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**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS OF  
GLOBEX MINING ENTERPRISES INC.  
THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2020  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of Globex Mining Enterprises Inc. (the "Company") have been prepared by, and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

# GLOBEX MINING ENTERPRISES INC.

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

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
<b>Continuing operations</b>				
Revenues (note 13)	\$ 6,601,256	\$ 218,126	\$ 6,751,200	\$ 1,742,088
<b>Expenses</b>				
Exploration and evaluation expenditures (note 15)	424,964	384,781	1,139,302	1,128,260
Professional fees and outside services (note 14)	98,730	80,026	306,960	316,869
Administration (note 14)	73,284	95,010	243,110	434,754
Salaries (note 20)	53,832	75,323	72,373	237,632
Depreciation (note 9)	8,095	7,801	24,282	21,695
Bad debt expense	-	-	5,913	-
Share-based compensation (note 17)	-	-	-	233,248
Loss (gain) on foreign exchange	35,116	(14,877)	(59,996)	71,475
	<b>694,021</b>	<b>628,064</b>	<b>1,731,944</b>	<b>2,443,933</b>
<b>Income (loss) from operations</b>	<b>5,907,235</b>	<b>(409,938)</b>	<b>5,019,256</b>	<b>(701,845)</b>
<b>Other income (expenses)</b>				
Increase (decrease) in fair value of financial assets	745,161	(43,221)	1,581,066	(33,697)
Gain on the sale of investments	613,652	5,946	481,736	7,527
Interest and dividends	39,182	7,941	53,870	18,794
Other	-	-	30,000	1,825
Gain on sale of property, plant and equipment (note 9)	-	-	5,000	-
Management services (note 18)	-	1,849	3,951	4,982
	<b>1,397,995</b>	<b>(27,485)</b>	<b>2,155,623</b>	<b>(569)</b>
<b>Income (loss) before taxes</b>	<b>7,305,230</b>	<b>(437,423)</b>	<b>7,174,879</b>	<b>(702,414)</b>
Income tax (expense) recovery	(16,021)	(45,162)	3,578	(38,841)
<b>Income (loss) and comprehensive income (loss) for the period</b>	<b>\$ 7,289,209</b>	<b>\$ (482,585)</b>	<b>\$ 7,178,457</b>	<b>\$ (741,255)</b>
<b>Basic income (loss) per share</b> (note 16)	<b>\$ 0.13</b>	<b>\$ (0.01)</b>	<b>\$ 0.13</b>	<b>\$ (0.01)</b>
<b>Diluted income (loss) per share</b> (note 16)	<b>\$ 0.13</b>	<b>\$ (0.01)</b>	<b>\$ 0.12</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic</b>				
	<b>54,631,852</b>	<b>53,969,698</b>	<b>54,519,560</b>	<b>52,423,294</b>
<b>Weighted average number of common shares outstanding - diluted</b>				
	<b>58,004,067</b>	<b>53,969,698</b>	<b>58,577,057</b>	<b>52,423,294</b>

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

# GLOBAL MINING ENTERPRISES INC.

Condensed Interim Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars)  
(Unaudited)

	Nine months ended September 30,	
	2020	2019
<b>Operating activities:</b>		
Income (loss) and comprehensive income (loss) for the period	\$ 7,178,457	\$ (741,255)
Adjustments for:		
Disposal of mineral properties for investments (note 19)	(3,817,500)	(579,495)
(Increase) decrease in fair value of financial assets	(1,581,066)	33,697
Depreciation (note 9)	24,282	21,695
Foreign exchange rate variation on reclamation bond	(56,629)	4,474
Gain on sale of investments	(481,736)	(7,527)
Gain on sale of property, plant and equipment (note 9)	(5,000)	-
Deferred tax recovery	(109,253)	(164,114)
Fair value of shares issued in connection with mineral property (notes 17 and 19)	68,750	60,000
Foreign exchange (gain) loss	(44,002)	50,668
Restoration liabilities (note 8)	10,000	-
Share-based compensation (note 17)	-	233,248
	<b>1,186,303</b>	<b>(1,088,609)</b>
Change in non-cash working capital items (note 19)	(43,415)	(229,577)
<b>Net cash and cash equivalents provided by (used in) operating activities</b>	<b>1,142,888</b>	<b>(1,318,186)</b>
<b>Financing activities:</b>		
Issuance of common shares (note 17)	-	1,240,000
Proceeds from exercised options (note 17)	9,400	15,275
Share capital issue costs (note 17)	(1,135)	(62,646)
Share repurchased (note 17)	(2,660)	(241,377)
Proceeds from loan payable (note 11)	40,000	-
Increase (decrease) in related party payable (note 18)	16,989	(36,926)
<b>Net cash and cash equivalents provided by financing activities</b>	<b>62,594</b>	<b>914,326</b>
<b>Investing activities:</b>		
Acquisition of property, plant and equipment (note 9)	(3,521)	(10,242)
Proceeds from disposition of property, plant and equipment (note 9)	5,000	-
Proceeds from sale of investment	1,235,260	56,536
Investment in joint venture	(38,058)	-
<b>Net cash and cash equivalents provided by investing activities</b>	<b>1,198,681</b>	<b>46,294</b>
<b>Net change in cash and cash equivalents</b>	<b>2,404,163</b>	<b>(357,566)</b>
Effect of exchange rate changes on cash held in foreign currencies	44,002	(50,668)
<b>Cash and cash equivalents, beginning of period</b>	<b>2,850,512</b>	<b>3,448,199</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 5,298,677</b>	<b>\$ 3,039,965</b>
<b>Cash and cash equivalents</b>	<b>\$ 4,983,348</b>	<b>\$ 1,578,273</b>
<b>Cash reserved for exploration</b>	<b>315,329</b>	<b>1,461,692</b>
	<b>\$ 5,298,677</b>	<b>\$ 3,039,965</b>

