



# GLOBEX

## **GLOBEX MINING ENTERPRISES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NINE MONTHS ENDED SEPTEMBER 30, 2019**

**(EXPRESSED IN CANADIAN DOLLARS)**

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GMX – Toronto Stock Exchange

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**Globex Mining Enterprises Inc.**  
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**Dated: November 7, 2019**

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The following Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of operations 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 nine months ended September 30, 2019. This MD&A was prepared in compliance 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 and nine months ended September 30, 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 November 7, 2019, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, 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's 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 of Directors, 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. See "Cautionary Note Regarding Forward-Looking Statements" below. As well, see "Risks and Uncertainties" below.

## **Economic Environment and Corporate Focus**

### **Economic environment**

At this time, there appears to be consensus that while volatile, 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 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.

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<b>Summary of Metal Prices</b>					
<b>Current Prices with Comparative (2015 – 2018)</b>					
<b>Commodities</b>	<b>Q3 2019 (USD)</b>	<b>2018 (USD)</b>	<b>2017 (USD)</b>	<b>2016 (USD)</b>	<b>2015 (USD)</b>
Gold (\$/oz)	1,463.80	1,280.40	1,291.00	1,145.00	1,060.00
Silver (\$/oz)	16.91	15.43	16.87	16.24	13.83
Nickel (\$/pound)	7.77	4.81	5.67	4.53	4.00
Copper (\$/pound)	2.60	2.72	3.26	2.50	2.13
Zinc (\$/pound)	1.09	1.15	1.50	1.16	0.73

**Financial and Operating Highlights**

**Corporate**

On April 15, 2019, NSGold Corporation ("NSGold") issued 1,745,408 common shares to Globex 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 gross metal royalty ("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.

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.

On May 23, 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 \$0.345 on that date.

On June 3, 2019, 5,000 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 \$0.355 on that date.

On June 17, 2019, 1,160,000 stock options with a fair value per share of \$0.1996 were granted at an exercise price of \$0.35 per share. Globex's shares closed at \$0.35 the previous day.

On July 10, 2019, Globex held a first closing of a private placement at which it issued 1,500,000 flow-through common shares at a price of \$0.40 per share to subscribers outside Quebec and 666,666 flow-through common shares at a price of \$0.45 per share to subscribers in Quebec, for gross proceeds to Globex of \$900,000.

On July 19, 2019, Globex held a second closing of the private placement at which it issued 711,109 flow-through common shares at a price of \$0.45 per share to subscribers in Quebec and 50,000 flow-through common shares at a price of \$0.40 per share to one subscriber outside Quebec, for gross proceeds to Globex of \$340,000.

Jack Stoch, Chief Executive Officer ("CEO") and a director of Globex, subscribed for 150,000 flow-through shares for a total consideration of \$60,000 in the private placement.

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On July 23, 2019, Globex announced that it acquired 100% interest in the Standard Gold Property located in Duvernay Township, Quebec free and clear of any and all potential obligations, encumbrances or liabilities in exchange for 160,000 Globex common shares, subject to the normal four month hold period.

On September 24, 2019, Globex announced that it optioned the Bräunsdorf Exploration License in Saxony Germany to Excellon. Under the terms of the agreement, Excellon will, over a three year period, pay Globex \$500,000 in cash payments and \$1,600,000 in Excellon stock. The first payment at signing and the second at the first anniversary are firm commitments totalling \$200,000 in cash (\$100,000 on signing (received) and \$100,000 at the first anniversary). Excellon will undertake Globex's current year property exploration obligation of \$500,000 and pay the final portion of the cost of geophysical surveys recently completed for Globex.

In addition, upon filing of a maiden independent mineral resource estimate, Excellon will make a one-time payment of \$300,000 to Globex and on the commencement of commercial production on any portion other property, and additional one-time payment of \$700,000.

