



# GLOBEX

## **GLOBEX MINING ENTERPRISES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**THREE MONTHS ENDED MARCH 31, 2019**

**(EXPRESSED IN CANADIAN DOLLARS)**

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GMX – Toronto Stock Exchange

G1MN – Frankfurt Stock Exchange

GLBXF – OTCQX International, USA

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**Dated: May 10, 2019**

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The following Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of the operation of Globex Mining Enterprises Inc. (the "**Corporation**" or "**Globex**") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three months ended March 31, 2019. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Corporation for the three months ended March 31, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Corporation's unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of May 10, 2019, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Corporation common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Corporation and its operations is available on the Corporation's website at [www.globexmining.com](http://www.globexmining.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A contains forward-looking information as further described in the "Cautionary Note Regarding Forward-Looking Statements" at the end of this MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section below.

### **Description of Business and Nature of Operations**

Globex is a North American focused exploration and project generator/property bank which seeks to create shareholder value by acquiring mineral properties, undertaking limited exploration and preparing the properties for optioning, joint venturing, or outright sale, all within the goal of advancing the projects towards production.

As part of its total compensation arrangements, we seek to secure long-term royalty arrangements that will provide continued financial benefits to Globex and its shareholders.

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

- Have historic or NI 43-101 mineral resources,
- Have reported past production,
- Have established drill targets or drill intersections of economic merit and,
- Are located on major geological structures.

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

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

Upon the satisfaction of the option terms, the property interest is transferred to the Optionee. The option contract will terminate if annual payments and/or work commitments are not met. Globex may retain a GMR or other carried or participating interest in the property when it is transferred. Outright property sales may include cash and/or share payments and a form of royalty interest payable when projects achieve commercial production, or another negotiated milestone.

Our current mineral portfolio consists of over 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 dioxide, iron, molybdenum, lithium, cobalt, scandium, vanadium, antimony, rare earths and associated elements) and **Industrial Minerals** (mica, silica, feldspar, pyrophyllite, kaolin as well as talc and magnesite).

Globex was incorporated in the Province of Quebec and following the approval of shareholders on June 12, 2014, it was continued under the Canada Corporations Act, effective October 28, 2014. The head office is located at 89 Belsize Drive, Toronto, Ontario M4S 1L3 and the principal business office is located at 86, 14<sup>th</sup> 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, and Lang & Schwartz Stock Exchanges. Globex trades under the symbol GLBXF on the OTCQX International Exchange in the United States.

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

### **Economic Environment and Corporate Focus**

#### **Economic environment**

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

During 2017 and 2018, we saw modest economic growth in a number of European economies, China, Canada and the U.S. On the commodities front, at times, we have seen volatility in the nickel and zinc prices reflecting political inputs in producer countries as well as short-term trader activities. There has been a decline in the LME zinc stocks.

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At this time, there appears to be consensus that while volatile the commodity prices will increase over the near-term forecast period as a result of the lack of new production capacity coming on stream. Commodities are priced globally in U.S. currency so their prices typically move in the opposite direction from the U.S. dollar.

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

The following table highlights the comparative metal prices which the Corporation monitors.

<b>Summary of Metal Prices</b>					
<b>Current Prices with Comparative (2014 – 2018)</b>					
<b>Commodities</b>	<b>Q1 2019 (USD)</b>	<b>2018 (USD)</b>	<b>2017 (USD)</b>	<b>2016 (USD)</b>	<b>2015 (USD)</b>
Gold (\$/oz)	1,289.70	1,280.40	1,291.00	1,145.00	1,060.00
Silver (\$/oz)	14.98	15.43	16.87	16.24	13.83
Nickel (\$/pound)	5.90	4.81	5.67	4.53	4.00
Copper (\$/pound)	2.94	2.72	3.26	2.50	2.13
Zinc (\$/pound)	1.36	1.15	1.50	1.16	0.73

On September 27, 2016, Nyrstar Inc. ("**Nyrstar**") announced that as a result of increases in the zinc prices it was restarting its Mid Tennessee mining and processing operations in Q1 2017. This decision was supported by the increase in the zinc price, which rose from USD \$0.82 per pound at June 30, 2016 to USD \$1.16 per pound at December 31, 2016 and currently are trading at USD \$1.15 per pound. Production at the facilities began in May 2017 and Globex received GMR payments from May 2017 onward on a monthly basis.

**Corporate Focus**

The Corporation's strategy is currently focused on:

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

**Financial and Operating Highlights**

**Corporate**

During the three months ended March 31, 2019, 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.

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On February 12, 2019, Globex announced receiving as a final option payment \$200,000 and a certificate for 250,000 Renforth Resources Inc. ("**Renforth**") shares. This is in addition to a 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 Property.

On February 27, 2019, Globex announced that it acquired additional mineral rights in the Joutel gold and base metal mining camp of Quebec.

On March 2, 2019, 10,000 stock options with a fair value per share of \$0.1712 were granted at an exercise price of \$0.285 per share. Globex's shares closed at \$0.285 per share on the day before.

On March 11, 2019, 30,000 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 \$0.295 per share that date.

On March 11, 2019, the Corporation announced that TSX approved the renewal of Globex's Normal Course Issuer Bid ("**NCIB**"). Refer to "NCIB" section below for further details.

On March 19, 2019, Globex announced that it agreed to waive the remaining work requirement by Renforth on Globex's Parbec Gold property, allowing Renforth to gain 100% interest in the property package located on the Cadillac Fault, west of the Canadian Malartic Mine, in Quebec. In consideration for waiving the remaining work requirement, Renforth agreed to the following:

- The previous GMR which varied between 1% and 2% GMR dependent upon the gold price will henceforth be a stable 3% GMR;
- Renforth shall issue to Globex 5,000,000 Renforth shares;
- Should Renforth consolidate its shares within 4 years, an additional 1,500,000 post consolidated Renforth shares will be issued to Globex;
- Upon the commencement of mining and the transport of the first ore for milling, a one-time payment of \$1,000,000 will be made to Globex subject to inflation and the deduction of any \$50,000 per year advance royalties received by Globex that may commence 8 years from the date of signing of the original option agreement.

Globex has agreed to give Renforth a one-time first right of refusal to purchase Globex's GMR should Globex decide at anytime to sell all or part of its GMR.

During the three months ended March 31, 2019, 823,000 common shares were repurchased for cash consideration of \$237,980 in accordance with the NCIB. Refer to "NCIB" section below for further details.

