



# GLOBEX

## **GLOBEX MINING ENTERPRISES INC.**

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

**YEARS ENDED DECEMBER 31, 2019**

**(EXPRESSED IN CANADIAN DOLLARS)**

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GMX – Toronto Stock Exchange

G1MN – Frankfurt Stock Exchange

GLBXF – OTCQX International, USA

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

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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**", "**we**" or "**Globex**") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the year ended December 31, 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 audited consolidated financial statements of the Corporation for the years ended December 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Corporation's 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 March 20, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Corporation'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, 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) and 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.

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

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

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

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

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

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

- a series of annual cash and/or share payments,

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

---

- an exploration work commitment, as well as
- a Gross Metal Royalty ("**GMR**").

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

Our current mineral portfolio consists of approximately 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, vanadium, antimony, rare earths and associated elements) and **Industrial Minerals** (mica, silica, feldspar, pyrophyllite, kaolin as well as talc and magnesite).

Globex was incorporated in the Province of Quebec and following the approval of shareholders on June 12, 2014, it was continued under the Canada Business Corporations Act, effective October 28, 2014. The head office is at 89 Belsize Drive, Toronto, Ontario M4S 1L3 and the principal business office is at 86 14<sup>th</sup> Street, Rouyn-Noranda, Quebec, J9X 2J1, Canada.

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

### **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.

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

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

<b>Summary of Metal Prices</b>					
<b>Current Prices with Comparative (2015 – 2018)</b>					
<b>Commodities</b>	<b>2019 (USD)</b>	<b>2018 (USD)</b>	<b>2017 (USD)</b>	<b>2016 (USD)</b>	<b>2015 (USD)</b>
Gold (\$/oz)	1,516.80	1,280.40	1,291.00	1,145.00	1,060.00
Silver (\$/oz)	17.82	15.43	16.87	16.24	13.83
Nickel (\$/pound)	6.32	4.81	5.67	4.53	4.00
Copper (\$/pound)	2.79	2.72	3.26	2.50	2.13
Zinc (\$/pound)	1.03	1.15	1.50	1.16	0.73

### **Financial and Operating Highlights**

#### **Corporate**

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 on that date.

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.

On September 24, 2019, Globex announced that it optioned the Bräunsdorf Exploration License in Saxony Germany to Excellon Resources Inc. ("**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 and \$550,000 in Excellon shares. Excellon will undertake Globex's current year

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

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 of the property, an 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 announced 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.

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 the previous day.

### **Revenues**

In the year ended December 31, 2019, Globex reported option income and advance royalties of \$1,191,995 which consisted of cash receipts of \$500,000 and shares in optionee corporations with a fair market value of \$691,995.

- 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 \$262,500 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 Corporation ("**NSGold**") in connection with the option of the Mooseland Gold Property, Nova Scotia.
- On September 23, 2019, Globex received a cash payment of \$100,000 from Excellon Resources Inc. ("**Excellon**") in connection with the options in Europe. On October 17, 2019, Globex received 226,837 common shares with a fair market value of \$225,000 from Excellon in connection with the options in Europe.
- On October 25, 2019, Globex received a cash payment of \$140,000 from Chalice Gold Mines (Quebec) Inc. in connection with the option of the Nordeau Property.
- On November 29, 2019, Globex received a cash payment of \$50,000 in connection with the Tres-Or Resources Property, Duvay (5 claims), Quebec.

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

During the year ended December 31, 2019, Globex recorded metal royalty income of \$1,100,152 from Nyrstar Mid-Tennessee Mines ("Nyrstar").

**Mineral Property Acquisitions**

During the year ended December 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.

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

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

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

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

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

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

On July 23, 2019, Globex announced that it acquired 100% interest in the Standard Gold Property located in Duverny 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), subject to the normal four month hold period.

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

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 (received - 226,837 shares valued at \$225,000). 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 of the property, an 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.

### **Trends**

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

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

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

### **Outlook**

The Economic Environment and Corporate Focus 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 December 31, 2019, our option/sale income and advance royalties were reported at \$1,191,995 as compared to \$1,234,985 in 2018. We have continued our marketing efforts and are projecting option revenues in excess of \$1 million for 2020 based on existing contracts and market conditions.

During the first quarter of 2020, the price of metals and minerals other than precious metals decreased adding pressure on exploration activities.

As described under the section "Liquidity and Capital Resources", Globex anticipates receiving towards the end of 2020 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, pandemics and world economic factors.

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

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.