Globex retains a 3.0% GMR on recovered precious metals and a 2.5% GMR on all other metals. Excellon may purchase 1% of Globex's 3% GMR on precious metals and 1% of Globex's 2.5% GMR on all other metals for a payment of \$1,500,000.

On October 3, 2019, Globex announces that it entered into an Option Agreement with Duparquet Assets Limited ("DAL") and Jack Stoch Geoconsultant Services Limited ("GJSL") under which GJSL has the right to subscribe for additional shares of DAL in the event of a change of control of Globex, as that term is defined in the Option Agreement. At present, Globex and GJSL each own 50% of the issued and outstanding shares of DAL. GJSL is controlled by Jack Stoch, President, CEO and a director of Globex. DAL owns the Duquesne West and Ottoman Property in Duparquet Township, northwestern Quebec. The Option Agreement was approved by Globex's independent directors.

### **Revenues**

In the nine months ended September 30, 2019, Globex reported option income and advances royalties of \$939,495 which consisted of cash receipts of \$360,000 and shares in optionee corporations with a fair market value of \$579,495.

- On January 8, 2019, Globex received a cash payment of \$50,000 from Tres-Or Resources Ltd. in connection with the option of the Fontana Property, Duvernay Twp., Quebec.
- On January 8, 2019, Globex received a cash payment of \$10,000 from Tres-Or Resources Ltd. in connection with the option of the Duvay Property, Duvernay 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. ("Renforth") in connection with the option of the Parbec Property, Malartic Twp., Quebec.
- On March 27, 2019, Globex received 7,500,000 common shares with a fair market value of \$375,000 from Renforth in connection with the option of the Parbec Property, Malartic Twp., Quebec.
- On April 12, 2019, Globex received 1,745,408 common shares with a fair market value of \$191,995 from NSGold in connection with the option of the Mooseland Gold Property, Nova Scotia.

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- On September 23, 2019, Globex received a cash payment of \$100,000 from Excellon Resources Inc. ("Excellon") in connection with the options in Europe.

During the nine months ended September 30, 2019, Globex recorded metal royalty income of \$802,593 from Nyrstar Mid-Tennessee Mines ("Nyrstar").

### **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 September 30, 2019, our option/sale income and advance royalties were reported at \$939,495 as compared to \$590,000 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 receiving towards the end of 2019 estimated monthly metal royalties from Nyrstar between \$50,000 and \$100,000 per month and moving upward from there due to contractor changes at the mine site.

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.

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.

### **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 September 30, 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 MD&A, 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

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condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**Proposed Transactions**

There is currently one potential transaction 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.

**Selected Quarterly Information**

Three Months Ended	Total Revenue (\$)	Profit or Loss			Total Assets (\$)
		Total (\$)	Basic Loss Per Share (\$)	Diluted Loss Per Share (\$)	
2017-December 31	1,842,248	1,007,002 <sup>(1)</sup>	0.02	0.01	5,463,693
2018-March 31	1,127,704	419,075 <sup>(2)</sup>	0.01	0.01	5,965,964
2018-June 30	569,065	(336,088) <sup>(3)</sup>	(0.01)	(0.01)	5,590,679
2018-September 30	451,294	(457,652) <sup>(4)</sup>	(0.01)	(0.01)	5,713,016
2018-December 31	902,357	279,038 <sup>(5)</sup>	0.01	0.01	5,859,955
2019-March 31	559,968	(188,038) <sup>(6)</sup>	(0.00)	(0.00)	5,247,089
2019-June 30	963,994	(70,632) <sup>(7)</sup>	(0.00)	(0.00)	5,206,735
2019-September 30	218,126	(482,585) <sup>(8)</sup>	(0.01)	(0.01)	5,890,738

<sup>(1)</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>(2)</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>(3)</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>(4)</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.

(5) 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.

(6) Net loss of \$188,038 principally relates to exploration and evaluation expenditures of \$416,494, salaries of \$83,848, professional fees and outside services of \$141,890 and administration of \$246,873. These costs were offset by revenues of \$559,968 and gain on foreign exchange of \$6,255.