On April 15, 2019, Globex announced that 1,745,408 common shares were issued by NSGold Corporation ("**NSGold**") pursuant to an Amendment dated March 19, 2019 to a Purchase Agreement dated April 14, 2010 between NSGold and Globex. Refer to "Subsequent Event" section below for further details.

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**Revenues**

In the three months ended March 31, 2019, Globex reported option income and advances royalties of \$272,500 which consisted of cash receipts of \$260,000 and shares in optionee corporations with a fair market value of \$12,500.

- On January 8, 2019, Globex received a cash payment of \$50,000 from Tres-Or Resources Ltd. in connection with the options of Fontana Property, Duverny Twp., Quebec.
- On January 8, 2019, Globex received a cash payment of \$10,000 from Tres-Or Resources Ltd. in connection with the options of Duvay Property, Duverny Twp., Quebec.
- On January 17, 2019, Globex received a cash payment of \$200,000 and 250,000 common shares with a fair market value of \$12,500 from Renforth Resources Inc. in connection with the option of Parbec Property, Malartic Twp., Quebec.

During the three months ended March 31, 2019, Globex recorded metal royalty income of \$287,468 from Nyrstar Mid-Tennessee Mines.

**Trends**

Management regularly monitors economic conditions and estimates their impact on the Corporation's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Corporation's business, financial condition or results of operations.

See "Cautionary Note Regarding Forward-Looking Statements" below.

**Outlook**

The Economic Environment and Strategy section above, highlights that management monitors the changes in demand/supply balance and metal price trends. Recently, we have seen a tepid revival in global markets in general and commodity markets in particular other than battery metals and more recently gold.

At March 31, 2019, our option/sale income and advance royalties were reported at \$272,500 as compared to \$510,000 in 2018. During 2018, we had successfully negotiated three additional option/sale agreements on which we anticipate recording revenues during 2019. We have continued our marketing efforts and are projecting option revenues in excess of \$1 million based on existing contracts and market conditions.

During the first three quarters of 2018, the price of metals and minerals other than battery metals decreased adding pressure on exploration activities.

As described under the section "Liquidity and Capital Resources", Globex anticipates towards the end of 2019, receiving estimated monthly metal royalties from Nyrstar between \$100,000 and \$150,000 per month and moving upward from there due to contractor changes at the mine site.

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

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

Despite the potential risks and uncertainties, Globex believes it is well positioned with a combination of first class assets as well as the human and corporate resources necessary to achieve our strategic objectives.

### **Investment Strategies and Oversight**

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

Investment performance is monitored via available market data (including continuous disclosure made by the investees that are public companies) and contact with investee management.

### **Environmental Contingency**

The Corporation's exploration activities are subject to various laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of March 31, 2019, the Corporation does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

### **Off-Balance Sheet Arrangements**

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

### **Proposed Transactions**

There are no proposed transactions of a material nature being considered by the Corporation. The Corporation continues to evaluate properties and corporate entities that it may acquire in the future.

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**Selected Quarterly Information**

Three Months Ended	Total Revenue (\$)	Profit or Loss			Total Assets (\$)
		Total (\$)	Basic Loss Per Share (\$)	Diluted Loss Per Share (\$)	
2017-June 30	814,182	(231,367) <sup>(1)</sup>	(0.00)	(0.00)	4,434,875
2017-September 30	402,585	(361,529) <sup>(2)</sup>	(0.01)	(0.01)	4,139,955
2017-December 31	1,842,248	1,007,002 <sup>(3)</sup>	0.02	0.01	5,463,693
2018-March 31	1,127,704	419,075 <sup>(4)</sup>	0.01	0.01	5,965,964
2018-June 30	569,065	(336,088) <sup>(5)</sup>	(0.01)	(0.01)	5,590,679
2018-September 30	451,294	(457,652) <sup>(6)</sup>	(0.01)	(0.01)	5,713,016
2018-December 31	902,357	279,038 <sup>(7)</sup>	0.01	0.01	5,859,955
2019-March 31	559,968	(188,038) <sup>(8)</sup>	(0.00)	(0.00)	5,247,089

<sup>(1)</sup> Net loss of \$231,367 principally relates to exploration and evaluation expenditures of \$336,962, salaries of \$110,900, professional fees and outside services of \$139,974, administration of \$103,084, decrease in fair value of financial assets of \$300,463 and income tax expense of \$27,373. These costs were offset by revenues of \$814,182 and management services of \$9,965.

<sup>(2)</sup> Net loss of \$361,529 principally relates to exploration and evaluation expenditures of \$388,810, salaries of \$185,350, administration of \$71,710, professional fees and outside services of \$69,121 and loss on sale of investments of \$55,883. These costs were offset by revenues of \$402,585.

<sup>(3)</sup> Net income of \$1,007,002 principally relates revenues of \$1,842,247 and increase in fair value of financial assets of \$35,021. This income was offset by exploration and evaluation expenditures of \$428,433, salaries of \$85,073, professional fees and outside services of \$75,220, administration fees of \$85,031, loss on foreign exchange of \$41,648, loss on sale of investments of \$125,973 and income tax expense of \$44,601.

<sup>(4)</sup> Net income of \$419,075 principally relates to revenues of \$1,127,704 and gain on foreign exchange of \$45,653. This income was offset by exploration and evaluation expenditures of \$247,634, share-based payments of \$22,746, salaries of \$89,335, professional fees and outside services of \$95,587, administration of \$98,501, decrease in fair value of financial assets of \$130,252 and income tax expense of \$83,967.

<sup>(5)</sup> Net loss of \$336,088 principally relates to exploration and evaluation expenditures of \$456,290, salaries of \$76,598, professional fees and outside services of \$73,700, administration of \$99,483, decrease in fair value of financial assets of \$198,026 and income tax expense of \$38,897. These costs were offset by revenues of \$569,065 and gain on foreign exchange of \$40,424.

<sup>(6)</sup> Net loss of \$457,652 principally relates to exploration and evaluation expenditures of \$431,095, professional fees and outside services of \$128,093, share-based compensation of \$90,400, salaries of \$81,997, administration of \$66,952 and decrease in fair value of financial assets of \$204,340. These



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costs were offset by revenues of \$451,294, gain on sale of investments of \$79,186 and income tax recovery of \$49,226.