**Selected Annual Financial Information**

	<b>Year Ended December 31, 2019 (\$)</b>	<b>Year Ended December 31, 2018 (\$)</b>	<b>Year Ended December 31, 2017 (\$)</b>
Option and metal royalty income	2,292,147	3,050,420	3,963,315
Management services	7,054	12,335	53,028
Other income (expenses)	(38,860)	(538,198)	(280,563)
Joint venture income (loss)	nil	(1,338)	(2,214)
Total expenses	3,416,012	2,540,476	2,887,317
Income (loss) before taxes	(1,162,725)	(28,254)	795,435
Income tax expense (recovery)	(116,613)	67,373	40,549
Net (loss) income	(1,046,112)	(95,627)	754,886
Net (loss) income per share - basic	(0.02)	(0.00)	0.02
Net (loss) income per share - diluted	(0.02)	(0.00)	0.01
	<b>As at December 31, 2019 (\$)</b>	<b>As at December 31, 2018 (\$)</b>	<b>As at December 31, 2017 (\$)</b>
Total assets	5,797,829	5,859,955	5,463,693
Total non-current liabilities	1,039,794	930,012	1,031,142
Distribution or cash dividends	nil	nil	nil

- The net loss for the year ended December 31, 2019, consisted primarily of exploration and evaluation expenditures of \$1,734,098, salaries of \$341,449, professional fees and outside services of \$422,259, administrative expenses of \$500,012, share-based compensation of \$257,571, loss on foreign exchange of \$131,127 and decrease in fair value of financial assets of \$122,578. This was offset by revenues of \$2,292,147, gain on the sale of investments of \$9,993, gain on sale of property, plant and equipment of \$7,000, interest and dividend of \$57,846 and income tax recovery of \$116,613.
- The net loss for the year ended December 31, 2018, consisted primarily of exploration and evaluation expenditures of \$1,428,395, salaries of \$421,046, professional fees and outside services of \$380,512, administrative expenses of \$333,580, share-based compensation of \$113,146, income tax expense of \$67,373 and decrease in fair value of financial assets of \$657,977. This was offset by revenues of \$3,050,420, gain on foreign exchange of \$157,126, gain on the sale of investments of \$82,485 and interest and dividend of \$25,648.



**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

- The net income for the year ended December 31, 2017, consisted primarily of revenues of \$3,963,315 and management services of \$53,028. This was offset by exploration and evaluation expenditures of \$1,564,867, salaries of \$506,617, professional fees and outside services of \$424,034, administrative expenses of \$345,030, income tax expense of \$40,549, loss on the sale of investments of \$213,227 and decrease in fair value of financial assets of \$143,282.

### **Investment Strategies and Oversight**

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

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

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

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

### **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 December 31, 2019, the Corporation does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

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

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

### **Proposed Transactions**

There are no proposed 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.

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

**Selected Quarterly Information**

Three Months Ended	Total Revenue (\$)	Profit or Loss			Total Assets (\$)
		Total (\$)	Basic Loss Per Share (\$)	Diluted Loss Per Share (\$)	
2018-March 31	1,127,704	419,075 <sup>(1)</sup>	0.01	0.01	5,965,964
2018-June 30	569,065	(336,088) <sup>(2)</sup>	(0.01)	(0.01)	5,590,679
2018-September 30	451,294	(457,652) <sup>(3)</sup>	(0.01)	(0.01)	5,713,016
2018-December 31	902,357	279,038 <sup>(4)</sup>	0.01	0.01	5,859,955
2019-March 31	559,968	(188,038) <sup>(5)</sup>	(0.00)	(0.00)	5,247,089
2019-June 30	963,994	(70,632) <sup>(6)</sup>	(0.00)	(0.00)	5,206,735
2019-September 30	218,126	(482,585) <sup>(7)</sup>	(0.01)	(0.01)	5,890,738
2019-December 31	550,059	(304,857) <sup>(8)</sup>	(0.01)	(0.01)	5,797,829

<sup>(1)</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 expenses of \$98,501, decrease in fair value of financial assets of \$130,252 and income tax expense of \$83,967.

<sup>(2)</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 expenses 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>(3)</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 expenses of \$66,952 and decrease in fair value of financial assets of \$204,340. These costs were offset by revenues of \$451,294, gain on sale of investments of \$79,186 and income tax recovery of \$49,226.

<sup>(4)</sup> Net income of \$279,038 principally relates to revenues of \$902,357 and gain on foreign exchange of \$1,999. This income was offset by exploration and evaluation expenditures of \$293,376, salaries of \$173,116, professional fees and outside services of \$83,132 and administration expenses of \$68,644.

<sup>(5)</sup> 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.

<sup>(6)</sup> 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 expenses of \$92,871 and decrease in fair value of financial assets of \$79,426. These costs were offset by revenues of \$963,994,

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

---

interest and dividends of \$3,623, management services of \$2,288 and gain on the sale of investments of \$1,581.

(7) 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 expenses 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.