(7) Net loss of \$70,632 principally relates to exploration and evaluation expenditures of \$326,985, salaries of \$78,461, professional fees and outside services of \$94,953, administration of \$92,871 and decrease in fair value of financial assets of \$79,426. These costs were offset by revenues of \$963,994, interest and dividends of \$3,623, management services of \$2,288 and gain on the sale of investments of \$1,581.

(8) Net loss of \$482,585 principally relates to exploration and evaluation expenditures of \$384,781, salaries of \$75,323, professional fees and outside services of \$80,026, administration of \$95,010 and decrease in fair value of financial assets of \$43,221. These costs were offset by revenues of \$218,126, interest and dividends of \$7,941, management services of \$1,849 and gain on the sale of investments of \$5,946.

## **Results of Operations**

### **Three month ended September 30, 2019, compared with three months ended September 30, 2018**

The Corporation's net loss totaled \$482,585 for the three months ended September 30, 2019, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$457,652 with basic and diluted loss per share of \$0.01 for the three months ended September 30, 2018. The increase in net loss was principally due to:

- Revenues decreased to \$218,126 for the three months ended September 30, 2019 compared to \$451,294 for the three months ended September 30, 2018.
  - In the three months ended September 30, 2019, Globex reported option income and advances royalties of \$100,000 (three months ended September 30, 2018 – \$80,000).
  - During the three months ended September 30, 2019, Globex recorded metal royalty income of \$118,126 (three months ended September 30, 2018 - \$371,294) from Nyrstar. 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 zinc operations. The GMR will increase to 1.4% if the monthly average zinc price is greater than \$1.10.
- Exploration and evaluation expenditures decreased to \$384,781 for the three months ended September 30, 2019, compared to \$431,095 for the three months ended September 30, 2018. The decrease can be attributed to acquisition costs and exploration expenditures incurred on various projects. See "Mineral Exploration Properties" below for a summary of the exploration programs for Globex's property portfolio.

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- Professional fees and outside services decreased in the three months ended September 30, 2019, to \$80,026 compared with \$128,093 for the three months ended September 30, 2018, primarily due to lower 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 September 30, 2019 to \$95,010 compared with \$66,952 for the three months ended September 30, 2018. Administration fees consisted of office expenses, conventions and meetings, advertising and shareholder information, transfer agent, office maintenance and repairs and other administration.
- Share-based payments decreased in the three months ended September 30, 2019, to \$nil compared with \$90,400 for the three months ended September 30, 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 expensed 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 September 30, 2019 to \$5,946 compared with \$79,186 for the three months ended September 30, 2018.
- Decrease in fair value of financial assets decreased in the three months ended September 30, 2019, to \$43,221 compared with a decrease of \$204,340 for the three months ended September 30, 2018. The decrease in loss was due to the change in fair value of investments.
- Income tax expense increased in the three months ended September 30, 2019 to \$45,162 compared to recovery of \$49,226 for the three months ended September 30, 2018. Income tax expense/recovery 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.

**Nine month ended September 30, 2019, compared with nine months ended September 30, 2018**

The Corporation's net loss totaled \$741,255 for the nine months ended September 30, 2019, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$374,665 with basic and diluted loss per share of \$0.01 for the nine months ended September 30, 2018. The increase in net loss was principally due to:

- Revenues decreased to \$1,742,088 for the nine months ended September 30, 2019 compared to \$2,148,063 for the nine months ended September 30, 2018.