<sup>(7)</sup> Net income of \$279,038 principally relates to revenues of \$902,357 and gain on foreign exchange of \$1,999. This income was offset by exploration and evaluation expenditures of \$293,376, salaries of \$173,116, professional fees and outside services of \$83,132 and administration of \$68,644.

<sup>(8)</sup> Net loss of \$188,038 principally relates to revenues of \$559,968 and gain on foreign exchange of \$6,255. This income was offset by exploration and evaluation expenditures of \$416,494, salaries of \$83,848, professional fees and outside services of \$141,890 and administration of \$246,873.

### **Results of Operations**

#### **Three month ended March 31, 2019, compared with three months ended March 31, 2018**

The Corporation's net loss totaled \$188,038 for the three months ended March 31, 2019, with basic and diluted loss per share of \$0.00. This compares with a net income of \$419,075 with basic and diluted income per share of \$0.01 for the three months ended March 31, 2018. The increase in net loss was principally due to:

- Revenues decreased to \$559,968 for the three months ended March 31, 2019 compared to \$1,127,704 for the three months ended March 31, 2018.
  - In the three months ended March 31, 2019, Globex reported option income and advances royalties of \$272,500 (three months ended March 31, 2018 – \$510,000).
  - During the three months ended March 31, 2019, Globex recorded metal royalty income of \$287,468 (three months ended March 31, 2018 - \$617,704) from Nyrstar Mid-Tennessee Mines. The Corporation is entitled to a GMR of 1.0% if the LME monthly average zinc price is greater than USD \$0.90 per pound in the month after the production at the Nyrstar Middle Tennessee zinc operations. The GMR would increase to 1.4% if the monthly average zinc price is greater than \$1.10.
- Exploration and evaluation expenditures increased to \$416,494 for the three months ended March 31, 2019, compared to \$247,634 for the three months ended March 31, 2018. The increase can be attributed to acquisition costs and exploration expenditures incurred on various projects. Refer to the heading "Mineral Exploration Properties" below for a summary of the Corporation's exploration programs for Globex's property portfolio.
- Professional fees and outside services increased in the three months ended March 31, 2019, to \$141,890 compared with \$95,587 for the three months ended March 31, 2018, primarily due to higher corporate activity requiring external professional support services. Professional fees and outside services consisted of investor relations, audit and accounting fees, management consulting, other professional fees, legal fees and filing fees.
- Administration fees increased in the three months ended March 31, 2019 to \$246,873 compared with \$98,501 for the three months ended December 31, 2017. Administration fees consisted of office expenses, conventions and meetings, advertising and shareholder information, transfer agent, office

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maintenance and repairs and other administration. The main increase was in employee residence upgrades, maintenance and repairs.

- Share-based payments decreased in the three months ended March 31, 2019, to \$1,712 compared with \$22,746 for the three months ended March 31, 2018. The decrease is due to the timing of expensing the estimated fair value of stock options granted in prior and current periods. The Corporation expenses its stock options in accordance with the vesting terms of the stock options granted.
- Gain on the sale of investments decreased in the three months ended March 31, 2019 to \$nil compared with a gain of \$1,300 for the three months ended March 31, 2018.
- Increase in fair value of financial assets increased in the three months ended March 31, 2019, to \$88,950 compared with a loss of \$130,252 for the three months ended March 31, 2018. The increase in gain was due to the change in fair value of investments.
- Income tax recovery increase in the three months ended March 31, 2019 to \$44,653 compared to expense of \$83,967 for the three months ended March 31, 2018. Income tax expense consisted of:
  - current tax expense in Nyrstar metal royalty income received in the current year
  - premium on flow-through shares. The Corporation adopted a policy whereby proceeds from flow-through issuances are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting premium on flow-through shares on a pro-rata basis as the expenditures are made
- All other expenses related to general working capital purposes.

The Corporation's total assets at March 31, 2019 were \$5,247,089 (December 31, 2018 - \$5,859,955) against total liabilities of \$1,110,924 (December 31, 2018 - \$1,306,534). The decrease in total assets of \$612,866 resulted from the proceeds of exercise of options of \$7,050 which was offset by cash spent for Globex shares repurchased of \$237,980 and exploration and evaluation expenditures and operating costs. The Corporation has sufficient current assets to pay its existing liabilities of \$317,012 at March 31, 2019. Liabilities include flow-through share liability of \$117,269 which is not settled through cash payments. Instead, this balance is amortized against qualifying flow-through expenditures which are required to be incurred before December 31, 2019.

Pursuant to the terms of flow-through share agreement, the Corporation is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of March 31, 2019, the Corporation is committed to incurring approximately \$0.4 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2019, arising from the flow-through offerings.

### **Liquidity and Capital Resources**

At March 31, 2019, the Corporation had cash and cash equivalents of \$2,278,844 (December 31, 2018 - \$2,704,326) and cash reserved for exploration of \$373,128 (December 31, 2018 - \$743,873). In addition,

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it had investments with a fair market value of \$1,005,994 (December 31, 2018- \$904,544) which represents shares received under mining option agreements.

The Corporation's working capital (based on current assets minus current liabilities) was \$3,685,709 at March 31, 2019 (December 31, 2018 - \$4,228,989).

As a result of the restart of the Nyrstar Gordonsville facility in May 2017, Globex earned GMR. Based on current zinc prices and average production levels prior to the suspension of operations, Globex anticipates receiving monthly metal royalties between \$100,000 and \$150,000 per month for the year 2019 at current zinc price and CDN/USD dollar exchange rate.

In addition to this potential source of liquidity, Globex has a number of option agreements in place and in discussion which are estimated to potentially generate gross option payments in excess of \$1.0 million in 2019. These payments are subject to the Optionee having sufficient funds available to meet the obligations. We monitor the outstanding amounts on an ongoing basis.

The Corporation continues to negotiate option and royalty agreements and the potential sale of properties.

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

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

#### Cash Flow

During the three months ended March 31, 2019, the operating activities used \$503,191, the financing activities used \$250,510 and the investing activities generated \$nil.

The operating, financing and investing activities as well as the effect of exchange rate changes on cash held in foreign currencies during the three months ended March 31, 2018, resulted in a decrease in cash and cash equivalents of \$796,227.

#### **Qualified Person**

All scientific and technical information contained in this MD&A was prepared by the Corporation's geological staff under the supervision of Qualified Persons as defined in National Instrument ("NI") 43-101. The exploration and technical information presented in this MD&A has been reviewed by Pierre Riopel, Chief Geologist of Globex, who is a Qualified Person under NI 43-101.