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

# GLOBAL MINING ENTERPRISES INC.

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)

	As at September 30, 2020	As at December 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	\$ 4,983,348	\$ 1,610,513
Cash reserved for exploration (note 5)	315,329	1,239,999
Investments (note 6)	6,061,211	1,416,169
Accounts receivable (note 7)	186,111	94,104
Prepaid expenses and deposits	166,774	64,328
Related party receivable (note 18)	16,312	33,301
Current income tax receivable	41,010	149,617
<b>Total current assets</b>	<b>11,770,095</b>	<b>4,608,031</b>
<b>Non-current assets</b>		
Reclamation bonds (note 8)	838,415	781,786
Investment in joint venture	46,522	8,464
Property, plant and equipment (note 9)	378,787	399,548
<b>Total assets</b>	<b>\$ 13,033,819</b>	<b>\$ 5,797,829</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Payables and accruals (note 10)	\$ 172,587	\$ 130,156
<b>Total current liabilities</b>	<b>172,587</b>	<b>130,156</b>
<b>Non-current liabilities</b>		
Loan payable (note 11)	40,000	-
Other liabilities (note 12)	36,051	145,304
Restoration liabilities (note 8)	904,490	894,490
<b>Total liabilities</b>	<b>1,153,128</b>	<b>1,169,950</b>
<b>Equity</b>		
Share capital (note 17)	55,980,844	55,901,915
Contributed surplus	4,916,298	4,926,434
Deficit	(49,016,451)	(56,200,470)
<b>Total equity</b>	<b>11,880,691</b>	<b>4,627,879</b>
<b>Total liabilities and equity</b>	<b>\$ 13,033,819</b>	<b>\$ 5,797,829</b>

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

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**GLOBEX MINING ENTERPRISES INC.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

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**Equity attributable to shareholders**

	<b>Share capital</b>	<b>Contributed surplus</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2018</b>	<b>\$ 55,685,745</b>	<b>\$ 4,676,969</b>	<b>\$ (55,809,293)</b>	<b>\$ 4,553,421</b>
Fair value of shares issued under private placements	1,094,695	-	-	1,094,695
Share repurchased	(889,636)	-	648,259	(241,377)
Share issuance costs	(62,646)	-	-	(62,646)
Exercise of stock options	23,381	(8,106)	-	15,275
Shares issued for mineral properties	60,000	-	-	60,000
Share-based compensation	-	233,248	-	233,248
Loss and comprehensive loss	-	-	(741,255)	(741,255)
<b>Balance, September 30, 2019</b>	<b>\$ 55,911,539</b>	<b>\$ 4,902,111</b>	<b>\$ (55,902,289)</b>	<b>\$ 4,911,361</b>
<b>Balance, December 31, 2019</b>	<b>\$ 55,901,915</b>	<b>\$ 4,926,434</b>	<b>\$ (56,200,470)</b>	<b>\$ 4,627,879</b>
Share repurchased	(8,222)	-	5,562	(2,660)
Shares issuance costs	(1,135)	-	-	(1,135)
Exercise of stock options	19,536	(10,136)	-	9,400
Shares issued for mineral properties	68,750	-	-	68,750
Loss and comprehensive loss	-	-	7,178,457	7,178,457
<b>Balance, September 30, 2020</b>	<b>\$ 55,980,844</b>	<b>\$ 4,916,298</b>	<b>\$ (49,016,451)</b>	<b>\$ 11,880,691</b>

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

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# **GLOBEX MINING ENTERPRISES INC.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**September 30, 2020**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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### **1. General Business Description**

Globex Mining Enterprises Inc. ("Globex" or the "Corporation") is a North American focused exploration and development property bank which operates under the project generator business model. It seeks to create shareholder value by acquiring mineral properties, undertaking limited exploration and therefore readying them for optioning, joint venturing, or outright sale. Globex's current mineral portfolio consists of approximately 190 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, 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. Its head office is located at 89 Belsize Drive, Toronto, Ontario M4S 1L3 and its principal business office is located at 86, 14th Street, Rouyn-Noranda, Quebec, J9X 2J1, Canada.

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

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Corporation to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Corporation's business or ability to raise funds.

### **2. Basis of Presentation**

#### **Basis of Presentation**

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis, under the historical cost basis, except for certain assets that are measured at fair value through profit and loss as indicated in note 3 of the Corporation's audited consolidated financial statements for the year ended December 31, 2019. All financial information is presented in Canadian dollars.

#### **Statement of Compliance**

These unaudited condensed interim consolidated financial statements have been prepared by Management in accordance with IAS 34, Interim Financial Reporting ("IAS 34").

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

The significant judgments and estimates made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied (note 4) in the consolidated financial statements as at and for the year ended December 31, 2019. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

#### **Approval of Financial Statements**

The Corporation's Board of Directors approved these unaudited condensed interim consolidated financial statements on November 12, 2020.

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# GLOBAL MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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### 3. Summary of Significant Accounting Policies

These unaudited condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual consolidated financial statements (note 3) of the Corporation's audited financial statements for the year ended December 31, 2019 with the exception of the IFRS adopted as described below.

The disclosure contained in these unaudited condensed interim consolidated financial statements does not include all the requirements in IAS 1, Presentation of Financial Statements. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019.

#### New Accounting Standard Adopted

##### IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Corporation's unaudited condensed interim consolidated financial statements.

##### IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Corporation's unaudited condensed interim consolidated financial statements.

##### IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Corporation's unaudited condensed interim consolidated financial statements.

