50	85,000	85,000	4.09	0.44
	2,912,500	2,912,500	1.72	$ 0.30

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 option pricing model to estimate fair value using the following weighted average assumptions:

	December 31, 2018	December 31, 2017
Stock price	**$0.43**	Nil
Expected dividend yield	**Nil**	Nil
Expected stock price volatility	**71.43%**	Nil
Risk free interest rate	**2.05%**	Nil
Expected life	**5 years**	Nil
Weighted average fair value of granted options	**$0.23**	Nil

During the year ended December 31, 2018, an expense of $113,146 (December 31, 2017 - $Nil) related to stock-based compensation costs has been recorded and presented separately in the consolidated statements of (loss) income and comprehensive (loss) income.

Restricted Share Unit Plan

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

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

19. Share Capital (Continued)

Restricted Share Unit Plan (continued)

Under the RSU Plan, from time-to-time, the Board of Directors may, in its sole discretion, upon the recommendation of the Compensation Committee after consultation with the 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 May 31, 2017, the Shareholders of the Corporation approved an amended and restated Shareholder Rights Plan (the "Amended Rights Plan"). On April 20, 2017, the TSX accepted notice for filing the Amended Rights Plan and on July 13, 2017, they confirmed that they were in receipt of all necessary documents needed to confirm their approval.

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

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

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

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

Normal Course Issuer Bid ("NCIB")

On March 8, 2018, the Corporation announced that it will conduct a 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.

(Expressed in Canadian Dollars)

19. Share Capital (Continued)

NCIB (Continued)

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.

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.

During the year period ended December 31, 2018, 725,500 common shares were purchased for cash consideration of $213,491 in accordance with the NCIB. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

20. Related Party Information

Related party (receivable) payables	December 31, 2018	December 31, 2017
GJSL	**$ (6,717)**	$ (6,717)
Chibougamau Independent Mines Inc.	**(1,443)**	(14,476)
Duparquet Assets Limited	**76,208**	78,883
	$ 68,048	$ 57,690

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

As reflected in the consolidated statement of cash flows there was a net cash increase of $10,358 (December 31, 2017 - decrease of $1,221) in the related party net payables during the year ended December 31, 2018.

Chibougamau Independent Mines Inc. ("CIM")

CIM is considered a related party as Globex Management consisting of the President and CEO and a Director 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 $12,335 for the year ended December 31, 2018 (December 31, 2017 - $53,028) 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 agreed amounts that approximate fair value.

(Expressed in Canadian Dollars)

20. Related Party Information (Continued)

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 (retired in 2018) and Chief Financial Officer, Treasurer and Corporate Secretary) are as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Management compensation		
Salaries and other benefits (i)	**$ 208,831**	$ 359,944
Professional fees and outside services (ii)	**75,545**	20,218
Fair value of share-based compensation	**36,160**	-
	$ 320,536	$ 380,162

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

(ii) In the year ended December 31, 2018, Management consulting fees of $75,545 (year ended December 31, 2017 - $20,218) were paid to the Chief Financial Officer and the Corporate Secretary. They were appointed on September 20, 2017. As at December 31, 2018, the balance due to Chief Financial Officer and Corporate Secretary is $3,162 (December 31, 2017 - $1,000) which is included in payables and accruals due under normal credit terms.

21. Supplementary Cash Flows Information

Changes in non-cash working capital items	**December 31, 2018**	**December 31, 2017**
Accounts receivable	**$ 10,800**	$ (121,499)
Prepaid expenses and deposits	**3,698**	125,481
Payables and accruals	**30,574**	(121,781)
Current tax payable	**124,446**	251,606
	$ 169,518	$ 133,807

Non-cash operating and investing activities	**December 31, 2018**	**December 31, 2017**
Disposal of mineral properties for investments	**$ 447,500**	$ 1,442,925

Income taxes paid	**December 31, 2018**	**December 31, 2017**
Income taxes paid	**$ 329,415**	$ 251,606

22. Financial Instruments

Capital risk management

The Corporation manages its share capital, warrants, contributed surplus and 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 2017.

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.

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 consolidated statement of financial position.

(a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totaled $3,448,199 as at December 31, 2018, (December 31, 2017 - $2,526,768). 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.

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

The carrying amount of financial assets represents the Company's maximum credit exposure.

