



# GLOBEX

## **GLOBEX MINING ENTERPRISES INC.**

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

**YEAR ENDED DECEMBER 31, 2020**

**(EXPRESSED IN CANADIAN DOLLARS)**

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GMX – Toronto Stock Exchange

G1MN – Frankfurt Stock Exchange

GLBXF – OTCQX International, USA

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Year Ended December 31, 2020  
Dated: March 25, 2021**

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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, 2020. 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, 2020 and 2019, 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 25, 2021, 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 and vending properties, acquiring properties which meet one or more of the following criteria:

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

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

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

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

Our current mineral portfolio consists of approximately 190 early to mid-stage exploration, development and royalty properties which contain **Base Metals** (copper, nickel, zinc, lead), **Precious Metals** (gold, silver, platinum, palladium), **Specialty Metals and Minerals** (manganese, titanium dioxide, iron, molybdenum, lithium, cobalt, scandium, antimony, rare earths and associated elements) and **Industrial Minerals** (mica, silica, feldspar, pyrophyllite, kaolin as well as talc and magnesite).

Globex was incorporated in the Province of Quebec and following the approval of shareholders on June 12, 2014, it was continued under the Canada 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, Long & Black, TTM Zero 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, Globex's 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.

Due to the worldwide COVID-19 pandemic, material uncertainties may come into existence that could influence management's going concern assumption. In particular, management cannot accurately predict the future impact that the COVID-19 pandemic may have on:

- Gold, silver, nickel, copper and zinc prices;
- Demand for gold, silver, nickel, copper and zinc and the ability to explore for gold, silver, nickel, copper and zinc;
- The severity and the length of potential measures taken by governments to manage the spread of COVID-19, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;

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- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal and Quebec provincial governments have introduced measures which to a degree impede the activities of Globex. Management believes the business will continue and accordingly the current situation bears no lasting impact on management's going concern assumption. However, it is not possible for Globex to reliably estimate the length and severity of potential developments and their impact on the financial results and condition of Globex in future periods.

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

<b>Summary of Metal Prices</b>					
<b>Current Prices with Comparative (2016 – 2020)</b>					
<b>Commodities</b>	<b>2020 (USD)</b>	<b>2019 (USD)</b>	<b>2018 (USD)</b>	<b>2017 (USD)</b>	<b>2016 (USD)</b>
Gold (\$/oz)	1,898.00	1,516.80	1,280.40	1,291.00	1,145.00
Silver (\$/oz)	26.37	17.82	15.43	16.87	16.24
Nickel (\$/pound)	7.54	6.32	4.81	5.67	4.53
Copper (\$/pound)	3.51	2.79	2.72	3.26	2.50
Zinc (\$/pound)	1.24	1.03	1.15	1.50	1.16

### **Financial and Operating Highlights**

#### **Corporate**

On June 1, 2020 and December 15, 2020, the Corporation received a \$40,000 loan and a \$20,000 loan, respectively, from a recognized Canadian financial institution from the Canada Emergency Business Account ("CEBA Loan"). The CEBA Loan bears 0% interest until December 31, 2022. If the balance is not paid by December 31, 2022, the remaining balance will be converted to a three-year term loan at 5% annual interest paid monthly, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025. No principal payments required until December 31, 2022. Principal repayments can be voluntarily made at any time without fees or penalties. \$20,000 loan forgiveness is available, provided the outstanding balance is \$60,000 at December 31, 2020, and \$40,000 is paid back between April 1, 2021 and December 31, 2022. The Corporation intends to repay the loan prior to December 31, 2022.

In response to the COVID-19 pandemic, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to a maximum amount per employee, to eligible employers based on meeting certain eligibility criteria. The Corporation has determined that it has qualified for this subsidy. The Corporation has recognized the government grant as there is reasonable assurance that it will comply with the eligibility criteria. Included in salaries expense for the year ended December 31, 2020 is \$184,978 relating to the CEWS program in order to reduce the expense that the grant is intended to offset.

On September 25, 2020, 30,000 stock options with a fair value per share of \$0.296 were exercised at an exercise price of \$0.235 per share for gross proceeds to the Corporation of \$7,050. In addition, 10,000 stock options with a fair value per share of \$0.124 were exercised at an exercise price of \$0.235 per share for gross proceeds to the Corporation of \$2,350.

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On October 19, 2020, 100,000 stock options with an exercise price of \$0.34 and an expiry date of November 29, 2024 were exercised for gross proceeds to the Corporation of \$34,000.

On October 28, 2020, 255,000 stock options with an exercise price of \$0.285 and expiry date of November 24, 2020 were exercised for gross proceeds to the Corporation of \$72,675.

On November 12, 2020, 210,000 stock options with a fair value per share of \$0.3542 were granted at an exercise price of \$0.69 per share.

On December 14, 2020, 145,000 stock options with a fair value per share of \$0.3636 were granted at an exercise price of \$0.68 per share.

**Revenues**

In the year ended December 31, 2020, Globex reported option income and advance royalties of \$6,650,077 which consisted of cash receipts of \$2,526,500 and shares in optionee corporations with a fair market value of \$4,123,577.

- On March 18, 2020, Globex received a cash payment of \$25,000 from Tres-Or Resources Ltd. in connection with the option of the Duvay Property, Duvernay Twp., Quebec.
- On June 22, 2020, Globex received a cash payment of \$500 from Marthy Hubert in connection with the option of Fontana Property, Duvernay Twp., Quebec.
- On July 2, 2020, Globex received a cash payment of \$500,000 from Electric Royalties Ltd. ("Electric Royalties") in connection with a number of non-core specialty mineral royalties. In addition, on July 13, 2020, Globex received 3,000,000 common shares with a fair value of \$795,000 from Electric Royalties.
- On July 8, 2020, Globex received a cash payment of \$80,000 from Eros Resources Corp. in connection with the Bell Mountain Property, USA.
- On July 10, 2020, Globex received a cash payment of \$5,000 from Vior Inc. in connection with the Windfall Property, Quebec.
- On July 20, 2020, Globex received 350,000 common shares with a fair value of \$444,500 from Troilus Gold Corp. in connection with the Rosario, Lac Testard Ouest, Pyrox, Lac De Maurès Est, Claudette Zone, Boulder Lake, Boulder Gold, and Lac Chix properties, Chibougamau, Quebec.
- On August 5, 2020, Globex received 400,000 common shares with a fair value of \$48,000 from Tres-Or Resources Ltd. in connection with the option of Fontana Property, Duvernay Twp., Quebec.
- On August 10, 2020, Globex received a cash payment of \$35,000 from Emgold Mining Corporation in connection with the Casa South Property, Quebec.
- On August 12, 2020, Globex received a cash payment of \$50,000 from Starr Peak Exploration Ltd. ("Starr Peak") in connection with the Normetal/Normetar copper, zinc and silver property, the Rousseau gold project and the Turgeon Lake gold property located in Northern Quebec. In addition, Globex received 1,200,000 common shares with a fair value of \$2,472,000.
- On August 19, 2020, Globex received a cash payment of \$100,000 from Osisko Mining Inc. ("Osisko Mining") in connection with the options in Windfall East Property.

