



**GLOBEX**

**ANNUAL REPORT 2010**

## Table of Contents

Message to Shareholders .....	1
Management Discussion and Analysis.....	2
Overview.....	2
Corporate Focus .....	2
Highlights for the current year .....	3
Forward-looking Statements .....	3
Exploration Activities and Mining Properties .....	3
Qualified Person .....	9
Results of Operations .....	10
Balance Sheet Review.....	12
Financial Instruments and Risk Management .....	14
Capital Resources and Disclosures .....	15
Future Accounting Changes (International Financial Reporting) .....	16
Proposed Transactions .....	21
Critical accounting assumptions, policies and estimates .....	21
Outstanding Share Data .....	23
Subsequent Events .....	23
Risks and Uncertainties .....	23
Related Party Transactions.....	24
Disclosure Controls and Procedures.....	25
Internal Control over Financial Reporting (ICFR).....	25
Outlook.....	26
Additional Information .....	26
Authorization.....	26
Responsibilities for Financial Statements.....	27
Independent Auditors' Report.....	28
Financial Statements.....	29
Consolidated Balance Sheets .....	29
Consolidated Statements of Operations and Comprehensive Income (loss) .....	30
Consolidated Statements of Contributed Surplus and Deficit.....	31
Consolidated Statements of Cash Flow .....	32
Notes to the Consolidated Financial Statements .....	33
Schedule A .....	49
Corporate Information.....	Appendix

## Message to Shareholders

2010 and early 2011 has been a period of accelerated growth necessitating focus for Globex. We strategically increased property holdings with additions to the Chibougamau copper-gold mining camp. We added several new property options, which generate income and cause exploration dollars to be spent on properties, bringing us closer to realizing royalty income. In addition, we raised \$4.1 million in the public markets through private placements at prices above market prices.

One of Globex's greatest challenges is getting investors, analysts and brokerage houses to understand our intrinsic value. Our large and diverse property portfolio, while being a potentially extremely valuable source of exploration or production properties, is too complex to be easily understood. We think the best way to realize value for our assets is to spin some off in one form or another – that is as a single asset or packages of assets, in easily understood value plays. On January 13, 2011, we announced the planned spin-off of our Chibougamau mining camp assets, intended to be the first of several such transactions which we hope will unlock the Company's true value. Initial response from shareholders and investors has been very positive.

A large part of our 2010 budget, 48%, was spent advancing our talc-magnesite project toward potential production. Micro-pilot test work was completed by year end with an internal scoping study completed in February 2011. In March 2011, Globex signed contracts with Micon International Limited and Jacobs Engineering Group Inc. (formerly Aker Solutions Canada Inc.) to prepare a pre-feasibility study for us. The completed study will provide, among other things, a preliminary economic evaluation for the building of a demonstration/production plant.

We launched a number of exploration programs during the year, one of the most important of which was the prospecting, mapping and sampling on our Turner Falls rare earths property. Results to date indicate noteworthy occurrences of light and heavy rare earths as well as high percentages of other elements such as zirconium, niobium, yttrium and hafnium. A major exploration program is planned on this property in 2011.

Our option partners undertook exploration and/or drill campaigns on a number of our properties including Xmet Inc. (Duquesne West), NSGold Corporation (Mooseland and Liepsigate), Laurion Mineral Exploration Inc. (Bell Mountain), Tres-Or Resources Ltd. (Duvay), Savant Exploration Ltd. (Parbec), Rocmec Mining Inc. (Russian Kid), Typhoon Exploration Inc. (Fayolle), Osisko Mining Corporation (East Amphi package), NQ Exploration Inc. (Shortt Lake), Plato Gold Corp. (Nordeau and Bateman Bay) and Glen Eagle Resources Inc. (La Motte). Many of the programs were successful in either expanding known mineral zones or defining new mineralized areas. Xmet published a new NI 43-101 resource on our 50% owned Duquesne West property reporting an Inferred Resource estimate of 2.73 mt grading 5.29 g/t Au representing 465,000 ounces of gold.

On the acquisition front, two events stand out. In the Chibougamau copper-gold mining camp, Globex succeeded in amassing a significant exploration package covering geology with extremely good exploration potential. Our land package now includes the Bateman Bay, Kokko Creek, Quebec Chibougamau, Grandroy, S-3 and Berringan deposits as well as much of the Copper Cliff Mine property, one half of the Jaculet Mine property, the Tommy gold-copper zones and numerous drill intersections of copper and/or gold values.

The second important acquisition is our Woodstock Manganese-Iron zones. Manganese is essential in the fabrication of steel. In addition, researchers are developing a manganese-based storage battery with exceptional charge retention, exceeding any currently available. Interestingly, 100% of all manganese utilized in North America is imported, offering a place for a secure North American supply of this strategic element.

On the technology front, our 75% owned subsidiary Eco Refractory Solutions Inc. completed test work for two clients who have gold recovery and/or environmental issues with their refractory ores. Laboratory test work demonstrated gold recoveries in the high 90 percentiles. We have been approached by several companies with similar concerns and are in discussions regarding test work on their ores.

2011 is a pivotal year for us with the expectation of value creation through spin offs and strategic acquisitions. We are very optimistic about Globex's prospects in 2011 and thank our loyal staff and consultants for their efforts over the last year and look forward to their help in continuing to build the Company in 2011.

# Management Discussion and Analysis

**For the year ended December 31, 2010**

## Overview

Globex Mining Enterprises Inc. (“Globex”) is a Canadian focused exploration, royalty and development company with a North American mineral portfolio of in excess of 100 early to mid-stage exploration and development properties containing: **Base Metals** (copper, nickel, zinc, lead), **Precious Metals** (gold, silver, platinum, palladium), **Specialty Metals** (rare earths, uranium, lithium) and **Industrial Minerals** (manganese, iron, molybdenum as well as talc and magnesium). The Company currently generates royalty and option income from properties which contain gold, silver and zinc. It is in the early stages of developing precious metals recovery technology which may potentially generate fees and royalty income.

## Corporate Focus

The Company seeks to create shareholder value by acquiring properties, enhancing and developing them for optioning, joint venturing or vending, with the ultimate aim of bringing projects into commercial production. Since earlier this spring, the Company has also been evaluating opportunities to generate royalties through patented hydrometallurgical technology transfers to clients looking to improve the recovery and economics of refractory gold properties.