#### **Mineral Exploration Properties**

The Corporation conducts exploration activities in compliance with "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIMM) standards with exploration programs planned and managed by "Qualified Persons" who ensure that QA/QC practices are consistent with NI 43-101 standards.

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On all drill projects, selected diamond drill core samples are marked by a geologist and subsequently split, with one-half of the core sent for sample preparation and analysis, in the case of gold, by standard fire assay with atomic absorption or gravimetric finish at an independent, registered commercial assay laboratory. The second-half of the core is retained for future reference. Other elements' concentrations are determined in an industry acceptable manner, for geochemical trace signatures and subsequently for high grade content as required.

When discussing historical resource calculations (not prepared by a qualified person under NI 43-101) available in the public domain regarding our properties, we will include source, author and date of report as well as appropriate cautionary language stating:

- A qualified person has not done sufficient work to verify the historical estimate of mineral resources or reserves as defined by the Canadian Institute of Mining, Metallurgy and Petroleum Standards for Mineral Resources and Mineral Reserves;
- The issuer is not treating the historical estimate as current mineral resources or mineral reserves; and
- The historical estimate should not be relied upon.

Exploration expenditures for the three months ended March 31, 2019, totaled \$416,494 (2018 - \$247,634).

During the three months ended March 31, 2019 and 2018, exploration and evaluation expenditures were incurred on the various projects as follows:

	<b>Three Months Ended March 31, 2019 (\$)</b>	<b>Three Months Ended March 31, 2018 (\$)</b>
<b>Ontario</b>		
Timmins Talc-Magnesite (Deloro)	5,550	6,429
Other projects	2,969	3,376
<b>Total</b>	<b>8,519</b>	<b>9,805</b>

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	<b>Three Months Ended March 31, 2019 (\$)</b>	<b>Three Months Ended March 31, 2018 (\$)</b>
<b>Québec</b>		
Black Dog South (Stuart)	nil	3,934
Chubb, McNeely (Lacorne)	nil	4,857
Dalhousie (Bourbaux)	1,750	nil
Fabie Bay / Magusi (Hebecourt, Montbray)	11,174	8,699
Francoeur (Beauchastel)	232,699	66,687
Great Plains (Clermont)	980	5,494
Joutel (Joutel)	10,053	nil
Kelly Lake (Blondeau)	1,523	130
Lac Anctil (Guercheville)	nil	4,211
Lac Mina (Guercheville)	nil	2,576
Lac Ontario (St-Urbain)	735	1,076
Lyndhurst (Destor/Poularies)	nil	2,435
Moly Hill (La Motte)	16,352	nil
Napping Dwarf (Glandelet)	nil	8,675
New Richmond (New Richmond)	263	nil
Pandora-Wood & Central Cadillac (Cadillac)	5,443	1,997
Pyrox (Clairy)	250	7,976
Rosario (Lac Troilus)	nil	6,733
Shortt Lake Mine	689	4,527
Silidor Mine	nil	6,645
Tavernier Tiblemont (Tavernier)	245	2,950
Tonnancour (Tonnancour, Josselin)	496	nil
Windfall East (Bressami)	nil	3,743
Other projects	57,158	23,764
Quebec general exploration	49,252	51,531
<b>Total</b>	<b>389,062</b>	<b>218,640</b>

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	<b>Three Months Ended March 31, 2019 (\$)</b>	<b>Three Months Ended March 31, 2018 (\$)</b>
<b>Other regions</b>		
Nova Scotia	nil	208
New Brunswick	nil	390
Canada (others)	125	nil
Europe	18,338	16,916
Other including Bell Mountain (USA)	450	1,675
<b>Total</b>	<b>18,913</b>	<b>19,189</b>

The exploration and evaluation expenditures by type are detailed as follows:

	<b>Three Months Ended March 31, 2019 (\$)</b>	<b>Three Months Ended March 31, 2018 (\$)</b>
<b>Expenditures</b>		
Consulting	18,619	32,551
Drilling	100,539	nil
Environmental	nil	22,728
Geology	nil	650
Geophysics	66,429	nil
Laboratory analysis and sampling	11,815	3,978
Labour	174,492	148,825
Line cutting	5,800	nil
Mineral property acquisitions	15,919	9,885
Mining property tax, permits and prospecting	8,877	19,373
Reports, maps and supplies	1,338	6,250
Transport and road access	12,666	3,394
<b>Total</b>	<b>416,494</b>	<b>247,634</b>

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

***Background Information***

Detailed background information related to the TTM project is outlined on Globex's website (<http://www.globexmining.com/TechReports.htm>) and in the Annual Information Form dated March 29, 2018. Key highlights are as follows:

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- Globex has completed; (a) ground-based geophysical surveys (magnetometer, VLF-EM, induced polarization and resistivity survey investigations), (b) laboratory metallurgical tests, (c) a mini pilot plant study, (d) an internal Scoping Study, (e) diamond drilling and assaying, (f) mineralogical studies, and (g) several NI 43-101 compliant reports which are available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Corporation's web-site.
- On December 18, 2013, the Corporation received a 21-year mining lease covering the site of the proposed talc magnesite mine. A mining lease is a registered property title, which facilitates financing and permitting related to mining and production operations.

***Current National Instrument 43-101 Technical Reports***

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

**Mineral Resource Estimate**

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

***Preliminary Economic Assessment***

- On March 2, 2012, Globex issued a press release announcing a NI 43-101-compliant Technical Report for the Preliminary Economic Assessment ("**PEA**") of the TTM project. The full PEA was filed on SEDAR on April 17, 2012.

Based on the 2010 mineral resource estimate and a mining rate of 500,000 tonnes per annum, the proposed mine has an identified 60-year mine life within the A zone investigated by diamond drilling during the period of 1999 - 2008.

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

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***Project Activities, 2015 - 2018***

- In 2015, Globex developed a range of project values and alternate structures which could allow partners to participate or acquire the project. A dedicated consultant was engaged to explore potential parties with related industry knowledge. At that time, discussions were challenging considering the uncertainties in the financial markets and economic outlooks.
- During 2016, exploration expenses of \$114,405 were incurred on the project reviewing and reinterpreting drilling data and sample analysis acquired during the period 2008 - 2014. This analysis and interpretation was mainly designed to gain additional information which could be used in generating an updated resource estimate for potential mine planning and financial modelling. Currently, we anticipate issuing a revised resource estimate.
- During 2017, \$103,037 was spent on the project completing various analyses, including QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscopy) of infill drilling, all of which is designed to support the completion of a revised resource estimate.
- In 2018 and moving forward, Globex continues to explore various opportunities for the potential products that could be produced and to seek senior level financing opportunities for the project.