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- In the nine months ended September 30, 2019, Globex reported option income and advances royalties of \$939,495 (nine months ended September 30, 2018 – \$590,000).
- During the nine months ended September 30, 2019, Globex recorded metal royalty income of \$802,593 (nine months ended September 30, 2018 - \$1,558,063) from Nyrstar.
- Exploration and evaluation expenditures decreased to \$1,128,260 for the nine months ended September 30, 2019, compared to \$1,135,019 for the nine months ended September 30, 2018. The decrease can be attributed to acquisition costs and exploration expenditures incurred on various projects. See “Mineral Exploration Properties” below for a summary of the exploration programs for Globex’s property portfolio.
- Professional fees and outside services increased in the nine months ended September 30, 2019, to \$316,869 compared with \$297,380 for the nine months ended September 30, 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 nine months ended September 30, 2019 to \$434,754 compared with \$264,936 for the nine months ended September 30, 2018. Administration fees consisted of office expenses, conventions and meetings, advertising and shareholder information, transfer agent, office maintenance and repairs and other administration. The main increase was in employee residence upgrades, maintenance and repairs.
- Share-based payments increased in the nine months ended September 30, 2019 to \$233,248 compared with \$113,146 for the nine months ended September 30, 2018. The increase 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 nine months ended September 30, 2019 to \$7,527 compared with \$80,486 for the nine months ended September 30, 2018.
- Decrease in fair value of financial assets decreased in the nine months ended September 30, 2019 to \$33,697 compared with a decrease of \$532,618 for the nine months ended September 30, 2018. The decrease in loss was due to the change in fair value of investments.
- Income tax expense decreased in the nine months ended September 30, 2019 to \$38,841 compared to expense of \$73,638 for the nine months ended September 30, 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

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- All other expenses related to general working capital purposes.

The Corporation's total assets at September 30, 2019 were \$5,890,738 (December 31, 2018 - \$5,859,955) against total liabilities of \$979,377 (December 31, 2018 - \$1,306,534). The increase in total assets of \$30,783 resulted from cash received from private placements of \$1,240,000 and proceeds of exercise of options of \$15,275 which was offset by cash spent for Globex shares repurchased of \$241,377 and exploration and evaluation expenditures and operating costs. The Corporation has sufficient current assets to pay its existing liabilities of \$979,377 at September 30, 2019. Liabilities include flow-through share liability of \$214,980 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 agreements, 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 September 30, 2019, the Corporation is committed to incurring approximately \$0.2 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 share offerings and approximately \$1.2 million by December 31, 2020.

### **Liquidity and Capital Resources**

At September 30, 2019, the Corporation had cash and cash equivalents of \$1,578,273 (December 31, 2018 - \$2,704,326) and cash reserved for exploration of \$1,461,692 (December 31, 2018 - \$743,873). In addition, it had investments with a fair market value of \$1,401,333 (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 \$4,547,121 at September 30, 2019 (December 31, 2018 - \$4,228,989).

As a result of the restart of the Nyrstar Gordonsville facility in May 2017, Globex earned a GMR. Based on current zinc prices and average production levels prior to the suspension of operations, Globex anticipates receiving monthly metal royalties between \$50,000 and \$100,000 per month for the year 2019 at current zinc prices 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 and option terms of potential new options being approved. We monitor the outstanding amounts on an ongoing basis.

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

In July 2019, the Corporation completed a flow-through private placements for gross proceeds of \$1,240,000.

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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 nine months ended September 30, 2019, operating activities used \$1,318,186, financing activities used \$914,326 and investing activities generated \$46,294.

Operating, financing and investing activities as well as the effect of exchange rate changes on cash held in foreign currencies during the nine months ended September 30, 2019, resulted in a decrease in cash and cash equivalents of \$408,234.

**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**

Exploration expenditures for the nine months ended September 30, 2019, totaled \$1,128,260 (2018 - \$1,135,019).