At the present time, the Company is focussed on a number of broad areas which include:

- Advancing the Timmins Talc-Magnesite Project, (See Timmins Talc-Magnesite Project below);
- Acquiring additional Precious Metal, Base Metal, Industrial Mineral, and Specialty Metals properties;
- Consolidating its land position in the Chibougamau mining district of Quebec, and spinning off the shares of a newly incorporated company, Chibougamau Independent Mines Inc. to Globex shareholders;
- Exploiting Royalty Income opportunities through hydrometallurgical technology transfers to clients (see Other Business Opportunities below);
- Gaining additional information related to all of the properties on a targeted basis; and
- Generating Option and Royalty income under existing and new agreements.

Optioning exploration properties is one of the strategies Globex employs to manage its extensive mineral property portfolio as well as to conserve cash. This strategy permits Globex to receive some current income while ensuring its properties are being explored and retaining an interest in any future production. The term option as it relates to Globex properties should be understood as follows: In exchange for a number of annual cash and/or share payments and an annual work commitment on the property, Globex grants the Optionee the right to acquire an interest in the optioned property.

Generally, all conditions of the agreement must be satisfied before any interest in the property accrues to the Optionee. The option contract will terminate if annual payments and/or work commitments are not met. Assuming all conditions of the option agreement are satisfied, Globex may retain a Gross Metal Royalty (GMR) or other carried interest in the property. Outright property sales may also include cash and/or shares and a form of royalty interest payable when projects achieve commercial production or another negotiated milestone.

Globex Mining Enterprises Inc. trades on the Toronto Stock Exchange under the symbol GMX, in Europe on the Frankfurt, Munich, Stuttgart, Berlin and Xetra exchanges under the symbol G1M and on the OTCQX International in the USA with the symbol GLBXF.

## Highlights for current year

- This year, the Company has focused significant expenditures and exploration effort on advancing the Talc-Magnesite Project near Timmins, Ontario, and is currently bringing the project's claim group to lease (a process as defined under the Mining Act which is necessary to permit mining), obtaining environmental and regulatory approvals, and demonstrating the feasibility of the proposed technology. The progress is further described in the Exploration Activities and Mining properties section of this report.
- In April 2010, the Company also announced that it had concluded an arrangement with Drinkard Metalox Inc. ("DMI") to form a joint venture designed to commercialize a unique method of refractory gold processing developed by DMI. This arrangement is further described in the Other Business Opportunities of this Management Discussion and Analysis ("MD&A").
- In May 2010, early November 2010, as well as late November and December 2010, the Company completed private placement financings. The combination of these financings resulted in the Company issuing 1,660,934 flow-through common shares which generated gross proceeds of \$3,856,141. In addition to the flow-through shares, the Company issued 100,000 Common shares which generated proceeds of \$250,000 as a private placement.
- During the current year, the Company completed the Phase 2 and Phase 3 assessment activities related to the conversion to International Financial Reporting Standards (IFRS). Management believes that it is well positioned to report the Q1 2011 results in accordance with these standards. The analysis and status reporting which are contained in this report indicate that the new standards will not have a significant impact on the results reported in the Profit and Loss statement (replacement for statement of operations); however, during the transition, the Company will reclassify a number of items within the equity as currently reported on its balance sheet.

## Forward-looking Statements

Certain information in this Management Discussion and Analysis, including any information as to the Company's future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking" statements." The words "expect", "will", "intend", "estimate", and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

This document may contain forward-looking statements reflecting the management's expectations with respect to future events. Actual results may differ from those expected. The Company's management does not assume any obligation to update or revise these forward-looking statements as a result of new information or future events except as required by law.

## Exploration Activities and Mining Properties

The Company conducts exploration activities in compliance with "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards with exploration programs planned and managed by "Qualified Persons" who ensure that QA/QC practices are consistent with National Instrument 43-101 standards. On all projects, diamond drill core is marked up by a geologist and subsequently split, with one-half of the core analyzed, 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 are determined in an industry acceptable manner, for either geochemical trace signatures or metal ore grades.

According to National Instrument 43-101, the loss of a material property would cause at least a 10% drop in the share price of the Company. At this time, management believes that the loss of any single Globex property, not covered by a NI 43-101 compliant report, would have little or no effect on the Company's share price.

Producing a NI 43-101 report is time-consuming, expensive and simply not warranted on all of Globex's properties. We will, when we determine it is a prudent business decision, produce NI 43-101 reports and file them on SEDAR.

When discussing historical resource calculations available in the public domain regarding our properties, we will include source, author and date, and if appropriate, cautionary language stating that:

- A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or 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. In addition, the source and date of the historical estimate will be provided.

Exploration expenditures for 2010 totalled \$2,461,581 (2009 - \$1,924,068) which includes a combination of eligible flow-through and other expenditures of \$199,816. At January 1, 2010, the Company had an outstanding commitment of \$347,883 for flow-through funds raised in 2009. As a result of expenditures in the current year, Globex has fully satisfied its 2009 flow-through expenditure commitments. In 2010, in separate private placements, on May 21, November 3, as well as November 26, the Company raised \$2,856,139 and recognized related resource credits of \$27,413. During the year, the Company incurred eligible exploration expenditures of \$1,913,882 which resulted in a remaining flow-through commitment of \$969,670 related to these financings. In a separate private placement, on December 22, 2010, the Company issued 333,334 shares which generated flow-through proceeds of \$1,000,002. On a combined basis, the Company's flow-through commitment outstanding at December 31, 2010 was \$1,969,672 (Restricted cash).

During the year, \$1,178,241 (48%) of total expenditures was spent on the Timmins-Talc Magnesite project; \$511,052 (21%) on the Hunter's Point project, \$124,118 (5%) was spent on the MacKinnon Project in NS; \$233,301 (10%) on the Cadillac Wood Project and the remaining \$414,869 (16%) was spent on general exploration as well as a number of projects.