### 4. Cash and Cash Equivalents

	As at September 30, 2020	As at December 31, 2019
Bank balances	\$ 3,191,897	\$ 358,350
Short-term deposit	1,791,451	1,252,163
	<b>\$ 4,983,348</b>	<b>\$ 1,610,513</b>

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# GLOBAL MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 5. Cash Reserved for Exploration

	As at September 30, 2020	As at December 31, 2019
Bank balances	\$ 15,329	\$ 239,999
Short-term deposit	300,000	1,000,000
	<b>\$ 315,329</b>	<b>\$ 1,239,999</b>

Globex raises flow-through funds for exploration under subscription agreements which require the Corporation to incur prescribed resource expenditures.

The Corporation must use these funds for exploration of mining properties in accordance with restrictions imposed by the financing. If the Corporation does not incur the resource expenditures, then it will be required to indemnify these shareholders for any tax and other costs payable by them.

### 6. Investments

Corporation Name	September 30, 2020		December 31, 2019	
	Number of shares	Fair value	Number of shares	Fair value
Electric Royalties Ltd. <sup>(1)</sup>	3,000,000	\$ 600,000	-	\$ -
Excellon Resources Inc. <sup>(2)(3)</sup>	111,024	428,553	226,837	233,642
Falco Resources Ltd.	350,000	150,500	350,000	117,250
Galway Metals Inc.	200,000	278,000	230,000	77,050
Great Thunder Gold Corp.	150,000	90,000	518,750	31,125
Integra Resources Corp. <sup>(4)</sup>	51,200	226,816	128,000	153,600
Knick Exploration Inc.	1,000,000	-	1,000,000	5,000
Manganese X Energy Corp.	-	-	1,925,000	144,375
NSGold Corporation	1,745,408	846,523	1,745,408	174,541
Opawica Explorations Inc.	125,000	20,000	125,000	7,500
Pasofino Gold Limited	300,000	64,500	388,888	33,056
Pershimex Resources Corporation	175,000	10,500	175,000	7,000
Renforth Resources Inc.	9,550,000	620,750	10,800,000	378,000
Rogue Resources Inc.	50,000	3,750	50,000	3,500
Sphinx Resources Ltd.	513,000	12,825	513,000	15,390
Starr Peak Exploration Ltd. <sup>(5)</sup>	1,200,000	2,196,000	-	-
Tres-Or Resources Ltd. <sup>(6)</sup>	310,000	29,450	-	-
Troilus Gold Corp. <sup>(7)</sup>	350,000	437,500	-	-
Other equity investments	-	45,544	-	35,140
		<b>\$ 6,061,211</b>		<b>\$ 1,416,169</b>

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



# GLOBAL MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 6. Investments (Continued)

Notes:

(1) On July 13, 2020, Electric Royalties Ltd. issued to Globex 3,000,000 shares (fair market value of \$900,000) in connection with a number of non-core specialty mineral royalties (refer to note 13).

(2) On September 22, 2020, Excellon Resources Inc. issued to Globex 65,657 shares (fair market value of \$325,000) in connection with the options in Europe (refer to note 13).

(3) In September 2020, Excellon Resources Inc. completed a five for one reverse split.

(4) In July 2020, Integra Resources Corp. completed a two and a half for one reverse split.

(5) On August 3, 2020, Starr Peak Exploration Ltd. issued to Globex 1,200,000 shares (fair market value of \$2,100,000) in connection with the option on Fontana Property (refer to note 13).

(6) On August 5, 2020, Tres-Or Resources Ltd. issued to Globex 400,000 shares (fair market value of \$48,000) in connection with the Normetal/Normetar copper, zinc and silver property, the Rousseau gold project and the Turgeon Lake gold property located in Northern Quebec (refer to note 13).

(7) On July 20, 2020, Troilus Gold Corp. issued to Globex 350,000 shares (fair market value of \$444,500) in connection with the option on the Rosario, Lac Testard Ouest, Pyrox, Lac De Maurès Est, Claudette Zone, Boulder Lake, Boulder Gold, and Lac Chix properties (refer to note 13).

### 7. Accounts Receivable

	September 30, 2020	December 31, 2019
Trade receivables	\$ 176,934	\$ 95,700
Bad debt provision	(4,109)	(4,109)
Net trade receivables	172,825	91,591
Taxes receivable	13,286	2,513
	\$ 186,111	\$ 94,104

### 8. Reclamation Bonds and Restoration Liabilities

#### Reclamation Bonds

	September 30, 2020	December 31, 2019
Nova Scotia bond - Department of Natural Resources	\$ 57,974	\$ 57,974
Option reimbursement	(50,000)	(50,000)
Nova Scotia bond	7,974	7,974
Washington State bond - Department of Natural Resources	149,574	145,637
Deposits with Province of Quebec, Ministère de l'Énergie et des Ressources Naturelles	670,867	628,175
Deposit with Séminaire de Québec	10,000	-
	\$ 838,415	\$ 781,786

# GLOBEX MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 8. Reclamation Bonds and Restoration Liabilities (Continued)

#### Restoration Liabilities

	September 30, 2020	December 31, 2019
<b>Francoeur Property restoration and rehabilitation liabilities</b>		
Balance, beginning of the period	\$ 894,490	\$ 628,175
Additions during the period	-	266,315
Balance, end of the period	894,490	894,490
<b>Lac Ontario Property restoration and rehabilitation liabilities</b>		
Balance, beginning of the period	-	-
Additions during the period	10,000	-
Balance, end of the period	10,000	-
<b>Total restoration liabilities</b>	<b>\$ 904,490</b>	<b>\$ 894,490</b>