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- On August 26, 2020, Globex received a cash payment of \$1,606,000 from Eldorado Gold (Quebec) Inc. in connection with the sale of the Sigma East Property, Bourlamaque Twp., Quebec.
- On September 21, 2020, Globex received a cash payment of \$100,000 from Excellon Resources Inc. in connection with the options in Europe. In addition, Globex received 65,657 common shares with a fair value of \$325,000.
- On November 23, 2020, Globex received a cash payment of \$25,000 from Enertourbe Inc. in connection with the Lac Suzanne Property, Quebec.
- On December 22, 2020, Globex received 53,846 common shares with a fair value of \$43,077 from Class 1 Nickel and Technologies Limited in connection with the options of Somanike Property.

During the year ended December 31, 2020, Globex recorded metal royalty income of \$748,488 from Nyrstar Mid-Tennessee Mines ("Nyrstar").

**Mineral Property Acquisitions and Dispositions**

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

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

On July 2, 2020, the Corporation sold a number of non-core specialty mineral royalties to a new energy centric royalty company, Electric Royalties. In exchange for the royalties or portions of royalties, Globex will receive \$500,000 and 3,000,000 shares of Electric Royalties, valued at \$795,000. Should the Authier Lithium deposit reach commercial production within six years of the date of the agreement, Globex will receive an additional \$250,000 cash payment, adjusted for inflation.

On July 7, 2020, the Corporation sold 91 claims totaling 4,960 hectares comprising the Rosario, Lac Testard Ouest, Pyrox, Lac De Maurès Est, Claudette Zone, Boulder Lake, Boulder Gold, and Lac Chix properties located approximately 80 km north of Chibougamau, Quebec to Troilus Gold Corp. In exchange for a 100% interest in the claims, Troilus Gold Corp. issued 350,000 shares to Globex (valued at \$444,500) and granted Globex a 2% GMR, 1% of which may be purchased at any time for \$1,000,000.

On August 3, 2020, the Corporation sold a 100% interest in the Normetal/Normetmar copper, zinc and silver property, the Rousseau gold project and the Turgeon Lake gold property located in Northern Quebec, to Starr Peak. In exchange, Globex will receive \$150,000 in cash payments, comprised of \$50,000 on signing (received), \$50,000 six months thereafter and \$50,000 one year thereafter, 1,200,000 shares of Starr Peak (valued at \$2,472,000) and a 2.5% GMR, 1% of which may be purchased by Starr Peak prior to commercial production for \$1,500,000.

On August 18, 2020, the Corporation sold a 100% interest in all 16 cell fractions of the Sigma East Property, located east of the Sigma Mine and one cell fraction, the Sigma 2 property, to Eldorado Gold (Quebec) Inc., a subsidiary of Eldorado Gold Corporation, for a single cash payment of \$1,606,000 (received). The Corporation also announced that it had sold six cells in the Windfall mining camp to Osisko Mining. In exchange for the cells, Osisko Mining paid Globex \$100,000 in cash. Globex has retained a 2% GMR.

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

On December 22, 2020, the Corporation announced the acquisition of the permitted Wise Silica Quarry in Wise township, Ontario. Included in the purchase were an array of stackers, two 43-foot house trailers, a large hydraulic shovel, a generator and miscellaneous other equipment.

Also on December 22, 2020, the Corporation announced optioning the 23 claims consisting in the Lac Suzanne Nord nickel, copper, cobalt property to Enertourbe Inc.

### **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, 2020, our option/sale income and advance royalties were reported at \$7,398,565 as compared to \$2,292,147 to December 31, 2019. We have continued our marketing efforts and are projecting option, sales and royalty revenues in excess of \$13 million for 2021 based on existing contracts, current discussions and market conditions.

During 2020, the price of metals and minerals other than precious metals decreased adding pressure on exploration activities. Subsequently many of these metal prices reversed and rose.

As described under the section "Liquidity and Capital Resources", Globex anticipates as long as it owns the Mid Tennessee Royalty receiving, towards the end of 2021 estimated monthly metal royalties from Nyrstar between \$75,000 and \$100,000 per month and moving upward from there due to contractor changes at the mine site and rising zinc prices.

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

On the exploration front, we have developed plans and budgets with a view to gaining additional project knowledge and leveraging this into sale/option agreements.

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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, 2020 (\$)</b>	<b>Year Ended December 31, 2019 (\$)</b>	<b>Year Ended December 31, 2018 (\$)</b>
Option and metal royalty income	7,398,565	2,292,147	3,050,420
Management services	7,902	7,054	12,335
Other income (expenses)	1,456,660	(38,860)	(538,198)
Joint venture income (loss)	(869)	nil	(1,338)
Total expenses	2,879,657	3,416,012	2,540,476
Income (loss) before taxes	5,975,568	(1,162,725)	(28,254)
Income tax expense (recovery)	10,520	(116,613)	67,373
Net (loss) income	5,965,048	(1,046,112)	(95,627)
Net (loss) income per share - basic	0.11	(0.02)	(0.00)
Net (loss) income per share - diluted	0.11	(0.02)	(0.00)
	<b>As at December 31, 2020 (\$)</b>	<b>As at December 31, 2019 (\$)</b>	<b>As at December 31, 2018 (\$)</b>
Total assets	12,036,203	5,797,829	5,859,955
Total non-current liabilities	964,297	1,039,794	930,012
Distribution or cash dividends	nil	nil	nil

- The net loss for the year ended December 31, 2020, consisted primarily of exploration and evaluation expenditures of \$1,705,906, salaries of \$208,527, professional fees and outside services of \$451,917, administrative expenses of \$340,453, share-based compensation of \$127,104, loss on foreign exchange of \$6,462 and bad debt expense of \$5,913. This was offset by revenues of \$7,398,565, increase in fair value of financial assets of \$999,536, gain on the sale of investments of \$392,462, gain on sale of property, plant and equipment of \$5,000, interest and dividend of \$16,625 and income tax expense of \$10,520.
- 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 payments of \$113,146, income tax expense of \$67,373 and decrease in fair value of financial assets of \$657,977. This



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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.

### **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, 2020, 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 is no proposed transaction of a material nature being considered by the Corporation other than the one described in the "Subsequent Event" section below. The Corporation continues to evaluate properties and corporate entities that it may acquire in the future.