***Quebec projects***

During the three months ended March 31, 2019, exploration expenditures totalling \$389,062 were incurred on Quebec projects.

Projects on which the largest expenditures were incurred during the first quarter of 2019 are described below:

Francoeur and Arntfield Mines (Beauchastel, Dasserat twps.)

A report was completed for the exploration program executed in 2017 consisting in prospection, trenching and drilling. Best results from the trenching came from the South Shear located immediately south of the main Francoeur-Wasa shear between Francoeur shaft #1 and Arntfield shaft #1, returning 9.52 gpt Au over 7.1 m including 15.4 gpt Au over 4.1 m.

Also, the main structure, the Francoeur-Wasa shear, returned 8.07 gpt Au over 2.0 m (open to the south) east of Francoeur shaft #1 and 5.36 gpt Au over 4.2 m west of Francoeur shaft #1. Best drilling results from the South Shear returned 6.25 gpt Au over 3.25 m (true width) and 4.04 gpt over 7.34 m (true width) in drill holes FS-17-40 and FS-17-41 respectively. These two holes are located between Francoeur Shaft #1 and Arntfield Shaft #1. Best drilling result from the Main Shear returned 11.57 gpt Au over 2.16 m (true width) in drill hole FS-17-45, located west of Francoeur shaft #1 (December 6, 2017 – press release).

Grab samples returned gold values ranging from 1.47 g/t Au and up to 14.16 g/t Au while prospecting and sampling some old trenches 450 meters south of the gold localizing Francoeur-Wasa fault. Stripping, mapping and channel sampling was completed over three areas now called the "450 Gold Zone". Best results from #10 stripped area are 7.04 g/t Au over 9.50 metres, 6.68 g/t Au over 5.40 metres, 2.08 g/t Au over 4.90 metres and 4.34 g/t Au over 5.05 metres. The four sets of channel samples cover and east-



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west strike length of approximately 26 metres. On #12 stripped area, 200 metres east of #10 stripped area on a separate mineralized structure, best results returned 4.47 g/t Au over 3.50 metres and 3.77 g/t Au over 1.85 metres.

Early in 2019, Globex has completed a ground magnetic survey and a 13.4 km induced polarization (IP) survey centered upon the newly unearthed 450 Gold Zone mineralization. Globex has decided to undertake a drill program to test the recent IP anomalies. From March 5<sup>th</sup> to 26<sup>th</sup> 2019, eight (8) drill holes totalling one thousand six hundred and fifty six (1,656) metres were completed in the area on the 450 Gold Zone and on the Main and South Shear, a total of 636 samples were assayed for gold for a total of 820.35 meters of core. Assay results are pending.

Fabie Bay/Magusi (Hébécourt, Montbray), McNeely (Lacorne, Landrienne), Francoeur and Arntfield Mines (Beauchastel, Dasserat twps.)

The information and the presentations related to these advanced projects were updated to present data at the most recent PDAC in March 2019.

Crater Lake (13M05), Depletion (Guyenne), Discoflo (Desjardins), Kelly Lake (Blondeau), Lac Suzanne (22E15), Sayonna East (La Motte), and Sayonna North (Preissac).

Compilations were completed or started for these recent acquired projects.

Moly Hill (La Motte)

Infill sampling (53 samples in total) was completed to continue the evaluation of a silica rich zone for use as flux. Assay results confirmed a high-grade silica zone with up to 96% SiO<sub>2</sub>. A statutory report for the work performed in 2018 was completed for filing. Globex continues to evaluate the potential for this type of material to be used as flux.

***New Brunswick projects***

No substantial work was completed on the New Brunswick projects during the three months ended March 31, 2019. For further details, refer to the MD&A for the year ended December 31, 2018.

***Saxony, Germany project***

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

The Corporation acquired a 164 square km (63.3 square mile) land package measuring 36 km long by up to 5 km wide in the State of Saxony in southeast Germany. The project herein called the Bräunsdorf licence includes the western part of the famous Freiberg silver mining district which, over an approximate 850-year history, has produced some 5,700 tonnes of silver as well as zinc and lead.

The area forming the Bräunsdorf licence has produced, over a 750-year period, at least 882 tonnes of silver (28.8 million ounces) with a value of approximately US\$ 500,000,000 (at US\$ 17.50 per oz). For more details, please refer to Globex's press release of September 12, 2017.

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- During 2017, exploration expenses of \$59,065 were incurred on the Bräunsdorf Property. Exploration activities included conducting property evaluations and compilations, historical drill core sampling and analysis, geophysical survey planning and pricing and prospecting, including assaying as well as additional claim staking. In particular prospecting in the southern half of the licence in overburden covered areas located small rock samples in fields that returned highly anomalous silver, lead and zinc. This suggests that the overburden covered areas prospected between the known mining camps may well be mineralized and have never been explored with modern methods.
- Re-logging & sampling of small remnants of core from one historic hole (from a tin exploration campaign, in 1976), drilled south of the historically mined Bräunsdorf mining camp was undertaken. This 700 m long inclined hole intersected the two principal NW dipping vein zones, but in addition numerous yet unknown vein and stockwork zones, all returning weakly to highly anomalous silver values.

Best assay results (out of 18 core samples) returned, from the interval 251.6-251.9 m, 154 ppm Ag, 7.82% Pb and 2.96% Zn. This isolated 30 cm long piece of drill core is derived from the hanging-wall part of the 7.1 m wide Zweifler vein zone. A historically unknown 8.9 m wide stockwork and vein zone was intersected between 326.4-335.3 m.