### 9. Property, Plant and Equipment

Cost	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2018	\$ 536,967	\$ 88,210	\$ 146,274	\$ 56,177	\$ 292,733	\$ 1,120,361
Additions	-	-	-	-	10,242	10,242
Dispositions	-	-	-	(56,177)	-	(56,177)
Balance, December 31, 2019	536,967	88,210	146,274	-	302,975	1,074,426
Additions	-	-	-	-	3,521	3,521
Balance, September 30, 2020	\$ 536,967	\$ 88,210	\$ 146,274	\$ -	\$ 306,496	\$ 1,077,947

Accumulated depreciation	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2018	\$ 143,527	\$ 88,210	\$ 146,274	\$ 56,177	\$ 267,371	\$ 701,559
Depreciation during the year	13,838	-	-	-	15,658	29,496
Disposition during the year	-	-	-	(56,177)	-	(56,177)
Balance, December 31, 2019	157,365	88,210	146,274	-	283,029	674,878
Depreciation during the period	10,379	-	-	-	13,903	24,282
Balance, September 30, 2020	\$ 167,744	\$ 88,210	\$ 146,274	\$ -	\$ 296,932	\$ 699,160

Carrying value	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2019	\$ 379,602	\$ -	\$ -	\$ -	\$ 19,946	\$ 399,548
Balance, September 30, 2020	\$ 369,223	\$ -	\$ -	\$ -	\$ 9,564	\$ 378,787

During the nine months ended September 30, 2020, the Company sold an equipment for cash proceeds of \$5,000 which resulted in a gain on sale of property and equipment of \$5,000.

# GLOBEX MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 10. Payable and Accruals

	September 30, 2020	December 31, 2019
Trade payables and accrued liabilities	\$ 96,955	\$ 98,022
Sundry liabilities	41,632	32,134
Advance payment for exercise of stock options (note 22(i))	34,000	-
	<b>\$ 172,587</b>	<b>\$ 130,156</b>

### 11. Loan Payable

During the period, the Corporation applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (CEBA). The credit limit of \$40,000 has an interest rate of 0% until December 31, 2020. On January 1, 2021, the operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2022 of which \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2022. If on December 31, 2022 the loan is not repaid, the Corporation can exercise the option for a 3-year term extension at an interest rate of 5% on the balance over the term extension period. The Corporation expects to pay the loan prior to December 31, 2022.

### 12. Other Liabilities

	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ 145,304	\$ 233,789
Additions during the period	-	145,305
Reduction related to qualified exploration expenditures	(109,253)	(233,790)
Balance, end of period	<b>\$ 36,051</b>	<b>\$ 145,304</b>

The Other Liabilities represent the excess of the proceeds received from flow-through shares over the fair value of the shares issued. Further details are provided in note 17.

### 13. Revenues

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

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Option income and advance royalties	\$ 6,293,500	\$ 100,000	\$ 6,319,000	\$ 939,495
Royalties	307,756	118,126	432,200	802,593
	<b>\$ 6,601,256</b>	<b>\$ 218,126</b>	<b>\$ 6,751,200</b>	<b>\$ 1,742,088</b>

In the three and nine months ended September 30, 2020, Globex reported option income and advances royalties of \$6,293,500 and \$6,319,000, respectively (three and nine months ended September 30, 2019 – \$100,000 and \$939,495, respectively) which consisted of cash receipts of \$2,476,000 and \$2,501,500, respectively (three and nine months ended September 30, 2019 - \$100,000 and \$360,000, respectively) and shares in optionee corporations with a fair market value of \$3,817,500 (three and nine months ended September 30, 2019 - \$Nil and \$579,495, respectively).

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# GLOBAL MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 13. Revenues (Continued)

Nine months ended September 30, 2020:

- On March 18, 2020, Globex received a cash payment of \$25,000 from Tres-Or Resources Ltd. in connection with the option of Fontana Property, Duverny Twp., Quebec.
- On June 22, 2020, Globex received a cash payment of \$500 from Marthy Hubert in connection with 3 mineral titles located in Quebec.
- On July 2, 2020, Globex received a cash payment of \$500,000 from Electric Royalties Inc. in connection with a number of non-core specialty mineral royalties. In addition, on July 13, 2020, Globex received 3,000,000 common shares with a fair value of \$900,000 from Electric Royalties Ltd.
- On July 8, 2020, Globex received a cash payment of \$80,000 from Eros Resources Corp. in connection with the Bell Mountain Property, USA.
- On July 10, 2020, Globex received a cash payment of \$5,000 from Vior Inc. in connection with the Windfall Property, Quebec.
- On July 20, 2020, Globex received 350,000 common shares with a fair value of \$444,500 from Troilus Gold Corp. in connection with the Rosario, Lac Testard Ouest, Pyrox, Lac De Maurès Est, Claudette Zone, Boulder Lake, Boulder Gold, and Lac Chix properties, Chibougamau, Quebec.
- On August 5, 2020, Globex received 400,000 common shares with a fair value of \$48,000 from Tres-Or Resources Ltd. in connection with the option of Fontana Property, Duverny Twp., Quebec.
- On August 10, 2020, Globex received a cash payment of \$35,000 from Emgold Mining Corporation in connection with the Casa South Property, Quebec.
- On August 12, 2020, Globex received a cash payment of \$50,000 from Starr Peak Exploration Ltd. in connection with the Normetal/Normetar copper, zinc and silver property, the Rousseau gold project and the Turgeon Lake gold property located in Northern Quebec. In addition, Globex received 1,200,000 common shares with a fair value of \$2,100,000.
- On August 19, 2020, Globex received a cash payment of \$100,000 from Osisko Mining Inc. in connection with the options in Windfall East Property.
- On August 26, 2020, Globex received a cash payment of \$1,606,000 from Eldorado Gold (Quebec) Inc. in connection with the sale of the Sigma East Property, Bourlamaque Twp., Quebec.
- On September 21, 2020, Globex received a cash payment of \$100,000 from Excellon Resources Inc. in connection with the options in Europe. In addition, Globex received 65,657 common shares with a fair value of \$325,000.