(8) Net loss of \$304,857 principally relates to exploration and evaluation expenditures of \$605,838, salaries of \$103,817, professional fees and outside services of \$105,390, administration expenses of \$65,258 and decrease in fair value of financial assets of \$88,881. These costs were offset by revenues of \$550,059, interest and dividends of \$39,052, management services of \$2,072, gain on the sale of investments of \$2,466 and gain on sale of property, plant and equipment of \$7,000.

### **Results of Operations**

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

The Corporation's net loss totaled \$304,857 for the three months ended December 31, 2019, with basic and diluted loss per share of \$0.01. This compares with a net income of \$279,038 with basic and diluted income per share of \$0.01 for the three months ended December 31, 2018. The increase in net loss was principally due to:

- Revenues decreased to \$550,059 for the three months ended December 31, 2019 compared to \$902,357 for the three months ended December 31, 2018.
  - In the three months ended December 31, 2019, Globex reported option income and advances royalties of \$252,500 (three months ended December 31, 2018 – \$644,985).
  - During the three months ended December 31, 2019, Globex recorded metal royalty income of \$297,559 (three months ended December 31, 2018 - \$257,372) 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 increased to \$605,838 for the three months ended December 31, 2019, compared to \$293,376 for the three months ended December 31, 2018. The increase 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 three months ended December 31, 2019, to \$105,390 compared with \$83,132 for the three months ended December 31, 2018, primarily due to higher corporate activity requiring external professional support services. Professional fees and outside services consisted of investor relations, audit and accounting fees, management consulting, other professional fees, legal fees and filing fees.

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

---

- Administration fees decreased in the three months ended December 31, 2019 to \$65,258 compared with \$68,644 for the three months ended December 31, 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 increased in the three months ended December 31, 2019 to \$24,323 compared with \$nil for the three months ended December 31, 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 increased in the three months ended December 31, 2019 to \$2,466 compared with \$1,999 for the three months ended December 31, 2018.
- Decrease in fair value of financial assets decreased in the three months ended December 31, 2019 to \$88,881 compared with a decrease of \$125,359 for the three months ended December 31, 2018. The decrease in loss was due to the change in fair value of investments.
- Gain on sale of property, plant and equipment increased in the three months ended December 31, 2019 to \$7,000 compared with \$nil for the three months ended December 31, 2018. The increase is due to the sale of 2 vehicles during the three months ended December 31, 2019.
- Income tax recovery increased in the three months ended December 31, 2019 to \$155,454 compared to recovery of \$6,265 for the three months ended December 31, 2018. Income tax 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.

**Year ended December 31, 2019, compared with year ended December 31, 2018**

The Corporation's net loss totaled \$1,046,112 for the year ended December 31, 2019, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$95,627 with basic and diluted loss per share of \$0.00 for the year ended December 31, 2018. The increase in net loss was principally due to:

- Revenues decreased to \$2,292,147 for the year ended December 31, 2019 compared to \$3,050,420 for the year ended December 31, 2018.
  - In the year ended December 31, 2019, Globex reported option income and advance royalties of \$1,191,995 (year ended December 31, 2018 – \$1,234,985).

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

---

- During the year ended December 31, 2019, Globex recorded metal royalty income of \$1,100,152 (year ended December 31, 2018 - \$1,815,435) from Nyrstar.
- Exploration and evaluation expenditures increased to \$1,734,098 for the year ended December 31, 2019, compared to \$1,428,395 for the year ended December 31, 2018. The increase 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 year ended December 31, 2019 to \$422,259 compared with \$380,512 for the year ended December 31, 2018, primarily due to higher corporate activity requiring external professional support services. Professional fees and outside services consisted of investor relations, audit and accounting fees, management consulting, other professional fees, legal fees and filing fees.
- Administration fees increased in the year ended December 31, 2019 to \$500,012 compared with \$333,580 for the year ended December 31, 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 year ended December 31, 2019 to \$257,571 compared with \$113,146 for the year ended December 31, 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 year ended December 31, 2019 to \$9,993 compared with \$82,485 for the year ended December 31, 2018.
- Decrease in fair value of financial assets decreased in the year ended December 31, 2019 to \$122,578 compared with a decrease of \$657,977 for the year ended December 31, 2018. The decrease in loss was due to the change in fair value of investments.
- Gain on sale of property, plant and equipment increased in the year ended December 31, 2019 to \$7,000 compared with \$nil for the year ended December 31, 2018. The increase is due to the sale of 2 vehicles during the year ended December 31, 2019.
- Income tax recovery increased in the year ended December 31, 2019 to \$116,613 compared to expense of \$67,373 for the year ended December 31, 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.

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

- All other expenses related to general working capital purposes.