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**Selected Quarterly Information**

Three Months Ended	Total Revenue (\$)	Profit or Loss			Total Assets (\$)
		Total (\$)	Basic Income (Loss) Per Share <sup>(11)</sup> (\$)	Diluted Income (Loss) Per Share <sup>(11)</sup> (\$)	
2019-March 31 <sup>(9)</sup>	559,968	(188,038) <sup>(1)</sup>	(0.00)	(0.00)	5,247,089
2019-June 30 <sup>(9)</sup>	963,994	(70,632) <sup>(2)</sup>	(0.00)	(0.00)	5,206,735
2019-September 30 <sup>(9)</sup>	218,126	(482,585) <sup>(3)</sup>	(0.01)	(0.01)	5,890,738
2019-December 31 <sup>(10)</sup>	550,059	(304,857) <sup>(4)</sup>	(0.01)	(0.01)	5,797,829
2020-March 31 <sup>(9)</sup>	149,444	(582,637) <sup>(5)</sup>	(0.01)	(0.01)	5,207,236
2020-June 30 <sup>(9)</sup>	500	471,885 <sup>(6)</sup>	0.01	0.01	5,783,031
2020-September 30 <sup>(9)</sup>	6,601,256	7,289,209 <sup>(7)</sup>	0.13	0.13	13,033,819
2020-December 31 <sup>(10)</sup>	647,365	(1,213,409) <sup>(8)</sup>	(0.02)	(0.02)	12,036,203

<sup>(1)</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>(2)</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, interest and dividends of \$3,623, management services of \$2,288 and gain on the sale of investments of \$1,581.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

<sup>(5)</sup> Net loss of \$582,637 principally relates to exploration and evaluation expenditures of \$383,529, salaries of \$84,908, professional fees and outside services of \$98,037, administration expenses of \$90,754, loss on the sale of investments of \$55,975 and decrease in fair value of financial assets of \$192,610. These costs were offset by revenues of \$149,444, interest and dividends of \$7,687 and management services of \$2,065.

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(6) Net income of \$471,885 principally relates to increase in fair value of financial assets of \$1,028,515, salaries recovery of \$66,367, other income of \$30,000, interest and dividends of \$7,001, gain on sale of property, plant and equipment of \$5,000, management services of \$1,886 and revenues of \$500. These costs were offset exploration and evaluation expenditures of \$330,809, professional fees and outside services of \$110,193, administration expenses of \$79,072, loss on the sale of investments of \$75,941.

(7) Net income of \$7,289,209 principally relates to revenues of \$6,601,256, increase in fair value of financial assets of \$745,161, gain on sale of investments of \$613,652 and interest and dividends of \$39,182. These costs were offset exploration and evaluation expenditures of \$424,964, professional fees and outside services of \$98,730, administration expenses of \$73,284 and salaries of \$53,832.

(8) Net loss of \$1,213,409 principally relates to exploration and evaluation expenditures of \$566,604, professional fees and outside services of \$144,957, administration expenses of \$97,343, salaries of \$136,154, share-based compensation of \$127,104, loss on sale of investments of \$89,274 and decrease in fair value of financial assets of \$581,530. These costs were offset by revenues of \$647,365.

(9) Unaudited.

(10) Audited.

(11) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

## **Results of Operations**

### **Three month ended December 31, 2020, compared with three months ended December 31, 2019**

The Corporation's net loss totaled \$1,213,409 for the three months ended December 31, 2020, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$304,857 with basic and diluted loss per share of \$0.01 for the three months ended December 31, 2019. The increase in net loss was principally due to:

- Revenues increased to \$647,365 for the three months ended December 31, 2020 compared to \$550,059 for the three months ended December 31, 2019.
  - In the three months ended December 31, 2020, Globex reported option income and advances royalties of \$331,077 (three months ended December 31, 2019 – \$252,500).
  - During the three months ended December 31, 2020, Globex recorded metal royalty income of \$316,288 (three months ended December 31, 2019 - \$297,559) from Nyrstar. The Corporation is entitled to a GMR of 1.0% if the LME monthly average zinc price is greater than USD \$0.90 per pound in the month after the production at the Nyrstar zinc operations. The GMR will increase to 1.4% if the monthly average zinc price is greater than \$1.10.
- Exploration and evaluation expenditures decreased to \$566,604 for the three months ended December 31, 2020, compared to \$605,838 for the three months ended December 31, 2019. The decrease can be attributed to acquisition costs and exploration expenditures incurred on various projects. See

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"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, 2020, to \$144,957 compared with \$105,390 for the three months ended December 31, 2019, primarily due to higher corporate activity requiring external professional support services. Professional fees and outside services consisted of investor relations, audit and accounting fees, management consulting, other professional fees, legal fees and filing fees.
- Administration fees increased in the three months ended December 31, 2020 to \$97,343 compared with \$65,258 for the three months ended December 31, 2019. 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, 2020 to \$127,104 compared with \$24,323 for the three months ended December 31, 2019. 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.
- Loss on the sale of investments increased in the three months ended December 31, 2020 to \$89,274 compared with a gain of \$2,466 for the three months ended December 31, 2019.
- Decrease in fair value of financial assets increased in the three months ended December 31, 2020 to \$581,530 compared with a decrease of \$88,881 for the three months ended December 31, 2019. The increase in loss was due to the change in fair value of investments.
- Income tax expense increased in the three months ended December 31, 2020 to \$14,098 compared to recovery of \$155,454 for the three months ended December 31, 2019. Income tax expense/recovery consisted of:
  - current tax expense in Nyrstar metal royalty income received in the current year.
  - premium on "flow-through" shares. The Corporation adopted a policy whereby proceeds from "flow-through" issuances are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting premium on "flow-through" shares on a pro-rata basis as the expenditures are made.
- All other expenses related to general working capital purposes.

**Year ended December 31, 2020, compared with year ended December 31, 2019**

The Corporation's net income totaled \$5,965,048 for the year ended December 31, 2020, with basic and diluted income per share of \$0.11. This compares with a net loss of \$1,046,112 with basic and diluted loss per share of \$0.02 for the year ended December 31, 2019. The increase in net income was principally due to:

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- Revenues increased to \$7,398,565 for the year ended December 31, 2020 compared to \$2,292,147 for the year ended December 31, 2019.
  - In the year ended December 31, 2020, Globex reported option income and advances royalties of \$6,650,077 (year ended December 31, 2019 – \$1,191,995).
  - During the year ended December 31, 2020, Globex recorded metal royalty income of \$748,488 (year ended December 31, 2019 - \$1,100,152) from Nyrstar.
- Exploration and evaluation expenditures decreased to \$1,705,906 for the year ended December 31, 2020, compared to \$1,734,098 for the year ended December 31, 2019. The decrease can be attributed to acquisition costs and exploration expenditures incurred on various projects. See “Mineral Exploration Properties” below for a summary of the exploration programs for Globex’s property portfolio.
- Professional fees and outside services increased in the year ended December 31, 2020, to \$451,917 compared with \$422,259 for the year ended December 31, 2019, 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 decreased in the year ended December 31, 2020 to \$340,453 compared with \$500,012 for the year ended December 31, 2019. Administration fees consisted of office expenses, conventions and meetings, advertising and shareholder information, transfer agent, office maintenance and repairs and other administration.
- Share-based payments decreased in the year ended December 31, 2020 to \$127,104 compared with \$257,571 for the year ended December 31, 2019. The decrease is due to the timing of expensing the estimated fair value of stock options granted in prior and current periods. The Corporation expenses its stock options in accordance with the vesting terms of the stock options granted.
- Gain on the sale of investments increased in the year ended December 31, 2020 to \$392,462 compared with a gain of \$9,993 for the year ended December 31, 2019.
- Increase in fair value of financial assets increased in the year ended December 31, 2020 to \$999,536 compared with a decrease of \$122,578 for the year ended December 31, 2019. The increase in gain was due to the change in fair value of investments.
- Salaries decreased in the year ended December 31, 2020 to \$208,527 compared to \$341,449 for the year ended December 31, 2019. Included in salaries expense for the year ended December 31, 2020 is \$184,978 relating to the CEWS program in order to reduce the expense that the grant is intended to offset.
- Income tax recovery increased in the year ended December 31, 2020 to \$10,520 compared to a recovery of \$116,613 for the year ended December 31, 2019. 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

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benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting premium on "flow-through" shares on a pro-rata basis as the expenditures are made.