During the three and nine months ended September 30, 2019 and 2018, exploration and evaluation expenditures were incurred on the various projects as follows:

	<b>Three Months Ended September 30, 2019 (\$)</b>	<b>Three Months Ended September 30, 2018 (\$)</b>	<b>Nine Months Ended September 30, 2019 (\$)</b>	<b>Nine Months Ended September 30, 2018 (\$)</b>
<b>Ontario</b>				
Timmins Talc-Magnesite (Deloro)	1,988	1,573	12,724	15,084
Other projects	11,958	3,610	28,617	10,534
<b>Total</b>	<b>13,946</b>	<b>5,183</b>	<b>41,341</b>	<b>25,618</b>

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<b>Québec</b>	<b>Three Months Ended September 30, 2019 (\$)</b>	<b>Three Months Ended September 30, 2018 (\$)</b>	<b>Nine Months Ended September 30, 2019 (\$)</b>	<b>Nine Months Ended September 30, 2018 (\$)</b>
Black Dog South (Stuart)	5,931	84	5,931	4,509
Dalhousie (Bourbaux)	nil	79,300	1,750	88,321
Depletion (Guyenne)	31	nil	13,508	nil
Discloflo (Desjardins)	nil	972	10,084	1,021
Fabie Bay / Magusi (Hebecourt, Montbray)	6,699	2,292	29,548	28,156
Francoeur (Beauchastel)	78,655	98,647	375,346	214,541
Great Plains (Clermont)	nil	1,541	980	15,658
Joutel (Joutel)	3,364	nil	13,514	nil
Hunter East (Duparquet)	nil	1,499	nil	15,334
Kelly Lake (Blondeau)	14,787	185	16,508	7,599
Lac Ontario (St-Urbain)	7,506	22,329	28,290	23,799
Lac Savignac (Northern Quebec)	14,090	6,637	14,090	6,893
Lyndhurst (Destor/Poularies)	nil	5,212	nil	11,470
McNeely (Lacome)	6,993	nil	12,537	519
Moly Hill (La Motte)	2,666	9,725	20,751	9,921
New Richmond (New Richmond)	nil	20,094	263	43,878
Pandora-Wood & Central Cadillac (Cadillac)	7,140	160	15,083	102,209
Pyrox (Clairy)	3,221	4,074	3,407	65,336
Shortt Lake Mine	787	9,527	1,938	29,741
Silidor Mine	2,450	118	2,450	9,941
Smith-Zulapa-Vianor (Tiblemont)	14,276	179	26,497	19,159
Standard Gold (Duvernoy)	60,000	nil	60,000	nil
Tonnancour (Tonnancour, Josselin)	21,247	25	22,566	25
Trinity (Lamorandiere)	nil	2,846	nil	11,765
Windfall East (Bressami)	10,786	nil	10,786	7,397
Other projects	30,979	84,757	100,217	167,649
Quebec general exploration	51,637	51,137	146,307	143,207
<b>Total</b>	<b>343,245</b>	<b>401,340</b>	<b>932,351</b>	<b>1,028,048</b>

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	<b>Three Months Ended September 30, 2019 (\$)</b>	<b>Three Months Ended September 30, 2018 (\$)</b>	<b>Nine Months Ended September 30, 2019 (\$)</b>	<b>Nine Months Ended September 30, 2018 (\$)</b>
<b>Other regions</b>				
Nova Scotia	6,716	7	8,240	221
New Brunswick	nil	25	4,465	8,410
Canada (others)	nil	200	125	325
Europe	20,826	12,298	140,215	50,887
Other including Bell Mountain (USA)	48	12,042	1,523	21,510
<b>Total</b>	<b>27,590</b>	<b>24,572</b>	<b>154,568</b>	<b>81,353</b>