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

- First field reconnaissance was undertaken in October 2017, as well as in January and April 2018. A total of 85 field rock samples had been collected. Ten (10) grab samples were collected from the Bräunsdorf mine dump, three (3) from the Christbescherung mine dump, four (4) from the mine dumps at Munzig, four (4) from the Obergrunamine camp, twelve (12) from other mine dumps and fifty-two (52) grab, chip and float samples were collected from surface. Highest values were returned from the three grab samples taken from a mine dump near the village Großvoigtsberg (Christbescherung mine): Sample 19: 707 ppm Ag and 257 ppb Au, Sample 20: 186 ppm Ag and 212 ppb Au; Sample 21: 355 ppm Ag, 1.33% Cu, 8.76% Pb and 5.75% Zn. Notable high values were also returned from the Bräunsdorf mine dump: Sample 4: 68.5 ppm Ag, Sample 11: 115 ppm Ag; from the mine dumps of the Munzig mine camp: Sample 57: 117 ppm Ag, 0.629 ppm Au, 0.478% Zn, 1.15% Pb; from the Reichenbach mine dump: Sample 43: 52.9 ppm Ag, 0.392 ppm Au; from the mine dumps of the Obergruna mine camp: Sample 87: 50.5 ppm Ag, 0.150 ppm Au.
- Interpretation of all available historic data and vein quartz float discovered during field reconnaissance led to the definition of target zones outside of known historic mining activity. Most important is the almost 7 km long NE trending Fortuna Target Zone connecting the historic mining camps of Bräunsdorf in the south and Großvoigtsberg in the north. It occurs along a lithological contact zone with mica schist in the NW and a mica schist-gneiss sequence to the SE. The target zone is almost completely covered with 1-5 m thick overburden (consisting of clay soil, talus, weathered rock). Within this zone, six samples of vein quartz float and hydrothermally altered rock returning highly anomalous values of silver (1.2 – 9.5 ppm), gold (up to 100 ppb), arsenic (up to 2018 ppm), antimony (up to 52 ppm) and bismuth (up to 165 ppm) were collected at two sites. At another target (Zellwald target zone) one sample of a single vein quartz float piece returned 16.2 ppm silver and 88.9 ppm antimony.

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- Further field reconnaissance including a review of historic drill core and sampling was undertaken in 2018. In addition, geochemical surveys and ground geophysical surveys followed by drilling programs will be planned at the different exploration targets.
- Several high priority targets were defined in the press release dated June 7, 2018. The targets include near surface mineralization in epithermal veins as well as down-dip extensions of historically mined ore shoots.
- Preliminary ground magnetometer survey result covering an area of 6.5 km long by 1 km wide over the principal Neue Hoffnung Gottes (NHG) vein system and adjoining land to the northwest has outlined a series of 3 parallel northeast-southwest trending, linear magnetic high anomalies. The NHG vein system seems to parallel the southeastern most of these magnetic anomalies. Production from the NHG silver vein system is estimated at 3,616,959 oz. Ag from a strike length of approximately 2,750m and depths of up to 250m. No work of any kind has been undertaken on the parallel magnetic anomalies of what may be geological environments that are similar to that of the NHG silver vein system.
- A soil sample survey was completed over select areas, interpretation of the results is in process.

***Mineral property acquisitions***

During the three months ended March 31, 2019, Globex spent \$15,919 on property acquisitions.

During the three months ended March 31, 2019, Globex acquired additional mineral rights in the Joutel gold and base metal mining camp of Quebec.

***Optioned and royalty properties***

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

Nordeau (Vauquelin, Pershing and Denain Twps.)

On March 7, 2017, Chalice Gold Mines Ltd. provided an updated mineral resource estimate comprising indicated mineral resources of 225,000 tonnes at 4.17 grams per tonne gold for 30,200 ounces Au contained and an inferred mineral resource of approximately 1,112,000 tonnes at 4.09 g/t Au for 146,300 ounces Au contained within the Nordeau West gold deposit.

On March 6, 2018, Chalice announced significant new gold intersections at East Cadillac Project including 11.6 m at 3.32 gpt Au at Simon West prospect and 6.5 m at 1.77 gpt Au at the Northern Contact Prospect.

On May 31, 2018, Chalice announced the discovery of a new gold mineralized zone on Globex's Nordeau East property called the "North Contact ", intersecting 1.12 g/t Au over 23.5 meters at shallow depth from 180.5 to 204.0 meters.

On September 10, 2018, Chalice announced that they have consolidated 100% of key part of East Cadillac Gold Project in Quebec. Chalice is to earn 100% on Globex Bateman/Nordeau, part of East Cadillac Gold Project, by October 2020.

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On October 25 and on November 20, 2018, Chalice Gold announced the discovery of two newly defined large-scale gold anomalies prioritised for drill testing at East-Cadillac Gold Project. The Legrand soil anomaly covers an area of 3.4km X 1.3km and is located just south of Globex interest within the East-Cadillac Gold Project. The Legrand anomaly correspond to gold-in-soil values ranging up to 22 times background values with coincident anomalous As, Ag, Cs, Tl & W, similar in character and size to the >16Moz Canadian Malartic gold mine.

Chalice Gold Mines Ltd have posted on Sedar an amended Ni 43-101 Technical Report on East Cadillac Gold property dated March 12<sup>th</sup>, 2019. Resource calculations provided for the Nordeau West gold zone are 30,212 oz. Au (indicated resource) and 146,315 oz. Au (inferred resource) at cut-off of 2.75 g/t Au.

Houlton Woodstock (Sunset Cove Mining Inc. (named changed to Manganese X Energy Corp., December 1, 2016, ("Manganese X"))

On April 22, 2016, Globex entered into an Option Agreement with Sunset Cove Mining Inc. related to the Houlton Woodstock Manganese Property located in the Province of New Brunswick.

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

On February 14, 2017, Manganese X reported the results of their 16 hole drill program totalling 3,589 metres having intersected core lengths of 87.7 m grading 9.35% MnO and 16.54% Fe<sub>2</sub>O<sub>3</sub> (SF-16-01), 78.9 m grading 11.48% MnO and 19.17% Fe<sub>2</sub>O<sub>3</sub> (SF-16-02), 85.5 m grading 11.47% MnO and 19.31% Fe<sub>2</sub>O<sub>3</sub> (SF-16-04), and 75.6m grading 12.11% MnO and 18.33% Fe<sub>2</sub>O<sub>3</sub> (SF-16-04). In March 2017, Manganese X Energy Corp. entered into its next phase of work consisting of an innovative metallurgical project. It was also their intention to produce an inferred resource NI 43-101 Technical Report by December 2017.