The Corporation's total assets at December 31, 2019 were \$5,797,829 (December 31, 2018 - \$5,859,955) against total liabilities of \$1,169,950 (December 31, 2018 - \$1,306,534). The decrease in total assets of \$62,126 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 \$244,325 and exploration and evaluation expenditures and operating costs. The Corporation has sufficient current assets to pay its existing liabilities of \$1,169,950 at December 31, 2019. Liabilities include "flow-through" share liability of \$145,304 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, 2020.

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 December 31, 2019, the Corporation is committed to incurring approximately \$1.2 million in Canadian Exploration Expenses (as such term is defined in the Income Tax Act (Canada)) by December 31, 2020, arising from the "flow-through" share offerings.

### **Liquidity and Capital Resources**

At December 31, 2019, the Corporation had cash and cash equivalents of \$1,610,513 (December 31, 2018 - \$2,704,326) and cash reserved for exploration of \$1,239,999 (December 31, 2018 - \$743,873). In addition, it had investments with a fair market value of \$1,416,169 (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 \$4,477,875 at December 31, 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 2020 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 2020. 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.

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 Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

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

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

Cash Flow

During the year ended December 31, 2019, operating activities used \$1,453,987 (December 31, 2018 – used \$212,591), financing activities generated \$846,955 (December 31, 2018 – generated \$610,211) and investing activities generated \$102,601 (December 31, 2018 – generated \$366,845).

Operating, financing and investing activities as well as the effect of exchange rate changes on cash held in foreign currencies during the year ended December 31, 2019 resulted in a decrease in cash and cash equivalents of \$411,175 (December 31, 2018 – increase of \$921,431).

**Qualified Person**

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

**Mineral Exploration Properties**

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

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

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

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

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

Exploration expenditures for the year ended December 31, 2019 totaled \$1,734,098 (2018 - \$1,428,395). During the year ended December 31, 2019 and 2018, exploration and evaluation expenditures were incurred on the various projects as follows:

	<b>Year Ended December 31, 2019 (\$)</b>	<b>Year Ended December 31, 2018 (\$)</b>
<b>Ontario</b>		
Timmins Talc-Magnesite (Deloro)	18,795	16,108
Laguerre-Knutson (Hearst, McVittie twps)	22,870	nil
Other projects	15,276	17,349
<b>Total</b>	<b>56,941</b>	<b>33,457</b>

	<b>Year Ended December 31, 2019 (\$)</b>	<b>Year Ended December 31, 2018 (\$)</b>
<b>Québec</b>		
Black Dog South (Stuart)	5,463	5,131
Dalhousie (Bourboux)	1,967	103,147
Depletion (Guyenne)	13,580	nil
Discloflo (Desjardins)	14,553	nil
Fabie Bay / Magusi (Hebecourt, Montbray)	48,949	32,168
Francoeur (Beauchastel)	791,362	285,654
Great Plains (Clermont)	980	16,992
Joutel (Joutel)	18,835	nil
Hunter East (Duparquet)	196	26,307
Kelly Lake (Blondeau)	17,370	7,794
Lac Ontario (St-Urbain)	28,290	25,355
Lac Savignac (Northern Quebec)	12,619	10,251
Lyndhurst (Destor/Poularies)	20,017	26,539
McNeely (Lacome)	19,344	nil
Moly Hill (La Motte)	18,697	15,211
New Richmond (New Richmond)	263	44,633
Pandora-Wood & Central Cadillac (Cadillac)	10,418	105,889
Pyrox (Clairy)	3,407	68,636



**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

Shortt Lake Mine	2,566	29,741
Silidor Mine	2,450	10,328
Smith-Zulapa-Vianor (Tiblemont)	12,852	nil
Standard Gold (Duverny)	66,491	nil
Tonnancour (Tonnancour, Josselin)	23,812	393
Trinity (Lamorandiere)	nil	11,971
Windfall East (Bressami)	12,837	7,147
Other projects	168,787	298,150
Quebec general exploration	197,562	191,093
<b>Total</b>	<b>1,513,667</b>	<b>1,322,350</b>

	<b>Year Ended December 31, 2019 (\$)</b>	<b>Year Ended December 31, 2018 (\$)</b>
<b>Other regions</b>		
Nova Scotia	8,240	811
New Brunswick	4,465	9,410
Canada (others)	125	325
Europe	149,137	39,441
Other including Bell Mountain (USA)	1,523	22,601
<b>Total</b>	<b>163,490</b>	<b>72,588</b>

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

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

<b>Expenditures</b>	<b>Year Ended December 31, 2019 (\$)</b>	<b>Year Ended December 31, 2018 (\$)</b>
Consulting	149,272	122,266
Core shack, storage and equipment	200	nil
Drilling	157,773	nil
Environmental	nil	34,573
Geology	5,938	53,048
Geophysics	151,612	44,495
Laboratory analysis and sampling	64,475	38,593
Labour	684,146	727,485
Line cutting	7,199	19,169
Mineral property acquisitions	90,953	141,670
Mining property tax, permits and prospecting	52,909	152,467
Rehabilitation	266,315	nil
Reports, maps and supplies	49,424	37,706
Transport and road access	53,882	56,923
<b>Total</b>	<b>1,734,098</b>	<b>1,428,395</b>

***Quebec projects***

During the year ended December 31, 2019, exploration expenditures totalling \$1,734,098 were incurred on Quebec projects.