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

	<b>Three Months Ended September 30, 2019 (\$)</b>	<b>Three Months Ended September 30, 2018 (\$)</b>	<b>Nine Months Ended September 30, 2019 (\$)</b>	<b>Nine Months Ended September 30, 2018 (\$)</b>
<b>Expenditures</b>				
Consulting	84,113	39,640	121,924	114,750
Core shack, storage and equipment	200	nil	200	nil
Drilling	nil	nil	100,539	nil
Environmental	nil	1,870	nil	34,573
Geology	5,288	41,948	5,938	53,048
Geophysics	8,760	2,949	151,612	44,495
Laboratory analysis and sampling	14,245	20,245	47,001	32,861
Labour	151,886	220,135	496,309	555,795
Line cutting	1,399	11,819	7,199	11,819
Mineral property acquisitions	66,372	8,935	88,300	132,264
Mining property tax, permits and prospecting	7,468	29,364	36,975	74,234
Reports, maps and supplies	27,619	20,442	32,894	31,820
Transport and road access	17,431	33,748	39,369	49,360
<b>Total</b>	<b>384,781</b>	<b>431,095</b>	<b>1,128,260</b>	<b>1,135,019</b>

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***Quebec projects***

During the nine months ended September 30, 2019, exploration expenditures totalling \$1,128,260 were incurred on Quebec projects.

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

Black Dog South and Windfall (Souart, Urban and Lacroix twps)

After compiling data on Black Dog South and Windfall project, prospection was performed in the latter part of the summer exploration season.

Francoeur and Arntfield Mines (Beauchastel, Dasserat twps.)

Early in 2019, Globex completed a ground magnetic survey and a 13.4 km induced polarization (IP) survey centered upon the newly unearthed 450 Gold Zone. Globex decided to undertake a drill program to test the recent outlines 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 of 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. Seven drill holes intersected gold. Best results of those received to date were intersected in hole FS-19-47, testing the South Shear IP anomaly, returning 2.45 g/t Au over 3.0 metres and in hole FS-19-48, targeting the east extension of the 450 zone, returning 3.33 g/t Au over 1.50 meters.

Summer prospecting and sampling has led to new trenching and mapping on the 450 Zone and south of the Francoeur #8 Gold Zone. Channel sampling on the North extension of the 450 zone returned 6.21 Au g/t over 4.0 m and 3.11 g/t Au over 1.90 m. Channel sampling on the Murphy zone returned 3.41 Au g/t over 1.90 m (zone open to the north). Some 60 channel samples are still pending from south of the Francoeur #8 Gold Zone trenches.

In the fall, eight (8) drill holes totalling one thousand and twenty-four (1,024) metres were completed in the area of the 450 Gold Zone, between the #1 et #2 Arntfield Mine shafts and testing two IP anomalies from the latest geophysical survey. Assays 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.

Barraute, (Barraute), 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.

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Kelly Lake (Blondeau twp)

During the summer, fifty (50) channel samples were collected from historical surface trenches at the Kelly Lake deposit. Cu, Ni and Pt+Pd but also Co and Rh were analyzed and values were compared to the historical (43-101 non-compliant) resources of 1,240,000 t of 0.73% Cu, 0.67% Ni and 1.3 g/t Pt+Pd.

Best channel samples returned grades of 0.43% Cu, 0.65% Ni, 0.58 g/t Pt, 0.51 g/t Pd, 427 ppm Co and 0.016 ppm Rh over 2.5 m; 0.60% Cu, 0.74% Ni, 0.20 g/t Pt, 0.19 g/t Pd, 549 ppm Co and 0.016 ppm Rh over 1.5 m; 0.38% Cu, 0.56% Ni, 0.99 g/t Pt, 0.74 g/t Pd, 476 ppm Co and 0.030 ppm Rh over 2.0 m; 0.80% Cu, 0.35% Ni, 0.50 g/t Pt, 0.40 g/t Pd, 167 ppm Co and 0,019 ppm Rh over 2.0 m.

McNeely (Lacorne twp)

Sampling and mapping was done on the McNeely lithium property. Following the prospecting work on the property over the last two years, stripping, detailed mapping and channel sampling is planned for the next year.

Moly Hill (La Motte twp)

Infill channel 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.

Lac Ontario (Côte de Beauré twp)

From June 10 to June 18, 2019, Geosig Inc. performed a ground gravimetric survey on Globex Ontario Lake property. The survey covered 12.85-line kms over various magnetic anomalies outlined in 2017 with a very high resolution heliborne magnetic survey. Trenching and drilling is planned as the next phase of exploration on the project.