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

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

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

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

On February 27, 2018, Manganese X received a Phase 1 Preliminary Study in Anticipated Preparation for Estimate and Associated Technical Report in Accordance with NI 43-101 at Battery Hill. The technical study examined results of Manganese X's confirmation drilling programs that consist of 25 holes totalling 5,188 meters assessing the potential magnitude of mineralization encountered, expressed as an exploration target inclusive of all three mineralization areas (Moody Hill, Sharpe Farm and Iron Ore Hill). The exploration target is indicated as 14 to 31 million tonnes grading between 8 to 10% Mn and 12 to 14% Fe.

On December 20, 2018, Manganese X Energy presented their goals for 2019 including continuing to pursue the development of its Battery Hill manganese property and to develop an innovative, cost-effective process to produce high-purity manganese material to the fast-growing North American lithium-ion battery market.

On March 4<sup>th</sup>, 2019, Manganese X Energy announced that in collaboration with Kemetco Research Inc., it has been able to produce manganese sulfate with a purity exceeding 99.6% and very low levels of base and alkali metals (Cu, Pb, Ni and Zn below 10 ppm and Na, K and Ca below 50 ppm) that are deleterious in battery-grade compounds.

On April 11<sup>th</sup>, 2019, Manganese X Energy presented updates and goals for their projects including a fall drilling program plan on Battery Hill Property to complete a NI-43-101 resource estimate with the intention of upgrading the current classification of mineralization to the indicated resource status.

Parbec Deposit (Malartic Twp.)

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

On February 26, 2018, Renforth Resources Inc. provided assays from their 1619 metre, January 2018 drill program on Globex's Parbec property. Each of the 7 holes drilled in January 2018 returned gold values, including the longest two Intersections averaging 1.44 g/t Au over 32.6 m and 1.23 g/t Au over 33.2 m. (Refer to Renforth press release dated February 26, 2018 for more details).

On May 9, 2018, Renforth Resources Inc. announced the most recent Parbec drilling results including an intersection of 3.64 g/t Au over 19.3 meters in a chlorite schist and diorite identifying a new gold target within a magnetic diorite. Renforth has since completed a heli-mag survey over the property and announced the beginning of a 7-hole drill program of 1,500m.

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On September 11, 2018, Renforth Resources Inc. announced the results from its summer drilling program consisting of 6 holes totalling 1,443.9 meters. Best intersection came from hole PAR-18-84 returning 3.06 g/t Au over 14 meters.

On September 25, 2018, Renforth Resources Inc. delivered an updated resource estimate for Parbec consisting of an inferred 656,875 oz Au and an indicated 37,224 oz Au; an increase in total contained ounces of gold of close to 28% from the 2016 resources calculation.

On January 29 and February 7, 2019, Renforth announced the results of the 7 drill holes totalling 1040 m from the December 2018 drill program. Best intersections returned 11.56 g/t Au over 1.1 m and 24.62 g/t Au over 0.9 meters.

On February 12, 2019, Globex announced receiving as a final option payment \$200,000 and a certificate for 250,000 Renforth shares. This is in addition to a 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.

On March 28<sup>th</sup>, 2019, Renforth announced that drilling extends gold mineralization along 1.8 km length of Cadillac Break when every drill hole from the 2019 winter drilling campaign intersected Parbec's gold mineralization. Best result came from hole PAR-19-95, intersecting 25 g/t Au over 0.9 metres (press-release dated February 27<sup>th</sup>, 2019).

Renforth is currently working on a compilation and remodelling of the Parbec data.

**Sales and option income for the three months ended March 31, 2019**

<b>Property, Agreements Summary</b>	<b>Cash (\$)</b>	<b>Shares (\$)</b>
<b>Option and sale payments under Agreements and advance royalties</b>		
Tres-Or Resources Ltd., Fontana Property, Quebec, cash of \$50,000	50,000	-
Tres-Or Resources Ltd., Duvay Property, Quebec, cash of \$10,000	10,000	-
Renforth Resources Inc., Parbec Property, Quebec, cash payment of \$200,000 and 250,000 common shares with a fair market value of \$12,500.	200,000	12,500
<b>Sales, option income and advance royalties for the period</b>	<b>260,000</b>	<b>12,500</b>

In the three months ended March 31, 2019, Globex generated sales, option income and advance royalties from one new option/sale agreements and eleven ongoing agreements which excludes the 51 royalty properties on which many partners may be working. The sales, option income and advance royalties of \$272,500 consisted of cash receipts of \$260,000 and shares in optionee corporation with a fair value of \$12,500.

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In the three months ended March 31, 2017, the Corporation generated sales, option income and advance royalties from seven ongoing agreements. The sales, option income and advance royalties of \$510,000 consisted of cash receipts of \$485,000 and shares in optionee corporations with a fair market value of \$25,000.

**Royalties**

At March 31, 2019, fifty-one royalty arrangements were in effect at various stages. During the three months ended March 31, 2019, Globex added one new royalty arrangement as described in the previous section.

Property, Township, Province	Royalty Interests
New Alger Gold Mine, Cadillac Twp., Que	1% NSR

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.

The Corporation's Annual Information Form dated March 18, 2019 and website [www.globexmining.com](http://www.globexmining.com) provides Property Descriptions, a list of Royalty Interests, as well as the Optionees of the various properties.

**Related Party Transactions**

	March 31, 2019 (\$)	December 31, 2018 (\$)
<b>Related party (receivable) payables</b>		
Jack Stoch Geoconsultant Limited ("GJSL")	(6,717)	(6,717)
Chibougamau Independent Mines Inc.	(20,861)	(1,443)
Duparquet Assets Limited	76,046	76,208
<b>Total</b>	<b>48,468</b>	<b>68,048</b>

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 unaudited condensed interim consolidated statement of cash flows there was a net cash decrease of \$19,580 (three months ended March 31, 2018 - decrease of \$4,592) in the related party net payables during the three months ended March 31, 2019.

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

CIM is considered a related party as Globex Management consisting of the President and Chief Executive Officer ('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.

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**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 \$845 for the three months ended March 31, 2019 (three months ended March 31, 2018 - \$7,561) 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.

**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 (retired in 2018), Vice-President Operations and Chief Financial Officer ("CFO"), Treasurer and Corporate Secretary) are as follows:

	<b>Three Months Ended March 31, 2019 (\$)</b>	<b>Three Months Ended March 31, 2018 (\$)</b>
<b>Management compensation</b>		
Salaries and other benefits	47,393	32,122
Professional fees and outside services (i)	22,210	11,414
<b>Total</b>	<b>69,603</b>	<b>43,536</b>

(i) In the three months ended March 31, 2019, management consulting fees of \$22,210 (three months ended March 31, 2018 - \$11,414) were paid to the CFO and the Corporate Secretary. They were appointed on September 20, 2017. As at March 31, 2019, the balance due to CFO and Corporate Secretary is \$10,229 (December 31, 2018 - \$3,162) which is included in payables and accruals due under normal credit terms.