Projects on which the largest expenditures were incurred during the year ended 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 to 26, 2019, eight drill holes totalling 1,656 metres were completed in the area of the 450 Gold Zone and on the Main and South Shear, a total of 636

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

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 drill holes totalling 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. Drilling results were disclosed in a November 26, 2019 press release. Holes FS-19-57, FS-19-58 and FS-19-59 were drilled in the area of the 450 Zone and intersected respectively 3.56 g/t Au over 2.4 m, 1.11 g/t Au over 14.25 m (including 5.25 g/t Au over 1.5 m) and 1.47 g/t Au over 13.5 m (including 2.83 g/t Au over 4.5 m). One of the two holes drilled in the area of the Arntfield shaft #2 returned 1.45 g/t Au over 21.3 m (including 4.42 g/t Au over 3.0 m). One of the two holes testing an IP anomaly on the possible west extension of the South Shear returned 2.02 g/t Au over 1.4 m. Finally, FS-19 56 drilled above historical hole FS-05-26 that reported 1.13 g/t Au over 24.7 m (including 1.61 g/t Au over 13.3 m intersected 1.81 g/t Au over 11.0 m (including 3.45 g/t Au over 3.4 m).

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 recently acquired projects.

Joutel Copper (Joutel) twp)

In September 2019, prospection was completed in the central eastern part of the property for assessment credits.

Kelly Lake (Blondeau twp)

During the summer, 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 (NI 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.

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

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 Beaupré twp)

From June 10 to June 18, 2019, Geosig Inc. performed a ground gravimetric survey on Globex's 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. Drilling is planned for the spring of 2020.

***New Brunswick projects***

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

***Mineral property acquisitions***

During the year ended December 31, 2019, Globex spent \$90,953 on property acquisitions.

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

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

During the year ended December 31, 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 subsidiary Chalice Gold Mines (Quebec) Inc. to Chantrell Ventures Corp. (renamed O3 Mining Inc.) Chalice Gold Mines (Quebec) Inc. holds the underlying Option Agreement on the East Cadillac Gold Project with Globex, including the Nordeau properties.

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

On March 4, 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 July 11, 2019, Manganese X Energy presented updates and goals for its 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 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.

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, 2019).

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

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

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 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 had 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's press release dated September 24, 2019.

**Sales and option income for the year ended December 31, 2019**

<b>Property, Agreements Summary</b>	<b>Cash (\$)</b>	<b>Shares (\$)</b>
<b>Option and sale payments under Agreements and advance royalties</b>		
Tres-Or Resources Ltd., Duvay Property, Quebec, cash of \$60,000	60,000	-
Renforth, Parbec Property, Quebec, cash payment of \$200,000 and 7,750,000 common shares with a fair market value of \$275,000	200,000	275,000
Excellon, options in Europe, cash payment of \$100,000 and 226,837 common shares with a fair market value of \$225,000	100,000	225,000
Chalice Gold Mines (Quebec) Inc., Nordeau Property, Quebec, cash payment of \$140,000	140,000	-
NSGold, 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>500,000</b>	<b>691,995</b>

In the year ended December 31, 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 royalties of \$1,191,995 consisted of cash receipts of \$500,000 and shares in optionee corporations with a fair value of \$691,995.

In the year ended December 31, 2018, the Corporation generated sales, option income and advance royalties from seven ongoing agreements. The sales, option income and advance royalties of \$1,234,985

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

consisted of cash receipts of \$787,485 and shares in optionee corporations with a fair market value of \$447,500.

### **Royalties**

At December 31, 2019, 58 royalty arrangements were in effect at various stages. During the year ended December 31, 2019, Globex added one new royalty arrangement as described in the previous section.

<b>Property, Township, Province</b>	<b>Royalty Interests</b>
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 20, 2020 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.

### **Capital Risk Management**

The Corporation manages its share capital, warrants, contributed surplus and deficit as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objective of enhancing projects, properties or the development of properties to the benefit of all stakeholders. As a Canadian exploration corporation, its principal sources of funds consist of:

(a) Option income on properties; (b) metal royalty income; (c) investment income; (d) proceeds from the issuance of common and "flow-through" shares and (e) other working capital items. The Corporation manages the capital structure and makes adjustments to it in light of operating results in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation issues shares, enters into joint venture property arrangements or disposes of properties.