### **Timmins Talc-Magnesite Project**

The Timmins Talc-Magnesite ("TTM") project is held under an agreement with Drinkard Metalox Inc. (90% Globex - 10% Drinkard). In January 2010, the Company achieved the US\$1.5 million spending threshold as defined in the agreement between Drinkard Metalox Inc. ("DMI") and the Company dated October 23, 2008. On March 5, 2010, the agreement was amended, with Globex increasing its ownership to 90% from 75% in exchange for Globex assuming the complete funding of all costs for the project to that point in time when the project is spun off into a separate publicly traded vehicle (see press release dated March 17, 2010).

In 2009, the Company reported that over half of the Company's exploration resources were directed toward the Talc-Magnesite project. In the current year, the Company has spent approximately 48% (2009 – 51%) of its exploration funds on this project.

On September 20, 2010, the Company issued a detailed press release which outlined that it had been diligently advancing the project through detailed hydrometallurgical tests while at the same time the project team was addressing numerous aspects of the project from environmental and mining permitting to project design, and all that entails. Subsequently on October 26, 2010, the Company provided an additional update on the project. The paragraphs which follow provide an update and context with respect to the financial results reported in this MD&A. The press releases provided details related to Testing, Permitting and Environmental, Land, Marketing, and Pre-Feasibility Study as further described below:

- **Testing**

The micro-pilot test work was begun at a projected cost of US\$500,000 and was completed by year end 2010. At year end, the final report of results was still outstanding. It is anticipated that the hydrometallurgical pilot testing will provide the technical information required to complete a 2011 prefeasibility study (PFS) and the design of a demonstration/small production plant.

- **Permitting and Environmental**

Blue Heron Solutions for Environmental Management Inc. (Blue Heron) has completed the first phase of environmental baseline studies in order to acquire the permits to develop an open pit talc-magnesite mine.

A series of monitoring water wells have been commissioned and installed in order to study the water table in the area of the proposed open pit. This work and other data collection is ongoing under the second phase of the program managed by Blue Heron with assistance from Golder Associates Ltd.

In addition, an initial intergovernmental meeting was held on September 16, 2010 at which Globex introduced the project to the various government agencies involved in the approval process for such projects. Aboriginal communities will be consulted to solicit their input regarding the project, estimated to start in early 2011.

- **Land**

The size of the property has been increased through the purchase of 5 claim units that adjoin the property to the south. A request has been filed with the Ministry of Northern Development, Mines & Forestry to convert the exploration claims to lease, an important mineral title step in our march toward production.

In addition, a 12 unit-sized claim was staked on behalf of the Company, in the adjoining township to the South. This claim block is referred to as the "Adam Block" and straddles the Mountjoy River Road immediately to the east of Pine Street.

- **Marketing Study and Product Testing**

Roskill Consulting Group Limited of London England was engaged to perform market studies on a number of specialty magnesium compounds and talc. The Company has received the results of the studies which have among other things identified the products and markets which appear potentially most advantageous to the Company.

In response to requests from potential clients, samples of both magnesium and finely ground talc have been produced. One potential client in Europe has been testing a mixture of talc and a magnesium compound. Initial indications are that, the material meets their requirements. Additional test work is ongoing.

- **Pre-Feasibility Study**

Many of the project phases as outlined above are defined to advance the overall project through the completion of a Pre-Feasibility Study in accordance with the rules and requirements as outlined in NI 43-101. The efforts will also generate a conformable resource calculation and contracts have been signed with Micon International Ltd. and Jacobs Engineering Group Inc. to prepare a pre-feasibility study expected by September 2011.

As previously reported, the next milestone for the Timmins Talc-Magnesite project is to develop a commercial flow sheet and build a demonstration plant. To that end, Micon International Ltd. completed a NI 43-101 compliant resource report on the project, dated March 2, 2010. Globex's earlier objective was to confirm the existence of a talc and magnesium-bearing resource of at least 20 million tonnes, an amount sufficient to sustain 20 years of mineral production at a mining rate of 1 million tonnes per year. The mineral resource estimate by Micon surpassed the target tonnage by more than 50% using information to a depth of only 100 metres.

Following the completion of all of these efforts, the Company will consider migrating the project activities into WorldWide Magnesium Corporation, an inactive company (90% owned by Globex and 10% owned by DMI) to undertake the next phase of the project.

The following is the tonnage and grade of the mineral resource as estimated by Micon in a limited portion of the A Zone:

**Mineral Resource Estimate**

Category	Tonnes	Sol MgO (%)	Sol Ca (%)	Magnesite (%)	Talc (%)
<b>A Zone Core</b>					
Indicated	12,728,000	20.0	0.21	52.1	35.4
Inferred	18,778,000	20.9	0.26	53.1	31.7
<b>A Zone Fringe</b>					
Inferred	5,003,000	17.6	2.82	34.2	33.4
Sol MgO = Soluble magnesium oxide			Sol Ca = Soluble calcium carbonate		

Note: Additional information is available in the press release dated March 2, 2010 and in the complete report which is filed on Sedar.com

The resource is open both along strike to the west and east where it is exposed on surface as well as to depth. Additional drilling, trenching and assaying will be undertaken to facilitate raising part of the resource to the reserve category.

The Company is currently focused on bringing the project's claim group to lease, obtaining environmental and regulatory approvals and demonstrating the feasibility of the proposed technology. Last year bench scale test work was completed and a drilled composite sample from section L9+50E was used to carry out a set of tests on larger 100 Kg sized samples. This work concentrated on talc liberation studies and the products that could be produced using proprietary DMI technology.

During early 2010 a second larger drill composite sample of some +600 Kg was processed by standard floatation techniques to remove the talc. The magnesite-rich tails of this processing was the subject of a pilot study in Charlotte, North Carolina, using DMI's micro-plant equipment. This test work collected data to optimise and design a commercial flow sheet. Engineering work will design a scaled up demonstration plant to showcase the DMI technology.

### **Chibougamau Land Position and Spin-off of Chibougamau Independent Mines Inc.**

As reported in press releases in November 2010 and January 2011, the Company acquired a number of properties in the Chibougamau mining district by staking: the Berrigan gold, silver, zinc deposit in McKenzie township; part of the Jaculet Mine property in Roy township, as well as the Copper Cliff Mine Claims. These properties were in addition to land positions which Globex previously held and included the Quebec Chibougamau Goldfields Mine (copper-gold), Kokko Creek Mine (copper), Bateman Bay Mine (copper-gold), and Grandroy Mine (copper-gold).