All other expenses related to general working capital purposes.

The Corporation's total assets at December 31, 2020 were \$12,036,203 (December 31, 2019 - \$5,797,829) against total liabilities of \$1,150,129 (December 31, 2019 - \$1,169,950). The increase in total assets of \$6,238,374 resulted from revenues and increase in fair value of financial assets. The Corporation has sufficient current assets to pay its existing liabilities of \$1,150,129 at December 31, 2020.

### **Liquidity and Capital Resources**

At December 31, 2020, the Corporation had cash and cash equivalents of \$4,772,492 (December 31, 2019 - \$1,610,513) and cash reserved for exploration of \$nil (December 31, 2019 - \$1,239,999). In addition, it had investments with a fair market value of \$5,689,750 (December 31, 2019 - \$1,416,169) which represents shares received under mining option agreements.

The Corporation's working capital (based on current assets minus current liabilities) was \$10,631,474 at December 31, 2020 (December 31, 2019 - \$4,477,875).

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 \$75,000 and \$100,000 per month for the year 2021 at current zinc prices and CDN/USD dollar exchange rate barring a potential sale of the Mid Tennessee Royalty.

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 \$13 million in 2021. 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.

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.

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, 2020, operating activities generated \$559,872, financing activities generated \$157,293 and investing activities generated \$1,242,986.

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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, 2020 resulted in an increase in cash and cash equivalents of \$1,921,980.

**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.

Exploration expenditures for the year ended December 31, 2020 totaled \$1,705,906 (2019 - \$1,1734,098). During the year ended December 31, 2020 and 2019, exploration and evaluation expenditures were incurred on the various projects as follows:

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	<b>Year Ended December 31, 2020 (\$)</b>	<b>Year Ended December 31, 2019 (\$)</b>
<b>Ontario</b>		
Timmins Talc-Magnesite (Deloro)	6,352	18,795
Laguerre-Knutson (Hearst, McVittie twps)	192,409	22,870
Other projects	36,438	15,276
<b>Total</b>	<b>235,199</b>	<b>56,941</b>

	<b>Year Ended December 31, 2020 (\$)</b>	<b>Year Ended December 31, 2019 (\$)</b>
<b>Québec</b>		
Black Dog South (Stuart)	nil	5,463
Courville (Courville)	27,837	nil
Depletion (Guyenne)	9,616	13,580
Discloflo (Desjardins)	1,967	14,553
Discovery North (Desjardins)	10,497	nil
Eagle-Northwest (Joutel-Valrennes)	11,255	nil
Fabie Bay / Magusi (Hebecourt, Montbray)	6,241	48,949
Francoeur (Beauchastel)	224,764	791,362
Gagné (Joutel)	9,377	nil
Great Plains (Clermont)	4,477	980
Joutel (Joutel)	2,114	18,835
Kelly Lake (Blondeau)	7,291	17,370
Lac Fortune Gold Mine (Beauchastel)	104,498	nil
Lac Ontario (St-Urbain)	165,630	28,290
Lac Savignac (Northern Quebec)	3,597	12,619
Lyndhurst (Destor/Pouliaries)	9,121	20,017
McNeely (Lacome)	17,420	19,344
Moly Hill (La Motte)	4,654	18,697
Napping Dwarf (Glandelet)	13,716	nil
Pandora-Wood & Central Cadillac (Cadillac)	94	10,418
Pyrox (Clairy)	8,062	3,407
Riviere Opinaka	62,199	nil
Shortt Lake Mine	666	2,566



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Silidor Mine	11,205	2,450
Smith-Zulapa-Vianor (Tiblemont)	13,914	12,852
Standard Gold (Duvernoy)	26,636	66,491
Tarmac (Dubuisson)	4,192	nil
Tavernier Tiblemonth (Tavernier)	39,308	nil
Tonnancour (Tonnancour, Josselin)	61	23,812
Vauze (Dufresnoy)	10,063	nil
Venus (Barraute)	40,945	nil
Windfall East (Bressami)	nil	12,837
Wrightbar Gold Mine (Bourlamaque)	4,848	nil
Other projects	339,636	171,213
Quebec general exploration	268,756	197,562
<b>Total</b>	<b>1,464,657</b>	<b>1,513,667</b>

	<b>Year Ended December 31, 2020 (\$)</b>	<b>Year Ended December 31, 2019 (\$)</b>
<b>Other regions</b>		
Nova Scotia	3,982	8,240
New Brunswick	877	4,465
Canada (others)	419	125
Europe	nil	149,137
Other including Bell Mountain (USA)	772	1,523
<b>Total</b>	<b>6,050</b>	<b>163,490</b>

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

<b>Expenditures</b>	<b>Year Ended December 31, 2020 (\$)</b>	<b>Year Ended December 31, 2019 (\$)</b>
Consulting	78,349	149,272
Core shack, storage and equipment rental	2,817	200
Drilling	175,126	157,773
Geology	2,750	5,938
Geophysics	200,562	151,612
Laboratory analysis and sampling	17,884	64,475
Labour	827,549	684,146
Line cutting	11,536	7,199
Mineral property acquisitions	176,411	90,953
Mining property tax, permits and prospecting	59,234	52,909
Rehabilitation	10,000	266,315
Reports, maps and supplies	29,813	49,424
Transport and road access	113,875	53,882
<b>Total</b>	<b>1,705,906</b>	<b>1,734,098</b>

***Quebec projects***

During the year ended December 31, 2020, exploration expenditures totalling \$1,705,906 were incurred on Quebec projects.

Projects on which the largest expenditures were incurred during the year ended December 31, 2020 are described below:

Blackcliff (Malartic), Courville (Courville), Francoeur, Lac Fortune and Arntfield Mines (Beauchastel), McNeely (LaCorne and Landrienne), Napping Dwarf (Glandelet), Osisko East (Fourniere), Randall (Landrienne), Silidor/New Marlon (Rouyn), Standard Gold (Duverney), Venus (Barraute)

High resolution airborne mag surveys were completed in late spring and summer for the properties listed above for a total of over 6,000 lines km. Preliminary data reveals many interesting structures to be prospected this summer and next summer.

Rivière Opinaca (33C04, 33C05, 33D01 and 33D08), Great Plains (Clermont), Guyenne/Depletion (Guyenne and Berry)

High resolution airborne mag surveys were also completed during the winter, in the first couple months of 2021, for the properties listed above for a total of 2,965 lines km.

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Blackcliff (Malartic), Standard Gold (Duverney), Tarmac (Dubuisson), Vauze (Dufresnoy), Wrightbar (Bourlamaque), Francoeur, Lac Fortune and Arntfield Mines (Beauchastel), Standard Gold (Duverney)

Geological 3D models were constructed and PDF presentations were prepared for these of the more advanced projects to verify for potential mineralization extensions and openings.