Nine months ended September 30, 2019:

- 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.
- On March 27, 2019, Globex received 7,500,000 common shares with a fair market value of \$375,000 from Renforth Resources Inc. in connection with the option of 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 Corporation in connection with the option of Mooseland Gold Property, Nova Scotia.
- On September 23, 2019, Globex received a cash payment of \$100,000 from Excellon Resources Inc. in connection with the options in Europe.

# GLOBEX MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 13. Revenues (Continued)

During the three and nine months ended September 30, 2020, Globex recorded metal royalty income of \$307,756 and \$432,200, respectively (three and nine months ended September 30, 2019 - \$118,126 and \$802,593, respectively) from Nyrstar Mid-Tennessee Mines.

### 14. Expenses by Nature

	Three months ended September 30, 2020		2019		Nine months ended September 30, 2020		2019	
<b>Administration</b>								
Office expenses	\$	57,753	\$	59,002	\$	186,487	\$	334,514
Conventions and meetings		4,483		1,227		22,598		32,722
Advertising and shareholder information		6,581		18,192		18,859		30,527
Transfer agent		1,091		11,231		9,185		27,323
Other administration		3,376		5,358		5,981		9,668
	\$	73,284	\$	95,010	\$	243,110	\$	434,754

	Three months ended September 30, 2020		2019		Nine months ended September 30, 2020		2019	
<b>Professional fees and outside services</b>								
Investor relations	\$	41,087	\$	23,570	\$	111,756	\$	102,889
Management consulting		19,827		23,557		68,841		57,279
Audit and accounting fees		14,500		17,323		50,359		82,959
Other professional fees		12,658		4,810		28,452		24,627
Filing fees		3,580		4,791		23,809		20,979
Legal fees		7,078		5,975		23,743		28,136
	\$	98,730	\$	80,026	\$	306,960	\$	316,869

# GLOBAL MINING ENTERPRISES INC.

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### 15. Exploration and Evaluation Expenditures

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
<b>Ontario</b>				
Timmins Talc-Magnesite (Deloro)	\$ 110	\$ 1,988	\$ 6,352	\$ 12,724
Laguerre-Knutson (Hearst, McVittie twps)	42,195	-	62,220	-
Other projects	4,979	11,958	20,566	28,617
	\$ 47,284	\$ 13,946	\$ 89,138	\$ 41,341
<b>Quebec</b>				
Black Dog South (Stuart)	\$ -	\$ 5,931	\$ -	\$ 5,931
Courville (Courville)	25,093	-	25,093	-
Depletion (Guyenne)	2,486	31	23,166	13,508
Discloflo (Desjardins)	-	-	1,860	10,084
Discovery North (Desjardins)	10,099	-	10,099	-
Eagle-Northwest (Joutel-Valrennes)	11,255	-	11,255	-
Fabie Bay / Magusi (Hebecourt, Montbray)	830	6,699	3,430	29,548
Francoeur (Beauchastel)	81,832	78,655	194,047	375,346
Great Plains (Clermont)	92	-	4,477	980
Joutel (Joutel)	290	3,364	1,190	13,514
Kelly Lake (Blondeau)	436	14,787	7,291	16,508
Lac Fortune Gold Mine (Beauchastel)	9,776	-	100,377	-
Lac Ontario (St-Urbain)	8,085	7,506	9,054	28,290
Lac Savignac (Northern Quebec)	152	14,090	3,144	14,090
Mc Neely (Lacorne)	11,111	6,993	15,276	12,537
Moly Hill (La Motte)	-	2,666	4,325	20,751
Napping Dwarf (Glandelet)	12,210	-	12,210	-
Pandora-Wood & Central Cadillac (Cadillac)	-	7,140	94	15,083
Pyrox (Clairy)	152	3,221	8,062	3,407
Shortt Lake Mine	211	787	666	1,938
Silidor Mine	9,257	2,450	10,919	2,450
Smith-Zulapa-Vianor (Tiblemont)	771	14,276	13,715	26,497
Standard Gold (Duverny)	23,998	60,000	25,020	60,000
Tarmac (Dubuisson)	-	-	4,192	-
Tavernier Tiblemont (Tavernier)	-	-	39,128	-
Tonnancour (Tonnancour, Josselin)	-	21,247	-	22,566
Vauze (Dufresnoy)	-	-	10,063	-
Venus (Barraute)	4,875	-	40,413	-
Windfall East (Bressami)	-	10,786	-	10,786
Wrightbar Gold Mine (Bourlamaque)	117	-	4,647	-
Other projects	91,483	30,979	253,636	102,230
Quebec general exploration	65,487	51,637	203,003	146,307
	\$ 370,098	\$ 343,245	\$ 1,039,852	\$ 932,351
<b>Other regions</b>				
Nova Scotia	\$ 6,393	\$ 6,716	\$ 6,502	\$ 8,240
New Brunswick	239	-	433	4,465
Canada (others)	108	-	254	125
Europe	-	20,826	57	140,215
Other including Bell Mountain (USA)	842	48	3,066	1,523
	\$ 7,582	\$ 27,590	\$ 10,312	\$ 154,568
<b>Exploration and evaluation expenditures</b>	<b>\$ 424,964</b>	<b>\$ 384,781</b>	<b>\$ 1,139,302</b>	<b>\$ 1,128,260</b>