On December 13, 2010 as part of its strategy to "spin-off" these assets to Globex shareholders, a newly formed company, Chibougamau Independent Mines Inc. was incorporated. The company is currently inactive and owned 100% by Globex. Management is exploring alternatives to provide Globex shareholders with the most value from these assets. This process will take some time as it will require the preparation of a qualifying report in accordance with National Instrument 43-101 and approval by the Toronto Stock Exchange. To date, this corporate focus has not had any significant financial impact on the Company.



## **Other Business Opportunities - Eco Refractory Solutions Inc.**

On April 22, 2010, the Company announced that it had reached an agreement with Drinkard Metalox Inc. to form a new and separate joint venture (75% Globex - 25% DMI) to commercialize, on a worldwide basis, DMI's trade secret and patented hydrometallurgical technologies for the efficient and environmentally friendly recovery of gold, silver and other metals from arsenical and/or refractory ores. Under the agreement, Globex will manage the joint venture and fund its work while retaining a 75% interest. DMI will provide its expertise, patents, trade secrets and perform hydrometallurgical test work to prove its commercial applicability to various refractory gold deposits while maintaining a 25% carried interest in the joint venture.

The joint venture expects to profit through technology contracts which may generate fees and royalties based upon, among possible other things, savings in capital and operating costs as well as a percentage of improved precious metal recoveries from gold deposits, which, under conventional technologies, may be uneconomic due to low gold recoveries and/or other environmental considerations that result from conventional processing techniques.

The joint venture will operate through a corporation which was established on May 17, 2010 as Eco Refractory Solutions Inc. (ERS). ERS has completed initial test work for two potential clients with large tonnage low grade refractory gold deposits. The results demonstrated that significant improvements in gold recovery are possible using the ERS method as well as dramatic improvements in the impact of tailings stability on the environment. Numerous companies have contacted ERS regarding potential test work upon their refractory ores. 2011 will likely be a pivotal year for ERS and its technology.

While the Company is encouraged with the results of the laboratory test work completed to date and the potential of the ERS technology to set a new standard for the economic recovery of gold from refractory gold ores and/or concentrates, the reader is cautioned that, at this time, the ERS technology is in the development stage. Through continued testing, the "economics" of the recovery process as well as the cost/benefits of both operating and capital costs will be further evaluated. All statements other than statements of historical fact, included herein, including without limitation, statements regarding the potential of the ERS technology are forward looking-statements that involve various risks, assumptions, estimates and uncertainties. These statements reflect the current internal projections of, expectations or beliefs of Globex and are based on information currently available to the Company. There can be no assurances that such statements will prove to be accurate, and actual results and future events could materially differ from those anticipated in such statements.

## **Acquisitions, Sales and Options**

### **Property Acquisitions**

During 2010, the Company spent \$65,744 (2009 - \$28,152) acquiring various properties. The more significant acquisitions were as follows:

- **Lunenburg Property** - As reported in a press release on January 20, 2010, Globex acquired 189 claims by staking in Lunenburg County, Nova Scotia as a result of new prospecting that located a zone of gold-rich silicification and quartz stockwork veining on surface.
- **Manganese Iron Assets in New Brunswick** - On August 31, 2010, the Company indicated in a press release that it had acquired 100% interest in a block of 28 claims covering 588 hectares and a strike length of 6 km in the Woodstock area of New Brunswick. The claim block covers a horizon of historic manganese-iron mineralization which was previously mined at a small scale for the iron content and is an extension of the horizon containing the historical Plymouth and North and South Hartford manganese-iron zones to the south.
- **Chibougamau Land Position** - As reported in press releases in November 2010 and January 2011, the Company acquired a number of properties in the Chibougamau mining district by staking; the Berringan gold, silver, zinc deposit in McKenzie township; part of the Jaculet Mine property in Roy township, as well as the Copper Cliff Mine Claims. These properties were in addition to land positions which Globex previously held

including Quebec Chibougamau Goldfields Mine (copper-gold), Kokko Creek Mine (copper), Bateman Bay Mine (copper-gold), and Grandroy Mine (copper-gold).

- **Timmins Talc-Magnesite Project**, a 12 unit-sized claim was staked on behalf of the Company. This claim block is referred to as the “Adam Block”.

### Sales and Options

During 2010, the Company generated total option proceeds of \$1,271,500 (cash of \$780,000 and shares of optionees at fair market value of \$491,500, on receipt) with \$741,248 reflected as a recovery of deferred exploration expenditures and \$28,349 as a recovery of property costs. The net option income of \$501,903 is reflected in the statement of Operations. A summary of the agreements follows:

Property Agreements Summary by date	Net Option Income	Recovery of Property Acquisition	Recovery of Exploration Expenditures
<b>Sale</b>			
<b>Lamotte property - Glen Eagle Resources Inc.</b> <ul style="list-style-type: none"> <li>• October 5, 2010;</li> <li>• Sale for \$50,000 and 400,000 shares;</li> <li>• Royalty - 2% GMR<sup>1</sup>.</li> </ul>	<b>\$ 75,993</b>	<b>\$ 723</b>	<b>\$ 284</b>
<b>Options</b>			
<b>Malartic - Parbec Gold Property - Savant Exploration Inc.</b> <ul style="list-style-type: none"> <li>• January 4, 2010;</li> <li>• Option payments - \$525,000 over 4 years and 750,000 shares;</li> <li>• Work commitment - \$3.8 million over 4 years;</li> <li>• Royalty – Sliding scale GMR.</li> </ul>	-	-	<b>162,000</b>
<b>Duquesne West Gold Property - On-Strike Gold Inc. (Xmet Inc.)<sup>2,3</sup></b> <ul style="list-style-type: none"> <li>• February 16, 2010;</li> <li>• Option payments - \$4 M over 4 years and 1 million shares;</li> <li>• Work commitment - \$10 million over 4 years;</li> <li>• Royalty – Sliding scale GMR.</li> </ul>	<b>178,083</b>	<b>20,000</b>	<b>71,917</b>
<b>Nova Scotia Properties - NSGold Corporation Inc.</b> <ul style="list-style-type: none"> <li>• April 14, 2010;</li> <li>• Option payments \$750,000 plus 5% interest in share capital at commercial production;</li> <li>• Royalty - 4% GMR.</li> </ul>	-	-	<b>500,000</b>
<b>Bell Mountain, Nevada USA property - Laurion Mineral Exploration Inc.</b> <ul style="list-style-type: none"> <li>• June 28, 2010;</li> <li>• Option payments - \$40,000 over 24 months and 3.7 million shares;</li> <li>• Work commitment - \$3 million over 5 years;</li> <li>• Royalty - Sliding scale GMR.</li> </ul>	<b>122,000</b>	-	-
<b>Gand – Shortt Lake Property - NQ Explorations Inc.</b> <ul style="list-style-type: none"> <li>• July 29, 2010;</li> <li>• Option payments - \$650,000 over 4 years and 4 million shares;</li> <li>• Advance royalty - \$50,000 advance royalty after 5 years;</li> <li>• Work commitment - \$5 million over 5 years;</li> <li>• Royalty - sliding scale GMR.</li> </ul>	<b>21,509</b>	<b>7,626</b>	<b>6,365</b>
<b>Nordeau and Bateman Bay Properties - Plato Gold Corp.</b> <ul style="list-style-type: none"> <li>• August 6, 2006;</li> <li>• Option payments - \$675,000 over 2 years and 3 million shares;</li> <li>• Work commitment - \$6 million;</li> <li>• Royalty - 2% net metal royalty and a 10% net profit interest.</li> </ul>	<b>104,318</b>	-	<b>682</b>
	<b>\$501,903</b>	<b>\$ 28,349</b>	<b>\$741,248</b>

**Notes:**

1. GMR represents a Gross Metal Royalty with no deductions.
2. Mining Option agreement with Duparquet Assets Ltd., owned 50%:50% between Globex and Geonconseils Jack Stoch Limited (see Related Party Transactions on page 24).
3. On-Strike Gold Inc. merger resulted in the creation of Xmet Inc.

## **Royalties**

As previously reported in a press release dated September 14, 2009, Nyrstar NV commenced limited operations at Gordonsville Zinc mine complex in the fall of 2009. Under Globex's agreement, the Company is entitled to a gross metal royalty ("GMR") of 1% on all zinc sales between US\$0.90 and US\$1.10 per pound and 1.4% GMR on all zinc sales over US\$1.10 per pound.

As reported on February 24, 2011 announcing Nyrstar's 2010 full year results, the Mid Tennessee Mines were operating at approximately 35% of capacity at the end of 2010 and produced approximately 13,000 tonnes of zinc in concentrate in 2010. During the year, zinc prices strengthened; however, they were volatile with a high of US\$1.19 per pound in January 2010 and a low of US\$0.72 per pound in June 2010, with an average of US\$0.97 per pound for the year.

In the press release, Nyrstar management outlined that a number of initiatives had been completed which should result in these mines operating at their full capacity of 130,000 tonnes of zinc in concentrate per annum. During 2010, Globex received gross metal royalties of \$100,041. Globex expects its future royalties to reflect the increased production.

Work on the Magusi River polymetallic deposit (Ag, Cu, Zn) remains on hold. Globex's 2% net metal royalty continues to attach to the property.

## **Other exploration activities**

In January 2010, the company completed several lines of geophysical surveys (IP, resistivity, magnetometer and VLF-EM) on an airborne target located in Lac Duparquet, Quebec. The target is 2 kilometres east and on strike with the Fabie Bay Mine. A strong bedrock sourced anomaly was defined that warrants diamond drill testing. Future work on this property is planned.

In March 2010, Globex acquired additional claims on the Beauchastel - Rouyn property with the result that the main property now consists of 82 claims covering 2,852 hectares in Abitibi-West, Quebec. The property represents a large land package and previous work has identified numerous gold and base metal showings. In February 2011, Richmond Mines Inc. released drill results which indicated significant widths of gold mineralization near Globex's property boundary.

## **Qualified Person**

All scientific and technical information contained in this management's discussion and analysis was prepared by the Company's geological staff under the supervision of Jack Stoch, President and CEO, who is a qualified Person under NI 43-101.

## Results of Operations

### Selected Annual Information

	2010		2009		2008	
Total revenues	\$	780,599	\$	418,013	\$	3,685,945
Total expenses		3,289,241		2,423,749		3,541,145
Earnings (loss) before income and mining taxes		(2,508,642)		(2,005,736)		144,800
Income and mining taxes expense (recovery)		(568,763)		(632,160)		1,275,354
Net earnings (loss)		(1,939,879)		(1,373,576)		(1,130,554)
Net earnings (loss) per share						
- Basic		(0.10)		(0.07)		(0.06)
- Diluted		(0.10)		(0.07)		(0.06)
Total Assets	\$	17,769,507	\$	15,377,831	\$	16,201,306

Total revenues in 2010 of \$780,599 were \$362,586 greater than the 2009 revenues of \$418,013 mainly as a result of the increase in net option income generated in the year. The 2010 total revenues of \$780,599 were \$2,905,346 less than the total revenues of \$3,685,945 reported in 2008. The 2008 revenues included net option income and metal royalty income of \$3,493,238 from First Metals Inc. First Metals operations were suspended in January 2009.

In 2010, the total expenses were \$3,289,241 as compared to \$2,423,749 in 2009. The \$865,492 is mainly a result of increased administration expenses, professional fees and outside services, all incurred as a result of increased project evaluation activities and an increase in the write-down of mineral properties and deferred exploration expenses. The 2010 total expenses of \$3,289,241 are \$251,904 lower than 2008 mainly as the current year does not include an impairment provision of \$1,814,331 for marketable securities which was recorded in 2008; however, the current year includes an increased write-off for mineral properties of \$1,194,735. The remainder of the difference of \$367,692 represents increased operating expenses attributable to more project and administrative activities in the current year.

The increase in the total assets from \$16,201,306 at December 31, 2008 to \$17,769,507 at December 31, 2010 mainly reflects the change in deferred explorations expenses.