Santa Anna (La Reine, Qc) and Devils Pike (Queen and King, NB)

Geological 3D models were also constructed and PDF presentations were prepared early in 2021 for these two more advanced projects to verify for potential mineralization extensions and openings.

Francoeur, Lac Fortune and Arntfield Mines (Beauchastel)

After completing prospecting, mapping and sampling, trenching and drilling at Francoeur in 2019, a high-resolution airborne mag survey totalling over 2,000 line-km was completed in the spring of 2020. Prospecting different mag structures started in late spring 2020. A 2,000 meters drill program was developed for Lac Fortune area and drill permits were requested. Drilling planned to start mid-November was postponed to start late in the spring or early summer of 2021.

Venus (Barraute)

Induced polarization survey totalling 5.85 km was completed during the month of January on the Venus property. A high-resolution airborne mag survey totaling 266 line km was also flown over the entire property in the spring 2020.

Kelly Lake (Blondeau), Moly Hill (La Motte), Smith-Zulapa-Vianor (Tiblemont)

Statutory reports were completed for the properties listed directly above.

Doza (Veza), Eagle Northwest (Joutel, Valrennes), (Pyrox (Clairy), FreeGold (Launay), Duval Ouest (La Motte), Lac-David Sud, Rochette (Launay), Vermont Zinc (Montgay)

Compilations were completed on the newly acquired claims and/or newly acquired properties listed directly above.

Lac Ontario (St-Urbain)

A three holes, 650 meters drill program testing magnetic and gravimetric anomalies was completed in October on Lac Ontario property 110 km north-east of Quebec City. All the drill holes intersected decimetric to decametric horizons presenting 3 to 20% disseminated ilmenite.

***Ontario projects***

Laguerre-Knutson (Hearst, McVittie twps)

Drilling targets were developed after updating the project database. Permits were requested but permitting was suspended due to COVID-19 restrictions. In the meanwhile, a high-resolution airborne mag survey totaling 61 lines km was flown over the entire property. Drilling permits were finally delivered and drilling

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started on September 16, 2020. Five drill holes were completed for a total of 1,182 meters testing the down plunge extensions of the Knutson zone and the lateral extension of the Laguerre zone. The three holes testing the down plunge extension of the Knutson mineralization intersected three zones of intense alteration, shearing and mineralization principally disseminated pyrite corresponding to the downward projection of the mineralized zones. Despite the obvious visual indicators in the core, the assays did not match those from surface sampling. The best results returned 1.1 g/t Au over 5.66 m including 6.96 g/t Au over 0.46 m and also 0.64 g/t Au over 11.05 m including 1.74 g/t Au over 1.87 m. The two holes testing the Laguerre zone lateral extension did not intersected the proposed projection of the hosting rock unit.

Maude Lake/Ramp Vein (Beatty, Carr, Coulson, Wilkie)

Geological 3D models was constructed and PDF presentation was prepared for this advanced project to verify for potential mineralization extensions and openings.

***Mineral property acquisitions***

During the year ended December 31, 2020, Globex spent \$176,411 on property acquisitions.

During the year ended December 31, 2020, Globex acquired additional mineral rights in the Joutel gold and base metal mining camp of Quebec.

During the year ended December 31, 2020, Globex issued 250,000 common shares with a deemed value of \$68,750 to acquire a 100% interest in the Lac Fortune Gold Mine Property located in Beauchastel Township, Quebec.

On February 12, 2020, the Corporation announced it acquired by claim designation 64 claims totaling 3,377.8 hectares, covering 13 km along regional strike to the southwest of Azimut Exploration' Pawton Prospect (Elmer Property) gold discovery. On the same day, the Corporation also announced it acquired 19 cells by staking covering a series of surface showings of high grade gold and copper called the Tyrone project (see Globex press release dated February 12, 2020 for details).

On April 17, 2020, the Corporation announced the acquisition of three claims along strike of the Maufort Mega Shear at the west end of our large Tiblemont/Tavernier gold/copper/zinc property (see Globex press release dated April 17, 2020 for details).

In June 2020, following the magnetic airborne survey, Globex added 20 claims by map designation to the Courville property.

In July 2020, Globex added 20 claims by map designation to the Guyenne property.

On July 2, 2020, the Corporation announced the acquisition of the final claim covering the southern half of the New Marlon Gold Mine property which, along with our previously held claims, consolidates the Silidor and New Marlon Mines assets in Rouyn-Noranda, Quebec.

On September 16, 2020, the Corporation announced the acquisition of 15 claims covering the Glassville South manganese zone, 20 km north-northeast of Hartland, New Brunswick in Carlton County.

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***Optioned and royalty properties***

Bell Mountain Mine (Churchill County, Nevada, USA)

At our Bell Mountain royalty project in Nevada, Eros Resources Corp. has announced that the Bureau of Land Management has provided a Finding of No Significant Impact (FONSI) on the Environmental Assessment. The FONSI is a key step in advancing the Bell Mountain Gold Project toward production.

On October 27, 2020, Eros Resources Corp. announced the completion of a 1,000 soil samples sampling program over a 200 ft X 200 ft. grid. Samples have been submitted to the lab for analysis and reverse-circulation exploration drilling will test targets as warranted.

Russian Kid Deposit (Dasserat twp)

Nippon Dragon Resources Inc. has been working underground at Globex's Rocmec 1 gold mine royalty property although it has temporarily stopped work due to restrictions imposed by the COVID-19 pandemic. Work has included dewatering the ramp, accessing level 45 and 100 metres of the McDowell vein structure, developing the first 30 linear metres of an ore block, etc.

On October 7, 2020, Nippon Dragon Resources Inc. announced that it has started the thermal fragmentation operations on the Talus Vein at Rocmec 1 mine.

On February 10, 2021, Nippon Dragon Resources announced the production of 1,000 tons of mineralization materials for the month of January 2021. Average grades samples returned 6.5 g/t. Plans to increase production to 3,000 tons per month for the next six months have been completed.

Nordeau (Vauquelin, Pershing and Denain twps.)

O3 Mining Inc. has been working on Globex's Nordeau East and Nordeau West royalty properties as reported in an O3 press release on April 9, 2020. Particularly noteworthy, are the following drill results:

North Contact: 3.1 g/t Au over 7.0 m including 4.6 g/t Au over 2.9 m and 5.3 g/t Au over 1.5 m;  
Nordeau West : 10.2 g/t Au over 0.5 m and 10.1 g/t Au over 0.6 m;  
Nordeau East : 29.7 g/t Au over 0.5 m and 8.3 g/t Au over 1.3 m and 3.6 g/t Au over 1.4 m.

On July 7, 2020, O3 Mining provided new drill results from its East Cadillac property in Val-d'Or including 46.4 g/t Au over 1.3 m located to the north of Nordeau East and 16.6 g/t Au over 1.5 m located northeast of Nordeau west.

On July 30, 2020, O3 Mining reported drill hole intercepts above 5 g/t Au \* m on the North Contact zone including 1.7 g/t Au over 10.3 m and 17.8 g/t Au over 1.1 m.