Smith-Zulapa-Vianor (Tiblemont twp)

Prospecting was completed the newly acquired Vianor extension of the property.

Tonnancour (Tonnancour, Josselin twps.)

Prospection, mapping and lithogeochemistry was conducted over conductors input anomalies in the western part of Tonnancour property.

***Ontario projects***

Laguerre- Knutson Gold (Hearst, McVittie twps.)

This Ontario gold project has been revisited. Measurements on several casing were taken and validated. Data will be integrated in a 3D model to better define mineralization structures and evaluate possible extensions of the mineralization.

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***New Brunswick projects***

No substantial work was completed on New Brunswick projects during the nine months ended September 30, 2019. For further details, see the Corporation's MD&A for the fiscal year ended December 31, 2018.

***Mineral property acquisitions***

During the nine months ended September 30, 2019, Globex spent \$88,300 on property acquisitions.

During the nine months ended September 30, 2019, Globex acquired additional mineral rights in the Joutel gold and base metal mining camp of Quebec.

During the nine months ended September 30, 2019, Globex issued 160,000 common shares with a deemed value of \$60,000 to acquire a 100% interest in the Standard Gold Property located in Duvernay Township, Quebec.

***Optioned and royalty properties***

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

Nordeau (Vauquelin, Pershing and Denain Twps.)

On July 3, 2019, Chalice announced the sale of its Quebec gold projects, including the Nordeau properties, part of the East Cadillac Project to Chantrell Ventures Corp. (to be renamed "O3 Mining Inc.").

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

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, and on July 11, 2019, Manganese X Energy presented updates and goals for their projects including a fall drilling program plan on the Battery Hill Property in order to complete a NI-43-101 resource estimate with the intention of upgrading the current classification of mineralization to Indicated Resource status.

Parbec Deposit (Malartic Twp.)

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 new 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.



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On March 28, 2019, Renforth announced that drilling extended gold mineralization along the 1.8 km length of the Cadillac Break. Every drill hole from the 2019 winter drilling campaign intersected gold mineralization. The 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).

On June 26, 2019, Renforth announced that it has extended the mineralization within a diorite splay, south of the Cadillac Break.

On July 9, 2019, Renforth announced the beginning of the summer exploration program including completion of washing the May/June 2019 stripping, detailed mapping and additional sampling of newly discovered mineralization and stripping the extension of newly discovered gold-bearing quartz veining in the Pontiac Sediments.

On, September 13 and September 20, 2019, following the recent exploration results at Parbec and New Alger, Renforth Resources has elected to commission new technical reports for both Parbec and New Alger properties.

Bräunsdorf Silver Project (Saxony Germany)

On September 24, 2019, Globex announced that it has optioned the Bräunsdorf Exploration Licence (now called the Silver City Project) in Saxony Germany to Excellon Resources Inc. For more details on the option terms, please refer to Globex Mining Enterprises press release dated September 24, 2019.

**Sales and option income for the nine months ended September 30, 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 7,750,000 common shares with a fair market value of \$387,500	200,000	387,500
Excellon Resources Inc., options in Europe, cash payment of \$100,000	100,000	nil
NSGold Corporation, Mooseland Gold Property, Nova Scotia, 1,745,408 common shares with a fair market value of \$191,995	nil	191,995
<b>Sales, option income and advance royalties for the period</b>	<b>360,000</b>	<b>579,495</b>

In the nine months ended September 30, 2019, Globex generated sales, option income and advance royalties from one new option/sale agreement and three ongoing agreements which excludes the 58 royalty properties on which many partners may be working. The sales, option income and advance

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royalties of \$939,495 consisted of cash receipts of \$360,000 and shares in optionee corporations with a fair value of \$579,495.