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

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

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

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

---

The Corporation's overall strategy remains unchanged from 2018.

The Corporation may need additional capital resources to complete or carry out its exploration and development plans beyond the next twelve months. The Corporation continually considers a number of options including the optioning and sale of properties as well as other financing activities.

**Financial Risk Management Objectives**

The Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, equity market risk, currency risk and fair value measurements recognized in the consolidated statement of financial position.

**(a) Credit risk**

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totaled \$2,850,512 as at December 31, 2019, (December 31, 2018 - \$3,448,199). These funds are subject to a combination of the \$100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("**CDIC**"): CDIC, a federal Crown Corporation, as well as a guarantee of \$1,000,000 provided by the Canadian Investors Protection Fund.

The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and cash equivalents and cash reserved for exploration are in place with major Canadian financial institutions. 40% of accounts receivable should be reflected as an increase in credit risk but as a result of this amount not being significant to the consolidated financial statements as a whole, the increased credit risk has not been recorded as an expected credit loss.

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

The maximum exposure to credit risk was:

	<b>December 31, 2019 (\$)</b>	<b>December 31, 2018 (\$)</b>
Cash and cash equivalents	1,610,513	2,704,326
Cash reserved for exploration	1,239,999	743,873
Investments	1,416,169	904,544
Accounts receivable (less taxes receivable)	91,591	203,215
Related party receivable	33,301	nil
<b>Total</b>	<b>4,391,573</b>	<b>4,555,958</b>



**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

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	December 31, 2019 (\$)	December 31, 2018 (\$)
Less than 3 months	47,529	163,707
Greater than 3 months	48,171	43,617
Allowance for doubtful accounts	(4,109)	(4,109)
<b>Total</b>	<b>91,591</b>	<b>203,215</b>

**(b) Liquidity risk**

Liquidity risk represents the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through its capital structure and by continuously monitoring actual and projected cash flows. The Corporation finances its exploration activities through "flow-through" shares, operating cash flows and the utilization of its liquidity reserves.

The Board reviews and approves the Corporation's operating and capital budgets, as well as any material transactions out of the ordinary course of business.

Contractual maturities of financial liabilities are as follows; payables and accruals less than one year; restoration liabilities over one year; and related party liabilities from future free cash flow.

**(c) Commodity price risk**

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

Globex is entitled to a GMR for zinc production from the Nyrstar Tennessee Gordonsville facility. Under this agreement, if the LME zinc sale price is at or above USD \$ 0.90 per pound, but below USD \$1.10 per pound, 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. With a zinc price at USD \$1.03 per pound at December 31, 2019, the Corporation believes that zinc price would need to drop dramatically before having a significant impact on the profitability.

**(d) Equity market risk**

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in a number of optionee companies which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets with a current fair market value of \$1,416,169 (December 31, 2018 - \$904,544). Based on the balance outstanding at December 31, 2019, a 10% increase or decrease would impact income and loss by \$122,853 (December 31, 2018 - \$78,469).

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

**(e) Currency risk**

Globex receives US dollar GMR payments from the Nyrstar's zinc operations in Tennessee if the zinc price is greater than USD \$0.90 per pound. It is required to pay U.S. tax on these receipts. Globex's practice is to convert the U.S. dollars to Canadian dollars as the funds are received after retaining sufficient funds to meet its U.S. dollar tax obligations. The Corporation has not entered into any foreign currency contracts to hedge its exposure to the currency risk.

Assets and liabilities in foreign currency are as follows:

	<b>December 31, 2019 (USD)</b>	<b>December 31, 2018 (USD)</b>
Cash and cash equivalents	1,425,934	1,430,862
Accounts receivable	22,055	66,791
Reclamation bonds	112,132	112,132
<b>Total</b>	<b>1,560,121</b>	<b>1,609,785</b>

During the year ended December 31, 2019, Globex received royalty payments of \$1,100,152 (USD \$829,114) (2018 - \$1,815,435; USD \$1,401,123) and recorded a current tax expense of \$275,038 (USD - \$207,279) (2018 - \$453,861; USD - \$350,282).