New Alger (Cadillac twp)

Renforth Resources Inc. ("Renforth Resources") announced drill results on our New Alger Gold Mine royalty property including 1.46 g/t Au over 6.3 m at a vertical depth of 410 m in hole REN-20-40 (deepest hole to date), 32.33 g/t Au over 0.4 m, 0.71 g/t Au over 17.4 m including 1.21 g/t Au over 6.9 m in hole REN-20-39, 3.25 g/t Au over 4.0 m in hole REN-20-38 (See Renforth press release dated April 15, 2020).

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On May 12, 2020, Renforth Resources released New Alger gold mineral resources estimate totaling 62,600 oz of gold in 1,035,000 tonnes at an average grade of 1.88 g/t Au in the Indicated classification and 188,000 oz of gold in 3,226,000 tonnes at an average grade of 1.81 g/t Au in the Inferred classification.

On August 31, 2020, Renforth Resources announced the sale of 100% interest of the New Alger project to Radisson.

Fayolle (Clericy twp)

On June 2020, Monarques (now Monarch) Gold Corporation announced the closing of the sale of the Fayolle property to IAMGOLD Corporation. It is Globex's understanding that IAMGOLD will endeavor to bring the Fayolle gold deposit to production in the near future. Globex holds a 2% NSR on the Fayolle deposit up to \$2,000,000.

Kewagama Gold Mine (Cadillac twp),

On September 2, 2020, Radisson Mining Resources Inc. announced the results of recent drilling on its O'Brien project near Cadillac, Quebec, including high-grade gold intercepts on the Kewagama Gold Mine portion of the project. Drill hole OB-20-144 returned 5.79 g/t Au over 2.00 m, drill hole OB-20-146 returned 17.90 g/t Au over 2.15m and 21.29 g/t Au over 2.00 m, drill hole OB-20-149 returned 45.86 g/t Au over 2.10 m.

On October 14, 2020, Radisson Mining Resources Inc. announced the results of drill hole OB-20-156 directly adjoining the Kewagama Gold Mine portion of the O'Brien project. Drill hole OB-20-156 returned 6.89 g/t Au over 21.20 m.

Bräunsdorf/Silver City (Saxony, Germany)

Excellon Resources Inc. has been working on our Bräunsdorf (Silver City) project and has received permission to drill up to 27 holes on various priority targets. The dossier was well received by the authorities, and drilling has commenced.

On December 1, 2020, Excellon Resources Inc. announced initial drilling results for the Silver City project in Germany. Highlights from the program are 1,042 g/t AgEq over 0.45 m in initial drilling on the Peter Vein, 505 g/t AgEq over 0.71 m in first hole at Reichenbach, a new near surface discovery in an area with minimal historic mining, and 319 g/t AgEq over 0.35m in first hole at Bräunsdorf.

On February 18, 2021, Excellon Resources Inc. announced the second set of drilling results for the Silver City project in Germany. Highlights from the program are 1,043 g/t AgEq over 1.3 m and 331 g/t AgEq over 1.2 meters at Grauer Wolf, a new discovery at the fourth target drilled at Silver City. A broad intersection of anomalous silver and gold was encountered in the section hole on the section. High-grade silver mineralization was intersected on 12 kilometres of strike within 36 kilometre strike potential that remains to be tested.

Mont Sorcier (Roy twp)

Vanadium One Iron Corp. ("Vanadium One") on February 27, 2020 announced results of its Preliminary Economic Assessment of the Mont Sorcier iron/vanadium deposit. The deposit is expected to produce a life of mine average concentrate grading 65% iron and 0.6% V<sub>2</sub>O<sub>5</sub> with the concentrate selling at an

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average, over the life of project, \$140.79 per tonne based upon a Platt's 65% grade iron concentrate range of \$92.00 to \$104.00 USD (average used \$92.00/t) and a vanadium price premium per tonne of concentrate of \$0.00 to \$30.00 USD per tonne (average used \$15.00 /t). Net Present 8% After Tax Value is reported as \$1.699 billion Canadian with an IRR pre-tax of 41.5%, a 37-year mine life with a three-year payback. Production of concentrate is expected to average 4.8 million tonnes per year. See the Vanadium One press release for more detail. On April 15, 2020, Vanadium One reported the assay results of seven additional drill hole as well as additional Davis Tube test results. Results are positive.

On September 14, 2020, Vanadium One announced the beginning of a 3,500 m drilling program at Mont-Sorcier targeting to expand the current resource and deliver a new Mineral Resource Estimate by Q1 2021.

On February 3, 2021, Vanadium One provided initial head results from its 2020 drill program consisting in 10 holes totalling 3,414 m to define the eastern extension of the North zone. The summary assay results are presented in the table below.

Drill Hole Name	From (meters)	To (meters)	Length (meters)	%Fe2O3 Total	% Magnetite (Satmagan)	% V <sub>2</sub> O <sub>5</sub>
MSN-20-05	20.6	202.0	181.4	32.7	23.6	0.18
MSN-20-06	21.9	92.5	70.6	31.6	24.8	0.23
and MSN-20-06	140.4	231.7	91.3	30.0	21.6	0.15
MSN-20-07	44.0	138.0	94.0	37.8	30.6	0.35
MSN-20-08	56.0	230.9	174.9	38.0	30.3	0.41
MSN-20-09	75.0	167.3	92.3	32.6	23.0	0.15
MSN-20-10	112.0	156.0	44.0	29.7	18.6	0.13
MSN-20-11	237.3	389.9	152.6	39.1	33.7	0.29
MSN-20-12	237.8	415.5	177.7	37.6	32.2	0.37
MSN-20-13	177.0	222.5	45.5	38.3	29.2	0.22
MSN-20-14	452.0	558.0	106.0	37.7	28.2	0.25
and MSN-20-14	582.8	598.0	15.2	33.9	24.9	0.22
<b>2020 Total/Average grades</b>			<b>1245.4</b>	<b>35.6</b>	<b>27.8</b>	<b>0.27</b>

These results will be used as the basis for an Updated Mineral Resource Estimate, which is expected around the end of the first quarter of 2021.

Normetal/Normetmar (Desmeloizes, Perron twps)

On September 9, 2020, Starr Peak announced having launched a VTEM survey covering the main bloc of its NewMétal property.

On December 9, 2020, Starr Peak announced the results of grab sampling from the Rousseau gold and Turgeon Lake properties. Samples at Turgeon Lake showing returned 157g/t, 31.8g/t and 9.77 g/t Au confirming the historical grab samples. Samples from the Mercier vein and the New vein from Rousseau gold property did not return significant results.

On January 21, 2021, Starr Peak announced that the drilling exploration program is underway on the Main bloc of its NewMétal property. In March 2021 a second drill was added.

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Parbec (Malartic twp)

On May 6, 2020, Renforth Resources released a Parbec gold mineral resources estimate totaling 104,500 oz. of gold in 1,822,000 tonnes at an average grade of 1.78 g/t Au in the Indicated classification and 173,300 oz. of gold in 3,122,000 tonnes at an average grade of 1.77 g/t Au in the Inferred classification.