# GLOBAL MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 15. Exploration and Evaluation Expenditures (Continued)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
<b>Exploration and evaluation expenditures</b>				
Consulting	\$ 13,082	\$ 84,113	\$ 51,676	\$ 121,924
Core shack, storage and equipment rental	-	200	-	200
Drilling	-	-	-	100,539
Environmental	10,000	-	10,000	-
Geology	2,750	5,288	2,750	5,938
Geophysics	100,157	8,760	146,707	151,612
Laboratory analysis and sampling	8,306	14,245	8,491	47,001
Labour	210,154	151,886	636,839	496,309
Line cutting	-	1,399	5,168	7,199
Mineral property acquisitions	27,347	66,372	141,508	88,300
Mining property tax, permits and prospecting	15,930	7,468	55,526	36,975
Reports, maps and supplies	5,944	27,619	27,191	32,894
Transport and road access	31,294	17,431	53,446	39,369
	<b>\$ 424,964</b>	<b>\$ 384,781</b>	<b>\$ 1,139,302</b>	<b>\$ 1,128,260</b>

(i) 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.

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

(iii) On March 19, 2019, Globex announced that it agreed to waive the remaining work requirement by Renforth Resources Inc. on Globex's Parbec Gold property, allowing Renforth Resources Inc. 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 Resources Inc. agreed to the following:

- The previous Gross Metal Royalty ("GMR") which varied between 1% and 2% GMR dependent upon the gold price will henceforth be a stable 3% GMR;
- Renforth Resources Inc. shall issue to Globex 5,000,000 Renforth shares;
- Should Renforth Resources Inc. consolidate its shares within 4 years, an additional 1,500,000 post consolidated Renforth Resources Inc. 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 Resources Inc. a one-time first right of refusal to purchase Globex's GMR should Globex decide at any time to sell all or part of its GMR.

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# GLOBAL MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 15. Exploration and Evaluation Expenditures (Continued)

(iv) On April 15, 2019, Globex announced that 1,745,408 common shares were issued by NSGold Corporation pursuant to an Amendment dated March 19, 2019 to a Purchase Agreement dated April 14, 2010 between NSGold Corporation and Globex, whereby NSGold Corporation 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 Corporation to Globex on the properties was reduced from 4% to 2% and a share issuance by NSGold Corporation to Globex conditional upon commencement of commercial production on any of the properties was eliminated. As consideration for the Amendment, NSGold Corporation 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 Corporation. Immediately following the closing of the Transaction, Globex holds 1,745,408 common shares of NSGold Corporation, representing approximately 11.1% of the issued and outstanding common shares of NSGold Corporation.

(v) 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 (valued at \$60,000).

(vi) 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.

(vii) On March 16, 2020, the Corporation acquired 100% interest in the Lac Fortune Gold Mine Property located in Beauchastel Township, Quebec for 250,000 Globex shares (valued at \$68,750) and a 2% NSR of which 1% may be purchased by Globex for \$200,000 at any time.

(viii) On July 2, 2020, the Corporation announced it acquired the final claim covering the southern half of the New Marlon Gold Mine property which consolidates the Silidor and New Marlon Mines assets located in Rouyn township, Quebec, immediately northwest and adjoining the town of Rouyn-Noranda.

(ix) On July 13, 2020, the Corporation announced that it sold a number of non-core specialty mineral royalties to a new energy centric royalty company, Electric Royalties Ltd. In exchange for the royalties or portions of royalties Globex will receive \$500,000 (received) and 3,000,000 Electric Royalties Ltd. shares (valued at \$900,000). Should the Authier Lithium deposit reach commercial production within 6 years of agreement, Globex will receive an additional \$250,000 cash payment adjusted for inflation.

(x) On July 21, 2020, the Corporation announced that it sold 91 claims totaling 4,960 hectares comprising of the Rosario, Lac Testard Ouest, Pyrox, Lac De Maurès Est, Claudette Zone, Boulder Lake, Boulder Gold, and Lac Chix properties located approximately 80 km north of Chibougamau, Quebec to Troilus Gold Corp. In exchange for 100% interest in the claims, Troilus Gold Corp. paid Globex 350,000 Troilus Gold Corp. common shares (valued at \$444,500) and granted Globex a 2% GMR, 1% of which may be purchased at any time for \$1,000,000.



# GLOBAL MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 15. Exploration and Evaluation Expenditures (Continued)

(xi) On August 10, 2020, the Corporation announced that it sold 100% interest in the Normetal/Normetmar copper, zinc and silver property, the Rousseau gold project and the Turgeon Lake gold property located in Northern Quebec, to Starr Peak Exploration Ltd. In exchange, Globex will receive \$150,000 in cash payments (\$50,000 on signing (received), \$50,000 at 6 months and \$50,000 at one year), 1.2 million Starr Peak shares (valued at \$2,100,000) and a 2.5% GMR, 1% of which may be purchased by Starr Peak Exploration Ltd. prior to commercial production for \$1.5 million. Starr Peak Exploration Ltd. will acquire 100% interest in the properties subject to the royalty (GMR).

(xii) On August 25, 2020, the Corporation announced that it sold 100% interest in all 16 cell fractions of the Sigma East Property, located east of the Sigma Mine and 1 cell fraction, the Sigma 2 property, to Eldorado Gold Quebec Inc., a subsidiary of Eldorado Gold Corporation, for a single cash payment of \$1,606,000 (received). The Corporation also announced that it sold six cells in the Windfall mining camp to Osisko Mining Inc. In exchange for the cells, Osisko Mining Inc. has paid Globex \$100,000.00 in cash. Globex has retained a 2% GMR.

(xiii) On September 16, 2020, the Corporation announced that it acquired 15 claims (20 km north-northeast of Hartland, New Brunswick in Carleton County, covering the Grassville South manganese zone.