(Expressed in Canadian Dollars)

22. Financial Instruments (Continued)

(a) Credit risk (continued)

The maximum exposure to credit risk was:

	Notes	December 31, 2018	December 31, 2017
Cash and cash equivalents	5	**$ 2,704,326**	$ 1,572,189
Cash reserved for exploration	6	**743,873**	954,579
Investments	7	**904,544**	1,459,781
Accounts receivable (less taxes receivable)	8	**203,215**	217,064
		$ 4,555,958	$ 4,203,613

The following is an aged analysis of the accounts receivable less taxes receivable:

	December 31, 2018	December 31, 2017
Less than 3 months	**$ 163,707**	$ 192,475
Greater than 3 months	**43,617**	28,698
Allowance for doubtful accounts	**(4,109)**	(4,109)
	$ 203,215	$ 217,064

(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 over one year; and related party liabilities from future free cash flow.

(c) 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 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 $1.15 per pound at December 31, 2018, the Corporation believes that Zinc price would need to drop dramatically before having a significant impact on the profitability.

22. Financial Instruments (Continued)

(d) 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 $904,544 (December 31, 2017 - $1,459,781). Based on the balance outstanding at December 31, 2018, a 10% increase or decrease would impact income and loss by $78,469 (December 31, 2017 - $145,978).

(e) Currency risk

Globex receives US dollar GMR 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, 2018 USD	December 31, 2017 USD
Cash and cash equivalents	**$ 1,430,862**	$ 541,814
Accounts receivable	**66,791**	77,210
Reclamation bonds	**112,132**	112,132
	$ 1,609,785	$ 731,156

During the year ended December 31, 2018, Globex received royalty payments of $1,815,435 (USD $1,401,123) (2017 - $940,458; USD - $737,731) and recorded a current tax expense of $453,861 (USD - $350,282) (2017 - $251,606; USD - $197,370).

The following table shows the estimated sensitivity of the Corporation’s financial instruments for the year ended December 31, 2018 from a change in U.S. dollars with all other variables held constant as at December 31, 2018:

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%	**$ 32,196**	**$ (32,196)**
4%	**64,391**	**(64,391)**
6%	**96,587**	**(96,587)**
8%	**128,783**	**(128,783)**
10%	**160,978**	**(160,978)**

(Expressed in Canadian Dollars)

22. Financial Instruments (Continued)

(f) Fair value measurements recognized in the statement of consolidated financial position

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

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

December 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total financial assets at fair value**
Financial assets				
Cash and cash equivalents	$ -	$ 2,704,326	$ -	$ 2,704,326
Cash reserved for exploration	-	743,873	-	743,873
Investments	904,544	-	-	904,544
Accounts receivable (less taxes receivable)	-	-	203,215	203,215
Reclamation bonds	-	789,120	-	789,120
	$ 904,544	$ 4,237,319	$ 203,215	$ 5,345,078

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

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
Investments	1,459,781	-	-	1,459,781
Accounts receivable (less taxes receivable)	-	-	217,064	217,064
Reclamation bonds	-	776,555	-	776,555
	$ 1,459,781	$ 3,303,323	$ 217,064	$ 4,980,168

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.

The fair values of the Corporation’s cash and cash equivalents, cash reserved for exploration, accounts receivable, payables and accruals approximate their carrying values due to their short-term nature. Investments has been adjusted to reflect the fair market value at the period end based on quoted market rates.

23. Commitments and Contingencies

At the period-end, the Corporation had no outstanding commitments other than in the normal course of business other than its commitment to incur qualified exploration expenditures to meet its flow-through obligations as described in notes 6 and 13. At this time, management anticipates meeting that obligation and as a result, no additional disclosures are required.

24. Subsequent Events

(i) Subsequent to December 31, 2018, 274,500 common shares of Globex were purchased for cash consideration of $79,600 in accordance with the NCIB completing the buyback.

(ii) Subsequent to December 31, 2018, Globex cancelled the option agreements on the Magusi/Fabie Bay property as well as on the Normetal and Normetmar properties. Globex also cancelled the option agreement on the Kelly Lake Property.

(iii) Subsequent to December 31, 2018, Globex acquired additional mineral rights in the Joutel gold and base metal mining camp of Quebec.

(iv) Subsequent to December 31, 2018, Globex received as final option payment $200,000 and a certificate for 250,000 Renforth shares. This is in addition to the 2,500,000 share payment and a 1% NSR in Renforth’s New Alger Gold Mine Property, received as part of an extension afforded Renforth to complete option exploration expenditures at Parbec.