On October 28, 2020, Renforth Resources announced partial results for drill hole PAR-20-100 including 22.5 m assaying 1.21 g/t Au. Drill-hole Par-20-100 is part of a total 3,850 m drilled so far of a 7,000 meters drill program to be completed by Christmas 2020.

On November 18, 2020, Renforth Resources announced drill results for drill hole PAR-20-101 part of a 14,000 m drill program to be completed in the first quarter 2021. PAR-20-101 returned 1.09 g/t Au over 13.2 m between 7.8 m and 21.0 m as measured in drill core.

On December 9, 2020, Renforth Resources announced second set of drill results for drill hole PAR-20-101 part of a 14,000 m drill program to be completed in the first quarter 2021. PAR-20-101 returned 1.48 g/t Au over 6.55 m.

On December 16, 2020, Renforth Resources announced partial drill results for drill hole PAR-20-103 returning 1.23 g/t Au over 5.8 m between 7.2 m and 13.0 m as measured in drill core.

On January 11, 2021, Renforth Resources announced drill results for drill hole PAR-20-104A returning 1.72 g/t Au over 13.0 m between 53.0 m and 66.0 m as measured in drill core.

On March 9, 2021, Renforth Resources announced drill results for drill hole PAR-20-110 to PAR-20-113 part of a 14,000 m drill program to be completed in the first quarter 2021. Best results are from hole PAR-20-111 returning 1.51 g/t Au over 7.3 m between 213.0 m and 220.3 m as measured in drill core, and PAR-20-112 returning 5.57 g/t Au over 21.45 m between 254.8 m and 276.25 m as measured in drill core.

**Sales and option income for the year ended December 31, 2020**

<b>Property, Agreements Summary</b>	<b>Cash (\$)</b>	<b>Shares (\$)</b>
<b>Option and sale payments under Agreements and advance royalties</b>		
Class 1 Nickel and Technologies Limited, Somanike Property, Quebec, 53,846 common shares with a fair market value of \$43,077	-	43,077
Eldorado Gold (Quebec) Inc., Sigma East Property, Quebec, cash of \$1,606,000	1,606,000	-
Electric Royalties Ltd., non-core specialty mineral royalties, cash of \$500,000 and 3,000,000 common shares with a fair market value of \$795,000	500,000	795,000
Emgold Mining Corporation, Casa South Property, Quebec, cash of \$35,000	35,000	-
Enertourbe Inc., Lac Suzanne Property, Quebec, cash of \$25,000	25,000	



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Eros Resources Corp., Bell Mountain Property, USA, cash of \$80,000	80,000	-
Excellon Resources Inc., Europe, cash of \$100,000 and 65,657 common shares with a fair market value of \$325,000	100,000	325,000
Osisko Mining Inc., Windfall, Black Dog Properties, cash of \$100,000	100,000	-
Starr Peak, Normetal/Normetar Property, Rouseau Property and Turgeon Lake Property, Quebec, cash of \$50,000 and 1,200,000 common shares with a fair market value of \$2,472,000	50,000	2,472,000
Tres-Or Resources Ltd., Duvay Property, Quebec, cash of \$25,000	25,000	-
Tres-Or Resources Ltd., Fontana Property, Quebec, 400,000 common shares with a fair market value of \$48,000	-	48,000
Troilus Gold Corp, various properties, Chibougamau, Quebec, 350,000 common shares with a fair market value of \$444,500 less finder's fee of \$4,000	-	440,500
Vior Inc., Windfall East Property, Quebec, cash of \$5,000	5,000	-
Other, cash of \$500	500	-
<b>Sales, option income and advance royalties for the period</b>	<b>2,526,500</b>	<b>4,123,577</b>

In the year ended December 31, 2020, Globex generated sales, option income and advance royalties from nine new option/sale agreements and four ongoing agreements which excludes numerous other royalty properties on which many partners may be working. The sales, option income and advance royalties of \$6,650,077 consisted of cash receipts of \$2,526,500 and shares in optionee corporations with a fair value of \$4,123,577.

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.

### **Royalties**

At December 31, 2020, 69 royalty arrangements were in effect at various stages. During the year ended December 31, 2020, Globex added several new royalty arrangements.

<b>Property, Township, Province</b>	<b>Royalty Interests</b>
New Alger Gold Mine, Cadillac Twp., Que	1% NSR
Black Dog, Urban and Lacroix twps., Que	2% GMR
Boulder Gold, 32J09, Que	2% GMR

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Boulder Lake, 32J09, Que	2% GMR
Claudette zone, 32J09, Que	2% GMR
Lac Chix, 32J10, Que	2% GMR
Lac De Maurès, 32J09, Que	2% GMR
Lac Fortune Ouest, Dasserat, Que	1.5 % NSR
Lac Testard Ouest, 32J15, Que	2 % GMR
Normétal/Normetmar, Desmeloize and Perron twps., Que	2.5 % GMR
Orbite Alumina, 22H03, Que	3 % GMR
Pyrox, Clairiy twp., Que	2% GMR
Rosario, 32J15, Que	2% GMR
Rousseau, Rousseau, twp,Que	2.5% GMR
Turgeon Lake, Lavergne twp, Que	2.5% GMR
Windfall, Urban and Lacroix twps., Que	2 % GMR
Windfall East, Bressani	2% 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 for the fiscal year ended December 31, 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

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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.

The Corporation's overall strategy remains unchanged from 2019.

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 \$4,772,492 as at December 31, 2020, (December 31, 2019 - \$2,850,512). 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:

	December 31, 2020 (\$)	December 31, 2019 (\$)
Cash and cash equivalents	4,772,492	1,610,513
Cash reserved for exploration	nil	1,239,999
Investments	5,689,750	1,416,169
Accounts receivable (less taxes receivable)	169,488	91,591
Related party receivable	17,788	33,301
<b>Total</b>	<b>10,649,518</b>	<b>4,391,573</b>

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	December 31, 2020 (\$)	December 31, 2019 (\$)
Less than 3 months	124,701	47,529
Greater than 3 months	48,896	48,171
Allowance for doubtful accounts	(4,109)	(4,109)
<b>Total</b>	<b>169,488</b>	<b>91,591</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 \$1.24 per pound at December 31, 2020, 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 \$5,689,750 (December 31, 2019 - \$1,416,169). Based on the balance outstanding at December 31, 2020, a 10% increase or decrease would impact income and loss by \$493,586 (December 31, 2019 - \$122,853).

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**(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, 2020 (USD)</b>	<b>December 31, 2019 (USD)</b>
Cash and cash equivalents	1,491,067	1,425,934
Accounts receivable	86,832	22,055
Reclamation bonds	112,132	112,132
<b>Total</b>	<b>1,690,031</b>	<b>1,560,121</b>

During the year ended December 31, 2020, Globex received royalty payments of \$748,488 (USD \$557,949) (2019 - \$1,100,152; USD \$829,114) and recorded a current tax expense of \$216,230 (USD - \$161,185) (2019 - \$275,068; USD - \$207,279).