### Fourth Quarter Transactions

During the fourth quarter of each year, in conjunction with the corporate planning and budgeting for the upcoming year, management reviews the carrying value of the deferred exploration expenses for the mining properties. In the fourth quarter of 2010, the Company recorded a write-down of mineral properties and deferred exploration expenses of \$1,244,437 (2009 - \$756,698). The increase mainly relates to a write-down in general exploration.

### Summary of Quarterly Results

The consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and are expressed in Canadian dollars unless otherwise expressly stated.

The following table shows selected results by quarter for the last eight quarters:

	2010				2009			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenues	\$ (150,288)	\$ 473,669	\$ 364,206	\$ 93,012	\$ 174,299	\$ (48,380)	\$ 257,065	\$ 35,029
Total expenses	1,799,086	362,220	528,707	599,228	1,099,681	360,808	517,058	446,202
Net earnings (loss)	(1,466,953)	100,767	(161,133)	(412,560)	(544,276)	(319,952)	(221,458)	(287,890)
Net earnings (loss) per share								
- Basic	(0.08)	0.01	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)
- Diluted	(0.08)	0.01	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)

The net loss of \$1,466,953 in the quarter ended December 31, 2010 compares to earnings of \$100,767 in the quarter ended September 30, 2010. The change in the results is mainly caused by the write-down of mineral properties and deferred exploration expenses of \$1,244,437 following management's review of the carrying values and anticipated future plans. The revenues in the fourth quarter of 2010 were lower than the previous quarter by \$623,957 as significant option payments have been offset against property costs and deferred exploration and development costs.

As reported above, the total expenses for the quarter were \$1,799,086 as compared to \$362,220 in the quarter-ended September 30, 2010. After adjusting the total expenses of \$1,799,086 for the exploration write-off of \$1,244,437, the total expenses were \$192,429 higher than the previous quarter. The increase is a result of increased outside consulting resources and stock based payments of \$89,818.

The net earnings of \$100,767 in the quarter ended September 30, 2010 are better than the net loss of \$161,133 in the quarter ended June 30, 2010 mainly as a result of higher option income on properties and other revenues of \$109,464 as well as lower expenses of \$166,489 (stock-based compensation and payments lower by \$92,476; write-down of exploration properties lower by \$37,276 and lower other expenses of \$36,737).

The net loss of \$161,133 in the quarter ended June 30, 2010 is lower than the net loss of \$412,560 in the quarter ended March 31, 2010 mainly as a result of the receipt of additional property option income of \$300,000 in the quarter.

The net loss of \$412,560 in the quarter ended March 31, 2010 is less than the net loss of \$544,276 in the quarter ended December 31, 2009 mainly as a result of a decrease in exploration write-downs of \$710,983 and the offsetting impacts of increased administration and professional fees.

In the quarter ended December 31, 2009, the loss of \$544,276 was \$224,324 greater than the loss of \$319,952 in the quarter ended September 30, 2009 mainly as result of increased administrative and professional fees attributed to higher levels of activities.

The September 30, 2009 quarter ended loss of \$319,952 was \$98,494 greater than the loss of \$221,458 in the quarter ended June 30, 2009 mainly as a result of the absence of metal royalty income and a loss on the sale of marketable securities compared to a gain in the previous quarter which resulted in an overall decrease in revenues of \$305,445.

The net loss of \$221,458 for the quarter ended June 30, 2009 was lower than the loss of \$287,890 for the quarter-end March 31, 2009 by \$66,432 as a result of the increase in metal royalties and sales of marketable securities which was somewhat offset by the increase in professional fees and stock option compensation.

The Company reported a net loss in the quarter ended March 31, 2009 of \$287,890 which was \$3,064,111 lower than the loss of \$3,352,001 in the quarter ended December 31, 2008. The loss was lower mainly as the fourth quarter 2008 loss had included a write-down of \$1,814,331 on the First Metals Inc. investments and a loss of on the sale of marketable securities of \$717,347.

## **Results of Operations and Operational Review for the Year-ended December 31, 2010**

### **Revenues (December 31, 2010 - \$780,599; December 31, 2009 - \$418,013)**

During the year ended December 31, 2010, the revenues of \$780,599 were \$362,586 greater than the \$418,013 recorded in the previous year. The increase reflects additional net option income of \$349,403 which was offset by a reduction in metal royalty income of \$41,006. Option income was received from Glen Eagle Resources Inc., Laurion Mineral Explorations Inc., Plato Gold Corp., NQ Exploration Inc., Savant Explorations Ltd. and Xmet Inc. Option income consisting of cash and shares of optionees, totalled \$1,271,500 and \$741,248 has been reflected as a recovery of exploration expenses along with \$28,349 representing a recovery of property costs, resulting in net option income for the year of \$501,903.

## **Total Expenses (December 31, 2010 - \$3,289,241; December 31, 2009 - \$2,423,749)**

In 2010, total expenses were \$3,289,241 as compared to \$2,423,749 in 2009. The variance of \$865,492 is mainly a result of increased administration expenses of \$254,018, professional fees and outside services of \$160,456, and the write-down of mineral properties and deferred exploration expenses of \$467,564. The increases in 2010 offset the elimination of an impairment provision of marketable securities of \$118,374 which was incurred in 2009.

### **Administration**

- In the year ended December 31, 2010, administration expenses totalled \$783,287 as compared to \$529,269 in the comparable period in 2009 with the increase of \$254,018 mainly related to increases in wages and benefits due to the hiring of additional personnel, salary increases and a new group insurance plan as well as the provision for \$44,000 for Part XII.6 tax (interest charges) related to the timing of eligible “flow-through” expenditures which was not recorded in the comparable period last year.

### **Professional fees and outside services**

- In the year ended December 31, 2010, professional fees and outside services totalled \$715,927 as compared to \$555,471 in the previous year. The increase mainly represents increased activity levels on the evaluation of a number of major projects.

### **Amortization**

- Amortization relates to the Company’s Properties and equipment. The amortization of \$51,700 for the year ended December 31, 2010 as compared to \$62,304 is prepared on a consistent basis and reflects the complete amortization of certain equipment.