The following table shows the estimated sensitivity of the Corporation's financial instruments for the year ended December 31, 2019 from a change in U.S. dollars with all other variables held constant as at December 31, 2019:

<b>Percentage of change in closing exchange rate</b>	<b>Impact on net loss from % increase in exchange rate</b>	<b>Impact on net loss from % decrease in exchange rate</b>
2%	31,202	(31,202)
4%	62,405	(62,405)
6%	93,607	(93,607)
8%	124,810	(124,810)
10%	156,012	(156,012)

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

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

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

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

				<b>Total financial assets at fair value</b>
<b>December 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Cash and cash equivalents	nil	1,610,513	nil	1,610,513
Cash reserved for exploration	nil	1,239,999	nil	1,239,999
Investments	1,416,169	nil	nil	1,416,169
<b>Total</b>	<b>1,416,169</b>	<b>2,850,512</b>	<b>nil</b>	<b>4,266,681</b>

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

				<b>Total financial assets at fair value</b>
<b>December 31, 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Cash and cash equivalents	nil	2,704,326	nil	2,704,326
Cash reserved for exploration	nil	743,873	nil	743,873
Investments	904,544	nil	nil	904,544
<b>Total</b>	<b>904,544</b>	<b>3,448,199</b>	<b>nil</b>	<b>4,352,743</b>

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

For all other financial assets and liabilities, the fair value is equal to the carrying value.

The fair values of the Corporation's cash and cash equivalents, cash reserved for exploration, accounts receivable, payables and accruals approximate their carrying values due to their short-term nature. The fair value of the Corporation's reclamation bonds approximates the carrying value since the carrying value is increased by the accrued interest earned during the year. Investments has been adjusted to reflect the fair market value at the period end based on quoted market rates.

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

**Related Party Transactions**

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Related party (receivable) payables</b>		
Jack Stoch Geoconsultant Services Limited ("GJSL")	(1,084)	(6,717)
Chibougamau Independent Mines Inc.	(32,217)	(1,443)
Duparquet Assets Limited	-	76,208
<b>Total</b>	<b>(33,301)</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 consolidated statement of cash flows, there was a net cash decrease of \$101,349 (year ended December 31, 2018 - increase of \$10,358) in the related party net payables during the year ended December 31, 2019.

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

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

**Management services**

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

Management services income of \$7,054 for the year ended December 31, 2019 (year ended December 31, 2018 - \$12,335) 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) and Chief Financial Officer ("CFO"), Treasurer and Corporate Secretary) are as follows:

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

	Year Ended December 31, 2019 (\$)	Year Ended December 31, 2018 (\$)
<b>Management compensation</b>		
Salaries and other benefits	179,810	208,831
Professional fees and outside services (i)	90,966	75,545
Fair value of share-based compensation	135,728	36,160
<b>Total</b>	<b>406,504</b>	<b>320,536</b>

(i) In year ended December 31, 2019, management consulting fees of \$90,966 (year ended December 31, 2018 - \$75,545) were paid to the CFO and the Corporate Secretary. They were appointed on September 20, 2017. As at December 31, 2019, the balance due to CFO and Corporate Secretary is \$12,815 (December 31, 2018 - \$3,162) which is included in payables and accruals due under normal credit terms.

**New Standards Adopted During The Year**

*IFRS 16, Leases ("IFRS 16"):*

On January 13, 2016, the IASB issued IFRS 16. The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 - Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. Management early adopted this Standard as at January 1, 2017 which resulted in no material impact on the consolidated financial statements.

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

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

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

The amendments to IAS 28, Investments in Associates and Joint Ventures clarify that companies account for long-term interests in an associate or joint venture to which the equity method is not applied using IFRS 9.

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 consolidated financial statements.

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

*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 consolidated financial statements.

**Share Capital**

As at the date of this MD&A, the Corporation had 54,381,852 common shares and 2,870,000 stock options outstanding, which resulted in fully-diluted common shares of 57,251,852.

**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 year ended December 31, 2019, 841,000 common shares of Globex were purchased for cash consideration of \$244,325 in accordance with the NCIB.

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

Management is responsible for the information disclosed in this document and has in place the appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable. The CEO and the CFO have evaluated the design and effectiveness of the Corporation's disclosure controls and procedures as defined in the rules of the Canadian Securities Administrators as at December 31, 2019.

Based on that evaluation, they have concluded that the Corporation's disclosure controls and procedures for the year ending December 31, 2019, were appropriately designed and operating effectively.

**Internal Controls Over Financial Reporting ("ICFR")**

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

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

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

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

---

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Corporation are being made only in accordance with the authorization of management and directors of the Corporation; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Corporation's assets that could have a material effect on the financial statements.

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

During the year ended December 31, 2019, and as at December 31, 2018, the CEO and CFO have participated in the evaluation of the design of ICFR based on criteria established in the Committee of Sponsoring Organizations Internal Control Framework (2013).