The following table shows the estimated sensitivity of the Corporation's financial instruments for the year ended December 31, 2020 from a change in U.S. dollars with all other variables held constant as at December 31, 2020:

<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%	33,801	(33,801)
4%	67,601	(67,601)
6%	101,402	(101,402)
8%	135,202	(135,202)
10%	169,003	(169,003)

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

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

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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- 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>December 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total financial assets at fair value</b>
Cash and cash equivalents	4,772,492	nil	nil	4,772,492
Investments	5,689,750	nil	nil	5,689,750
<b>Total</b>	<b>10,462,242</b>	<b>nil</b>	<b>nil</b>	<b>10,462,242</b>

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

<b>December 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total financial assets at fair value</b>
Cash and cash equivalents	1,610,513	nil	nil	1,610,513
Cash reserved for exploration	1,239,999	nil	nil	1,239,999
Investments	1,416,169	nil	nil	1,416,169
<b>Total</b>	<b>4,266,681</b>	<b>nil</b>	<b>nil</b>	<b>4,266,681</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, related party 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. The fair value of the Corporation's loan payable approximates its carrying value since the carrying value is determined based upon discounted future cash flows, using a discount rate adjusted for the Corporation's own credit risk, that reflects current market conditions for instruments with similar terms and risks.

**Related Party Transactions**

	<b>December 31, 2020 (\$)</b>	<b>December 31, 2019 (\$)</b>
<b>Related party receivable</b>		
Jack Stoch Geoconsultant Services Limited ("GJSL")	62	1,084
Chibougamau Independent Mines Inc.	16,857	32,217
Duparquet Assets Limited	869	nil
<b>Total</b>	<b>17,788</b>	<b>33,301</b>

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The 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 \$15,513 in the related party receivable balance during the year ended December 31, 2020 (year ended December 31, 2019 - decrease of \$101,349 in related party net payable balance).

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

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

**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 \$7,902 for the year ended December 31, 2020 (year ended December 31, 2019 - \$7,054) 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, Chief Financial Officer ("**CFO**"), Treasurer and Corporate Secretary) are as follows:

	<b>Year Ended December 31, 2020 (\$)</b>	<b>Year Ended December 31, 2019 (\$)</b>
<b>Management compensation</b>		
Salaries and other benefits	179,992	179,810
Professional fees and outside services (i)	99,308	90,966
Fair value of share-based compensation	74,851	135,728
<b>Total</b>	<b>354,151</b>	<b>406,504</b>

(i) In the year ended December 31, 2020, management consulting fees of \$99,308 (year ended December 31, 2019 - \$90,966) were paid to the CFO and the Corporate Secretary. They were appointed on September 20, 2017. As at December 31, 2020, the balance due to CFO and Corporate Secretary is \$3,931 (December 31, 2019 - \$12,815) which is included in payables and accruals due under normal credit terms.

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**New Accounting Standard Adopted**

IFRS 3, Business Combinations ("IFRS 3")

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

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

IAS 1, Presentation of Financial Statements ("IAS 1") and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 1 and IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

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

**Share Capital**

As at the date of this MD&A, the Corporation had 54,999,817 common shares and 2,830,000 stock options outstanding, which resulted in fully-diluted common shares of 57,829,817.

**Normal Course Issuer Bid**

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

During the year ended December 31, 2020, 30,435 common shares of Globex were purchased for cash consideration of \$17,632 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, 2020.



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Based on that evaluation, they have concluded that the Corporation's disclosure controls and procedures for the year ending December 31, 2020, 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;
- (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, 2020, and as at December 31, 2019, 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, 2020, 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:

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**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 respective option arrangements, in many cases, they must raise funds in the equity markets. There can be no assurance that they will be able to do so in the future.

**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 can be no 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.

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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.

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**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.

**Risks Related to the COVID-19 Pandemic**

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, we cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn has caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain highly uncertain at this time. Furthermore, governments are developing frameworks for the staged resumption of business activities. As a result, it is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

Strategic & Operational Risks

The ongoing COVID-19 pandemic could adversely impact our financial condition in future periods as a result of reduced business opportunities via acquisitions and dispositions of exploration and development properties. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. Our strategic initiatives to advance our business may be delayed or cancelled as a result.

To date, our operations have remained stable under the pandemic but there can be no assurance that our ability to continue to operate our business will not be adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside our control. If one or more of the third parties to whom we outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on our business and operations.

Liquidity risk and capital management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet our capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while we currently have sources of liquidity, such as cash balances, there can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave us unable to react in a manner consistent with our historical practices.

Market Risk

The COVID-19 pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while

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governments are implementing unprecedented fiscal stimulus packages to support economic stability. The COVID-19 pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact our financial condition.

**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 \$10,631,474 at December 31, 2020 is anticipated to be adequate for it to continue operations for the twelve-month period ending December 31, 2021	The operating and exploration activities of the Corporation for the twelve-month period ending December 31, 2021, 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, ongoing uncertainties relating to the COVID-19 pandemic
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 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	Commodity price volatility; ongoing uncertainties relating to the COVID-19 pandemic; 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

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Forward-looking statements	Assumptions	Risk factors
	<p>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>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 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</p>	<p>Commodity price volatility; ongoing uncertainties relating to the COVID-19 pandemic; 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 regulatory approvals; the Corporation does not have control over the actions of its joint venture partners and/or other counterparties</p>

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Forward-looking statements	Assumptions	Risk factors
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; ongoing uncertainties relating to the COVID-19 pandemic; 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**

On February 2, 2021, the Company entered into an option agreement with High Tide Resources Inc. (“High Tide”). Globex granted to High Tide the option to acquire a 100% interest in the Lac Pegma Property, subject to a 2% GMR, in exchange for a total of \$10,000 in cash and 650,000 shares.

On February 9, 2021, the Company entered into an option agreement with Canada Silver Cobalt Works Inc. (“CCW”). Globex granted to CCW the option to acquire a 100% interest in the Massif du Nord Property, subject to a 2% GMR, in exchange for a total of \$75,000 in cash and share payments.

On February 16, 2021, the Company announced that it acquired a 100% interest in the Bald Hill Antimony Property located in Queens County, New Brunswick. The Bald Hill property consists of 26 claims covering

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the Bald Hill antimony deposit and surrounding area. An additional eight claims adjoining Globex's Devils Pike gold deposit property was also acquired.

On March 11, 2021, the Company announced that it had agreed to sell its Mid-Tennessee Zinc Mines Royalty to Electric Royalties for the following consideration:

- \$250,000 for an exclusive 90-day due diligence and funding period by Electric Royalties. Should the sale transaction proceed on the terms agreed to below, this cash payment will be deducted from the final cash portion of the purchase price. Should the transaction not proceed, Globex will keep this initial cash payment.
- If the transaction proceeds, Electric Royalties will pay the following to Globex:
  - o \$13,000,000 in a single cash payment;
  - o 14,500,000 Electric Royalties shares with a current market value of \$5,220,000; and
  - o \$1,000,000 as a future cash payment should the price of zinc rise to or above a price of \$2.00 USD per pound for at least 90 consecutive days.

In addition to the Mid-Tennessee Mines Zinc Royalty, Electric Royalties is acquiring a 1% GMR on Globex's 100% owned Glassville, New-Brunswick, manganese exploration property.

Subsequent to December 31, 2020, 4,600 common shares of Globex were purchased for cash consideration of \$3,554 in accordance with the NCIB.