### 16. Income (Loss) Per Common Share

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

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

#### Basic and diluted loss per common share

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

	Three months ended September 30, 2020		2019	
	September 30, 2020		September 30, 2019	
Numerator				
Income (loss) for the period	\$ 7,289,209	\$ (482,585)	\$ 7,178,457	\$ (741,255)
Denominator				
Weighted average number of common shares				
- basic	54,631,852	53,969,698	54,519,560	52,423,294
Effect of dilutive shares				
Stock options ("in the money")	2,830,000	-	2,830,000	-
Shares assumed to be repurchased	542,215	-	1,227,497	-
Weighted average number of common shares				
- diluted	58,004,067	53,969,698	58,577,057	52,423,294
Income (loss) per share				
Basic	\$ 0.13	\$ (0.01)	\$ 0.13	\$ (0.01)
Diluted	\$ 0.13	\$ (0.01)	\$ 0.12	\$ (0.01)

# GLOBAL MINING ENTERPRISES INC.

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### 17. Share Capital

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

#### Changes in capital stock

	September 30, 2020		December 31, 2019	
Fully paid common shares	Number of shares	Capital stock	Number of shares	Capital stock
Balance, beginning of period	54,389,852	\$ 55,901,915	52,078,077	\$ 55,685,745
Issued in connection with mineral property acquisition (i)(xi)	250,000	68,750	160,000	60,000
Issued on exercise of options (ii)(iii)(viii)(ix)(x)	40,000	19,536	65,000	23,381
Private placements - Flow-through shares (vi)(vii)	-	-	2,927,775	1,094,695
Share issuance costs (iv)(xii)	-	(1,135)	-	(62,646)
Share repurchase (v)(xiii)	(8,000)	(8,222)	(841,000)	(899,260)
Balance, end of period	54,671,852	\$ 55,980,844	54,389,852	\$ 55,901,915

#### **2020 issuances**

##### **Shares issued in connection with mineral property acquisitions**

(i) On March 23, 2020, Globex acquired a 100% interest in the Lac Fortune Gold Mine Property located in Beauchastel Township, Quebec by issuing 250,000 Globex common shares at a deemed price of \$0.275 per share for a deemed value of \$68,750.

##### **Issued on exercise of options**

(ii) On September 25, 2020, 30,000 stock options with a fair value per share of \$0.296 were exercised at an exercise price of \$0.235 per share. Globex's shares closed at \$0.71 per share that date.

(iii) On September 25, 2020, 10,000 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 \$0.71 per share that date.

##### **Share issuance costs**

(iv) During the nine months ended September 30, 2020, the share issuance costs totalled \$1,135.

##### **Normal course issuer bid**

(v) During the nine months ended September 30, 2020, 8,000 common shares were repurchased for cash consideration of \$2,660 in accordance with the Normal course issuer bid ("NCIB"). The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

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# **GLOBEX MINING ENTERPRISES INC.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

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### **17. Share Capital (Continued)**

#### **Changes in capital stock (continued)**

##### ***2019 issuances***

##### **Private placements**

(vi) On July 10, 2019, Globex issued 1,500,000 flow-through common shares at a price of \$0.40 per share to subscriber 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. The fair value of these shares was \$801,667 (\$0.37 per share) based on the TSX closing price on July 9, 2019. The \$98,333 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in other liabilities.

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

(vii) On July 19, 2019, Globex issued 50,000 flow-through common shares at a price of \$0.40 per share to subscriber outside Quebec and 711,109 flow-through common shares at a price of \$0.45 per share to subscribers in Quebec, for gross proceeds to Globex of \$340,000. The fair value of these shares was \$293,028 (\$0.385 per share) based on the TSX closing price on July 18, 2019. The \$46,972 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in other liabilities.

##### **Issued on exercise of options**

(viii) 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.

(ix) 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 per share that date.

(x) 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 per share that date.

##### **Shares issued in connection with mineral property acquisitions**

(xi) On July 22, 2019, Globex acquired a 100% interest in the Standard Gold Property located in Duvernay Township, Quebec by issuing 160,000 Globex common shares at a deemed price of \$0.375 per share for a deemed value of \$60,000.

##### **Share issuance costs**

(xii) During the year ended December 31, 2019, the share issuance costs totalled \$62,646.

##### **Normal course issuer bid**

(xiii) During the year ended December 31, 2019, 841,000 common shares were repurchased for cash consideration of \$244,325 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.

# GLOBAL MINING ENTERPRISES INC.

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### 17. Share Capital (Continued)

#### Stock options

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

	September 30, 2020		December 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	2,870,000	\$ 0.36	2,912,500	\$ 0.30
Exercised	(40,000)	0.24	(65,000)	0.24
Expired/cancelled	-	-	(1,277,500)	0.23
Granted to employees (i)	-	-	1,300,000	0.35
Balance - end of period	2,830,000	\$ 0.36	2,870,000	\$ 0.36
Options exercisable	2,830,000	\$ 0.36	2,870,000	\$ 0.36

(i) 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 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 per share on the day before. On November 28, 2019, 130,000 stock options with a fair value per share of \$0.1871 were granted at an exercise price of \$0.34 per share. Globex's shares closed at \$0.34 per share on the day before.