### **Write-down of mineral properties and deferred exploration expenses**

- The write-down of mineral properties and deferred exploration expenses in the year ended December 31, 2010 of \$1,379,878 is \$467,564 greater than the charge of \$912,314 in the previous year as result of the focus on other planned projects which has resulted in a write-off because expenditures are not currently planned for these properties.

### **Stock-based compensation and Stock-based payments**

- For the year ended December 31, 2010, the total stock compensation and payments was \$350,539 (2009 - \$211,929) representing an increase of \$138,610. The increase reflects the granting of 405,000 options (weighted average fair value of \$0.86 per share) as compared to 465,000 options (weighted average fair value of \$0.46 per share) in the comparable period in the previous year.

### **Income and mining taxes recovery**

- An income and mining tax recovery of \$568,763 (December 31, 2009 - \$632,160) has been recorded for the year. The lower recovery reflects the combined impact of a lower rate and differences in non-deductible items.

## **Balance Sheet Review**

### **Total Assets**

At December 31, 2010, total assets were \$17,769,507, an increase of \$2,391,676 from December 31, 2009. The increase mainly represents the flow-through financing proceeds received in November and December of 2010 which totalled \$1,900,000.

At year end, cash and cash equivalents as well as marketable securities totalled \$3,222,934 (December 31, 2009 - \$2,936,343) representing 18.1% of the total assets. During the year ended December 31, 2010, mineral properties increased by \$36,680 from \$2,870,356 to \$2,907,036 and the deferred exploration expenses increased by \$281,343 from \$8,100,884 at December 31, 2009 to \$8,382,227 at December 31, 2010. The net increase represented exploration expenditures of \$2,461,581 for the year and offsetting exploration write-downs of \$1,379,373, the recovery of exploration expenses through option revenues of \$741,248 and a Quebec refundable tax credit of \$59,617.

### **Shareholder's Equity**

At December 31, 2010, the share capital of the Company was \$48,920,534 (December 31, 2009 - \$45,900,953) representing 21,018,008 (December 31, 2009 - 19,215,074) common shares outstanding. The increase in the share capital reflects private placements of 1,760,934 shares which generated proceeds of \$4,106,141. The private placements were as follows: (i) May 21, 2010, Quebec flow-through 406,200 shares for \$794,121 proceeds and Federal flow-through 551,400 shares for \$1,031,118, (ii) November 3, 2010, Federal flow-through 70,000 shares for proceeds of \$130,900, (iii) November 26, 2010, Quebec flow-through 300,000 shares for proceeds of \$900,000 and a non flow-through private placement of 100,000 shares generating proceeds of \$250,000, (iv) December 22, 2010, Quebec flow-through 333,334 shares for proceeds of \$1,000,002. In addition, to the private placements, 42,000 share options were exercised and the related transfers from Contributed Surplus to Share Capital were recorded.

The Company recognizes the tax effect of flow-through shares issued when the Company files the renouncement documents with the tax authorities. In the fourth quarter of 2010, the Company renounced the eligible expenditures to flow-through subscribers and recorded the tax effect of \$1,135,350 (2009 - \$168,973) as a reduction in share capital.

At December 31, 2010, the Company had an accumulated other comprehensive loss of \$80,208 (December 31, 2009 – loss of \$274,521) which represented the unrealized losses on marketable securities. The change in the current period is mainly a result in the increase in the fair value of equity securities received in the current year.

### **Liquidity, Working Capital and Cash Flow**

At December 31, 2010, the Company had cash and cash equivalents of \$352,863 (December 31, 2009 - nil) excluding cash restricted for flow-through expenditures of \$1,969,672 (December 31, 2009 - \$347,883) which has been reflected as a long-term item as these funds are not available for current operating purposes.

Marketable securities of \$2,870,071 include shares with a market valuation of \$799,565 and term deposits and treasury bonds of \$2,070,506 fully guaranteed by the Canadian government.

At December 31, 2010, the Company's working capital (based on current assets minus current liabilities) was \$2,932,635 (December 31, 2009 - \$2,839,607). The Company believes that based on the current cash and working capital position, it has sufficient resources readily available to meet its current exploration spending commitments and corporate and administrative requirements for the next eighteen months.

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

During 2010, \$1,084,569 (2009 - \$993,104) of cash was used in operating activities while \$4,031,605 (2009 - \$994,969) was generated from private placements and the issuance of the shares under the company's share option plan. The total investing activities for the year including deferred exploration expenses and cash restricted for flow-through expenditures totalled \$2,594,173 (2009 - \$1,141,917).

The operating, financing, and investing activities for 2010 resulted in a net increase in cash and cash equivalents of \$352,863 (2009 - net decrease \$1,140,052).

## Financial Instruments and Risk Management

### Risk Management

The Company, through its financial assets and liabilities, has exposure to the following financial risks: credit risk, liquidity risk, foreign exchange risk, and interest rate risk. The following analysis provides a measurement of risks as at the balance sheet date December 31, 2010.

The Company had cash and cash equivalents as well as restricted cash which totalled \$2,322,535. 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 the \$1,000,000 guarantee by the Canadian Investors Protection Fund ("CIPF"). The Marketable Securities which total \$2,870,071 (Preferred shares - \$194,300; Equity investments - \$799,566; Treasury Bills - \$910,121, and Money Market Fund Investment - \$966,084) are subject to a guarantee from the Federal Government of \$910,121 as well as a guarantee by CIPF of \$966,084.

### Credit Risk

The Company does not believe it is subject to any significant concentration of credit risk. Cash and cash equivalents are in place with major financial institutions and corporations.

The maximum exposure to credit risk as at December 31, 2010 and December 31, 2009 was:

	2010	2009
Cash and cash equivalents	\$ 352,863	\$ -
Marketable securities - term deposits and treasury bonds	2,070,505	2,757,864
Accounts receivable	373,904	215,621
Restricted cash	1,969,672	347,883
	<b>4,766,944</b>	<b>3,321,368</b>

Accounts receivable are made up of taxes receivable from government authorities and customer receivables. As the government receivables arise from legislative measures and customer receivables were paid in January 2011, they do not represent a high credit risk.

### Equity Market Risk

Equity market risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company 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 Company.

The Company currently holds investments in a number of Optionee company's which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently these amount to \$799,566 (December 31, 2009 - \$178,478). Based on the balance outstanding at December 31, 2010, a 10% increase or decrease would impact other comprehensive income (OCI) by approximately \$80,000 (2009 - \$18,000).