**New Standard Adopted During The Year**

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.



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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 there was no 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. The Corporation adopted these amendments to IAS 28 and it has not resulted in any material changes in the unaudited condensed interim consolidated financial statements.

*IFRIC 23, Uncertainty Over Income Tax Treatments ("IFRIC 23"):*

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. The Corporation adopted IFRIC 23 and it has not resulted in any material changes in the unaudited condensed interim consolidated financial statements.

**Share Capital**

As at the date of this MD&A, the Corporation had 51,285,077 common shares and 2,867,500 stock options outstanding, which resulted in fully diluted common shares of 54,152,577.

**Normal Course Issuer Bid**

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 affected through the facilities of the TSX and on other alternative trading systems in Canada and will be made at the market price of the shares at the time of the purchase.

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

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

During the year 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.

On March 11, 2019, the Corporation announced that the TSX approved the renewal of Globex's NCIB. Under the NCIB, as renewed, Globex will be entitled to repurchase for cancellation up to 1,000,000

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common shares, representing 1.9% of Globex's "public float" as of March 1, 2019, over a twelve-month period starting on March 12, 2019 and ending on March 11, 2020.

During the three months ended March 31, 2019, 823,000 common shares of Globex were purchased for cash consideration of \$237,980 in accordance with the NCIB completing the buyback.

### **Disclosure of Controls and Procedures and Internal Controls Over Financial Reporting**

Management is responsible for establishing and maintaining adequate disclosure controls and procedures ("**DCP**") as well as internal controls over financial reporting ("**ICFR**") as described in our 2018 annual MD&A.

The Corporation's CEO and CFO, with the participation of management last completed an evaluation of the design and operating effectiveness of the Corporation's DCP's and ICFR's as at December 31, 2018. Based on that assessment, management concluded that the Corporation's ICFR were operating effectively at December 31, 2018 which was based on the COSO Model.

During the three-month ended March 31, 2019, the CEO and CFO have evaluated whether there were changes to the ICFR that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation which was based on the COSO Model.

### **Risks and Uncertainties**

The exploration, development and mining of mineral resources are highly speculative in nature and are subject to significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Corporation and its financial position. Please do refer to the section entitled "Risks and Uncertainties" in the Corporation's MD&A for the fiscal year ended December 31, 2018, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Cautionary Note Regarding Forward-Looking Statements**

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

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<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
<p>Regardless of whether the Corporation discovers a significant precious or base metal deposit, its working capital of \$3,685,709 at March 31, 2019 is anticipated to be adequate for it to continue operations for the twelve-month period ending March 31, 2020</p>	<p>The operating and exploration activities of the Corporation for the twelve-month period ending March 31, 2020, and the costs associated therewith, will be consistent with the Corporation's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Corporation</p>	<p>Unforeseen costs to the Corporation will arise; any particular operating cost increase or decrease from the date of the estimation; changes in operating and exploration activities; changes in economic conditions; timing of expenditures</p>
<p>The Corporation's properties may contain economic deposits of minerals</p>	<p>The actual results of the Corporation's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Corporation's expectations; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Corporation, and applicable political and economic conditions are favourable to the Corporation; the price of applicable commodities and applicable interest and exchange rates will be favourable to the Corporation; no title disputes exist or will arise with respect to the Corporation's properties; and the Corporation has or will obtain adequate property rights to support its exploration and development activities</p>	<p>Commodity price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Corporation's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>
<p>The Corporation's anticipated business plans, including costs and timing for future exploration on its property interests and acquisitions of additional mineral resource properties or interests therein</p>	<p>The exploration activities of the Corporation and the costs associated therewith, will be consistent with the Corporation's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Corporation; financing will be available for the</p>	<p>Commodity price volatility; changes in the condition of debt and equity markets; timing and availability of external financing on acceptable terms may not be as anticipated; the uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary</p>

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Forward-looking statements	Assumptions	Risk factors
	Corporation’s exploration and development activities on favourable terms; the Corporation will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Corporation; the Corporation will not be adversely affected by market competition; the price of applicable commodities will be favourable to the Corporation; no title disputes exist or will arise with respect to the Corporation’s properties; the Corporation has or will obtain adequate property rights to support its exploration and development activities; and the Corporation will be able to successfully identify and negotiate new acquisition opportunities	property rights; the possibility that future exploration results will not be consistent with the Corporation’s expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Corporation may be unable to retain and attract skilled staff; receipt of applicable permits is subject to governmental and/or regulatory approvals; the Corporation does not have control over the actions of its joint venture partners and/or other counterparties
Management’s outlook regarding future trends and exploration programs	Financing will be available for the Corporation’s exploration and operating activities; the price of applicable commodities will be favourable to the Corporation; the actual results of the Corporation’s exploration and development activities will be favourable; management is aware of all applicable environmental obligations	Commodity price volatility; changes in the condition of debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; the possibility that future exploration results will not be consistent with the Corporation’s expectations; changes in environmental and other applicable legislation and regulation

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Corporation’s ability to predict or control. Please also make reference to those risk factors identified or otherwise indirectly referenced in the “Risks and Uncertainties” section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements contained in this MD&A, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Corporation’s actual results, performance or achievements to be materially different from any of

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its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Subsequent Event**

On April 15, 2019, Globex announced that 1,745,408 common shares were issued by NSGold pursuant to an Amendment dated March 19, 2019 to a Purchase Agreement dated April 14, 2010 between NSGold and Globex, whereby NSGold acquired 100% ownership of the Mooseland Gold Property in Nova Scotia and certain secondary properties from Globex. Pursuant to the Amendment, a GMR payable by NSGold to Globex on the properties was reduced from 4% to 2% and a share issuance by NSGold to Globex conditional upon commencement of commercial production on any of the properties was eliminated. As consideration for the Amendment, NSGold issued 1,745,408 common shares to Globex (the "**Transaction**").

Immediately prior to the closing of the Transaction, Globex did not hold any securities of NSGold. Immediately following the closing of the Transaction, Globex holds 1,745,408 common shares of NSGold, representing approximately 11.1% of the issued and outstanding common shares of NSGold.