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

During the quarter ended December 31, 2019, there have been no material changes in the Corporation's ICFR that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

### **Risks and Uncertainties**

The Corporation, like all other mining exploration companies, is exposed to a variety of financial and environmental risks as well as operational and safety risks. It is also subject to risks related to other factors, such as metal prices and financial market conditions. The main risks to which the Corporation is exposed are as follows:

#### **Financing Risk**

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

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

#### **Financial Market Risk**

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

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

---

**Volatility of Stock Price and Limited Liquidity**

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

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

**Permits and Licenses**

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

**Government Laws and Regulations**

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

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

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

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

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



### **Aboriginal rights and duty to consult**

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

### **Environmental Risks**

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

### **Title Matters**

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

### **Metal Prices**

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

### **Key Personnel**

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

### **Public Health Crises**

The Corporation faces risks related to pandemics and epidemics, such as the outbreak of the coronavirus that surfaced in December 2019 in Wuhan, Hubei Province, China and has spread to other countries around the world, including Canada and the United States, which could significantly disrupt the Corporation's operations and may materially and adversely affect its business and financial condition. The extent to which the coronavirus impacts the Corporation's business, including its operations and the market for its securities, will depend on future developments which are highly uncertain and cannot be

**Globex Mining Enterprises Inc.**  
**Management’s Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

predicted at this time, including the duration, severity and scope of the coronavirus outbreak and the actions taken by various government authorities to contain or treat the outbreak. In particular, the continued spread of the coronavirus could materially and adversely impact the Corporation’s business, including without limitation, employee health, workforce productivity, increased insurance premiums and medical costs, restrictions on travel by the Corporation’s personnel and by the personnel of the Corporation’s various optionees, the availability of industry experts and personnel, restrictions on drilling programs by the Corporation’s optionees and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Corporation’s control, all or some of which may have a material adverse effect on the Corporation’s business, financial condition and results of operations.

In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Corporation’s business, financial condition and results of operations.

**Cautionary Note Regarding Forward-Looking Statements**

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

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
Regardless of whether the Corporation discovers a significant precious or base metal deposit, its working capital of \$4,477,875 at December 31, 2019 is anticipated to be adequate for it to continue operations for the twelve-month period ending December 31, 2020	The operating and exploration activities of the Corporation for the twelve-month period ending December 31, 2020, and the costs associated therewith, will be consistent with the Corporation’s current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Corporation	Unforeseen costs to the Corporation will arise; any particular operating cost increase or decrease from the date of the estimation; changes in operating and exploration activities; changes in economic conditions; timing of expenditures
The Corporation’s properties may contain economic deposits of minerals	The actual results of the Corporation’s exploration and development activities will be favourable; operating, exploration and development costs will not	Commodity price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure

**Globex Mining Enterprises Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2019  
Dated: March 20, 2020**

Forward-looking statements	Assumptions	Risk factors
	<p>exceed the Corporation's expectations; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Corporation, and applicable political and economic conditions are favourable to the Corporation; the price of applicable commodities and applicable interest and exchange rates will be favourable to the Corporation; no title disputes exist or will arise with respect to the Corporation's properties; and the Corporation has or will obtain adequate property rights to support its exploration and development activities</p>	<p>necessary property rights; the possibility that future exploration results will not be consistent with the Corporation's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>
<p>The Corporation's anticipated business plans, including costs and timing for future exploration on its property interests and acquisitions of additional mineral resource properties or interests therein</p>	<p>The exploration activities of the Corporation and the costs associated therewith, will be consistent with the Corporation's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Corporation; financing will be available for the Corporation's exploration and development activities on favourable terms; the Corporation will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Corporation; the Corporation will not be adversely affected by market competition; the price of applicable commodities will be favourable to the Corporation; no title disputes exist or will arise with</p>	<p>Commodity price volatility; changes in the condition of debt and equity markets; timing and availability of external financing on acceptable terms may not be as anticipated; the uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Corporation's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Corporation may be unable to retain and attract skilled staff; receipt of applicable permits is subject to governmental and/or</p>

**Globex Mining Enterprises Inc.**  
**Management’s Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
	respect to the Corporation’s properties; the Corporation has or will obtain adequate property rights to support its exploration and development activities; and the Corporation will be able to successfully identify and negotiate new acquisition opportunities	regulatory approvals; the Corporation does not have control over the actions of its joint venture partners and/or other counterparties
Management’s outlook regarding future trends and exploration programs	Financing will be available for the Corporation’s exploration and operating activities; the price of applicable commodities will be favourable to the Corporation; the actual results of the Corporation’s exploration and development activities will be favourable; management is aware of all applicable environmental obligations	Commodity price volatility; changes in the condition of debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; the possibility that future exploration results will not be consistent with the Corporation’s expectations; changes in environmental and other applicable legislation and regulation

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

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

**Subsequent Events**

(i) Subsequent to December 31, 2019, 17,000 common shares of Globex were purchased for cash consideration of \$5,700 in accordance with the NCIB.

(ii) 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

**Globex Mining Enterprises Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2019**  
**Dated: March 20, 2020**

---

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.

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

(iv) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.