In the nine months ended September 30, 2018, the Corporation generated sales, option income and advance royalties from seven ongoing agreements. The sales, option income and advance royalties of \$590,000 consisted of cash receipts of \$565,000 and shares in optionee corporations with a fair market value of \$25,000.

**Royalties**

At September 30, 2019, 58 royalty arrangements were in effect at various stages. During the nine months ended September 30, 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 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, the royalty is 1% GMR. If the LME zinc sale price is equal to or above USD \$1.10 per pound, 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) provide Property Descriptions, a list of Royalty Interests, as well as the optionees of the various properties.

**Related Party Transactions**

	September 30, 2019 (\$)	December 31, 2018 (\$)
<b>Related party (receivable) payables</b>		
Jack Stoch Geoconsultant Services Limited ("GJSL")	(7,240)	(6,717)
Chibougamau Independent Mines Inc.	(37,756)	(1,443)
Duparquet Assets Limited	76,118	76,208
<b>Total</b>	<b>31,122</b>	<b>68,048</b>

The loans (receivables) due 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 \$36,926 (nine months ended September 30, 2018 - increase of \$12,133) in the related party net payables during the nine months ended September 30, 2019.

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

CIM is considered a related party as the President, CEO and a director of the Corporation, as well as a second director, hold the same positions with CIM. Globex can therefore significantly influence the operations of CIM.

**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 \$1,849 and \$4,982, respectively for the three and nine months ended September 30, 2019 (three and nine months ended September 30, 2018 - \$1,070 and \$11,565, respectively) 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 the 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 September 30, 2019 (\$)</b>	<b>Three Months Ended September 30, 2018 (\$)</b>	<b>Nine Months Ended September 30, 2019 (\$)</b>	<b>Nine Months Ended September 30, 2018 (\$)</b>
<b>Management compensation</b>				
Salaries and other benefits	43,841	63,773	135,963	128,017
Professional fees and outside services (i)	22,451	17,717	60,689	48,497
Fair value of share-based compensation	nil	36,160	135,728	36,160
<b>Total</b>	<b>66,292</b>	<b>117,650</b>	<b>332,380</b>	<b>212,674</b>

(i) In the three and nine months ended September 30, 2019, management consulting fees of \$22,451 and \$60,689, respectively (three and nine months ended September 30, 2018 - \$17,717 and \$48,497, respectively) were paid to the CFO and the Corporate Secretary. They were appointed on September 20, 2017. As at September 30, 2019, the balance due to CFO and Corporate Secretary is \$5,761 (December 31, 2018 - \$3,162) which is included in payables and accruals due under normal credit terms.

### **New Standards 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 amortized 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 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 54,398,852 common shares and 2,932,500 stock options outstanding, which resulted in fully-diluted common shares of 57,331,352.

### **Normal Course Issuer Bid**

On March 11, 2019, the Toronto Stock Exchange approved the renewal of Globex's normal course issuer bid ("NCIB"). Under the NCIB, as renewed, Globex is entitled to repurchase for cancellation up to 1,000,000 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 nine months ended September 30, 2019, 832,000 common shares of Globex were purchased for cash consideration of \$241,377 in accordance with the NCIB.

### **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.

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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 nine-month ended September 30, 2019, the CEO and CFO 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**

See "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), which section is incorporated in this MD&A by reference.

**Cautionary Note Regarding Forward-Looking Statements**

See "Cautionary Note Regarding Forward-Looking Statements" 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), which section is incorporated in this MD&A by reference.

**Subsequent Events**

On October 3, 2019, Globex announces that it entered into an Option Agreement with DAL and GJSL under which GJSL has the right to subscribe for additional shares of DAL in the event of a change of control of Globex, as that term is defined in the Option Agreement. At present, Globex and GJSL each own 50% of the issued and outstanding shares of DAL. GJSL is controlled by Jack Stoch, President, CEO and a director of Globex. DAL owns the Duquesne West and Ottoman Property in Duparquet Township, northwestern Quebec. The Option Agreement was approved by Globex's independent directors.