The following table summarizes information regarding the stock options outstanding and exercisable as at September 30, 2020:

Range of prices	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
\$0.22 - \$0.24	70,000	70,000	3.38	\$ 0.24
\$0.25 - \$0.29	265,000	265,000	0.27	0.29
\$0.30 - \$0.38	1,690,000	1,690,000	3.52	0.36
\$0.39 - \$0.42	720,000	720,000	0.82	0.39
\$0.44 - \$0.50	85,000	85,000	2.34	0.44
	2,830,000	2,830,000	2.49	\$ 0.36

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# LOBEX MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 17. Share Capital (Continued)

#### Stock option (continued)

##### Stock-based compensation and payments

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

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

	September 30, 2020	December 31, 2019
Stock price	-	\$0.35
Expected dividend yield	-	Nil
Expected stock price volatility	-	68.27%
Risk free interest rate	-	1.36%
Expected life	-	5 years
Weighted average fair value of granted options	-	\$0.20

During the three and nine months ended September 30, 2020, an expense of \$Nil (three and nine months ended September 30, 2019 - \$Nil and \$233,248, respectively) related to stock-based compensation costs has been recorded and presented separately in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

#### NCIB

On March 11, 2020, the Corporation announced that TSX approved the renewal of the NCIB. Under the original NCIB, Globex was entitled to repurchase for cancellation up to 1,000,000 common shares, representing 1.84% of Globex's issued and outstanding shares as of March 1, 2020, over a twelve-month period starting on March 13, 2020 and ending on March 12, 2021. The purchases by Globex will be effected through the facilities of the TSX and on other alternative trading systems in Canada and will be made at the market price of the shares at the time of the purchase.

During the nine months ended September 30, 2020, 8,000 common shares of Globex were purchased for cash consideration of \$2,660 in accordance with the NCIB.

# LOBEX MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 18. Related Party Information

Related party receivable	September 30, 2020	December 31, 2019
Jack Stoch Geoconsultant Limited ("GJSL")	\$ -	\$ 1,084
Chibougamau Independent Mines Inc. ("CIM")	13,838	32,217
Duparquet Assets Limited	2,474	-
	<b>\$ 16,312</b>	<b>\$ 33,301</b>

The receivables due from 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 increase of \$16,989 (nine months ended September 30, 2019 - decrease of \$36,926) in the related party net payables during the nine months ended September 30, 2020.

### CIM

CIM is considered a related party as Globex Management consisting of the President and CEO and a Director hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations through GJSL, a private company which is the principal shareholder of CIM, and Globex and therefore can significantly influence the operations of both entities.

### Management services

On December 29, 2012, Globex entered into a Management Services Agreement with CIM under which the Corporation agreed to provide management services including administrative, compliance, corporate secretarial, risk management support and advisory services to CIM.

Management services income of \$nil and \$3,951, respectively for the three and nine months ended September 30, 2020 (three and nine months ended September 30, 2019 - \$1,849 and \$4,982, 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 President and CEO, Executive Vice-President, Chief Financial Officer, Treasurer and Corporate Secretary) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Management compensation				
Salaries and other benefits	\$ 43,848	\$ 43,841	\$ 135,079	\$ 135,963
Professional fees and outside services (i)	19,827	22,451	68,841	60,689
Fair value of share-based compensation	-	-	-	135,728
	<b>\$ 63,675</b>	<b>\$ 66,292</b>	<b>\$ 203,920</b>	<b>\$ 332,380</b>

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# GLOBAL MINING ENTERPRISES INC.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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### 18. Related Party Information (Continued)

#### Management compensation (continued)

(i) In the three and nine months ended September 30, 2020, management consulting fees of \$19,827 and \$68,841, respectively (three and nine months ended September 30, 2019 - \$22,451 and \$60,689, respectively) were paid to the Chief Financial Officer and the Corporate Secretary. They were appointed on September 20, 2017. As at September 30, 2020, the balance due to Chief Financial Officer and Corporate Secretary is \$2,883 (December 31, 2019 - \$12,815) which is included in payables and accruals due under normal credit terms.

### 19. Supplementary Cash Flows Information

	September 30, 2020	September 30, 2019
<b>Changes in non-cash working capital items</b>		
Accounts receivable	\$ (92,007)	\$ 75,160
Prepaid expenses and deposits	(102,446)	(33,315)
Current tax receivable	108,607	-
Payables and accruals	42,431	(96,895)
Current tax payable	-	(174,527)
	<b>\$ (43,415)</b>	<b>\$ (229,577)</b>
	September 30, 2020	September 30, 2019
<b>Non-cash operating and investing activities</b>		
Disposal of mineral properties for investments	\$ 3,817,500	\$ 579,495
Shares issued for mineral properties	68,750	60,000
	<b>\$ 3,886,250</b>	<b>\$ 639,495</b>

### 20. Canada Emergency Wage Subsidy

In response to COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to a maximum per employee, to eligible employers based on meeting certain eligibility criteria. The Corporation has determined that it has qualified for this subsidy. The Corporation has recognized the government grant as there is reasonable assurance that it will comply with the eligibility criteria and that the subsidy will be received. Included in salaries expense for the three and nine months ended September 30, 2020 is \$46,477 and \$184,978, respectively relating to the CEWS program in order to reduce the expense that the grant is intended to offset.

### 21. Commitments and Contingencies

At year end, the Corporation had no outstanding commitments other than its commitment to incur qualified exploration expenditures to meet its flow-through obligations as described in notes 5 and 12. 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 September 30, 2020, the Corporation is committed to incurring approximately \$0.3 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2020 arising from the flow-through offerings.

The Department of Finance Canada and Revenu Québec is considering to extend, by 12 months, the period to incur eligible flow-through share expenses.

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# **GLOBEX MINING ENTERPRISES INC.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**September 30, 2020**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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### **22. Subsequent Events**

(i) Subsequent to September 30, 2020, 14,170 common shares of Globex were purchased for cash consideration of \$9,541 in accordance with the NCIB completing the buyback.

(ii) On October 19, 2020, 100,000 stock options with an exercise price of \$0.34 and an expiry date of November 29, 2024 were exercised for gross proceeds of \$34,000 and on October 29, 2020, 255,000 stock options with an exercise price of \$0.285 were exercised for gross proceeds of \$72,675.