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company mitigates liquidity risk through the management of its capital structure and financial leverage, as outlined in the following "Capital Disclosures". It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions outside of the ordinary course of business. The Company has financed its exploration and mining activities through operating cash flows and the utilisation of its liquidity reserves.

Contractual maturities of financial liabilities are all under one year.



## **Foreign Exchange Risk**

At December 31, 2010, the Company had US\$9,491 in cash (December 31, 2009 - \$6,587). The Company estimates that the impact on earnings of a one percent increase or decrease in the US exchange rate would be insignificant.

## **Interest Rate Risk**

The Company is not exposed to a significant interest rate risk since the Company has no credit facility. The interest revenue arising from the balance of operating cash accounts is subject to interest rate fluctuations. Based on the balances outstanding during the year ended December 31, 2010, a 1% increase (decrease) in the interest rate index would have no significant impact on earnings before income taxes.

## **Capital Resources and Disclosures**

The Company's Capital consists of Share Capital, Contributed Surplus, Deficit and Accumulated other comprehensive income (loss).

The Company's business is subject over the next several years to the availability of equity capital to finance the acquisition, exploration and development of major projects. The availability of equity capital to resource companies is affected by commodity prices as well as global economic conditions. These conditions are beyond the control of Management and may have a direct effect on the Company's ability to raise equity capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders.

As a Canadian exploration company, its principal sources of funds consist of; (a) Options 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 Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements or dispose of properties.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments, selected with regards to the expected timing of expenditures from continuing operations. The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period. The Company is currently not subject to externally imposed capital requirements.

Neither the management of capital nor the objectives have changed during the current year.

The Company monitors capital on the basis of surplus to equity. The components of the surplus are outlined below at December 31, 2010 and December 31, 2009:

	2010	2009
Cash and cash equivalents	\$ 352,863	\$ -
Marketable securities	2,870,071	2,936,343
Accounts receivable	373,904	215,621
Quebec refundable tax credit and mining duties	242,690	230,888
Restricted cash	1,969,672	347,883
	<b>5,809,200</b>	<b>3,730,735</b>
Exploration expenditure obligations	<b>(1,969,672)</b>	<b>(347,883)</b>
Surplus	<b>3,839,528</b>	<b>3,382,852</b>
Shareholders' equity	<b>13,606,373</b>	<b>12,077,114</b>

## Future Accounting Changes

### International Financial Reporting

#### International Financial Reporting Standards and Revision to CSA Rules

In February 2006, the Canadian Accounting Standards Board (AcSB) published a strategic plan to transition over a period of five years, Canadian Generally Accepted Principles (Canadian GAAP) for public enterprises to International Financial Reporting Standards (IFRS), as adopted by the International Accounting Standards Board (IASB). IFRS will apply to most Canadian publicly accountable enterprises for financial years beginning on or after January 1, 2011. The AcSB has incorporated IFRS into the Handbook of the Canadian Institute of Chartered Accountants (the Handbook) as Canadian GAAP for publicly accountable enterprises.

On October 1, 2010, the Canadian Securities Administrators (CSA) through National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards issued "Final Materials" which reflect the changeover in Canada to IFRS. At the same time, other amendments to other National Instruments, Forms and Companion Policies to reflect the changeover to IFRS in the disclosure rules, prospectus rules and certification procedures were announced. Many of these changes to instruments such as NI 51-102 (Continuous Disclosure Obligations) and NI 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) reflects changes to principles, terms and definitions used in the IFRS materials. The modifications also provide for a 30 day extension for reporting issuers in filing their first interim financial report in the year of adopting the IFRS rules.

#### Status Update and Key Decisions, Explanation of Changes and Impacts on Financial Statement Line Items

##### Status Update

As reported, in previous MD&A's Globex initially adopted a three phased approach which consisted of the phases and activities as outlined below in Phases 1 - Phase 3. The Company has generally completed the activities included in the first three phases with the exception of the completion of the conversion effort by the Company's external auditors. This activity is well along.

The Phase 4 which has been added deals with a number of implementation activities such as migrating the IFRS reporting models to the creation of the models for interim and annual reporting in 2011.

##### Phase 1 - Overall Planning and staff training and development

- Included an initial assessment of most significant changes and the identification of staff training and development needs. - **Completed during Q3 and Q4 2010.**

## **Phase 2 - Detailed assessment of future changes in accounting policies and financial statement presentation, systems and controls**

- In addition to a detailed assessment of differences in accounting standards, this phase included a review of potential changes in information technology, disclosure controls and internal controls over financial reporting as well as Business Activities. This phase of the project included additional training for the Controller and the Chief Financial Officer. - Completed during Q3 and Q4 2010.

## **Phase 3 - Develop preliminary financial statements in accordance with IFRSs**

- During Q2 of 2010, the Company prepared future models of its financial statements and provided them to the Audit Committee for their review and comment.
- The Company specifically engaged their Auditors to review Management's interpretation of the guidance and review their opening January 1, 2010 Statement of Financial Position as well as related reconciliations. This review is in process.

## **Phase 4 - Implementation and Modifications to Disclosure Controls and Internal Controls over Financial Reporting**

- Management is in the process of populating the comparative information into the financial statements and notes which were created in Phase 3 so that the Company is prepared to produce and file the IFRS financial statements as required in 2011.
- During Q1 of 2011, Management has identified and is developing additional review and reconciliation control activities which will support the CEO/CFO certification during the IFRS transition period.

## **Key Decisions Made**

### **Retrospective application**

IFRS 1, sets the stage for the transition from Canadian GAAP to IFRS. The standard sets out the procedures that a first-time adopter must follow as a result of measurement and reporting differences that arise as a result of the transition from GAAP to IFRS. The main principle of IFRS 1 is that a first time adopter must present its first IFRS financial statements using IFRSs which are effective at the end of the first IFRS reporting period, December 31, 2011 for Globex. Except for certain exceptions and exemptions discussed below, a retrospective application of IFRS is required as if the Company had always accounted and reported under this framework.

The guidance identifies sixteen optional exemptions that a "first-time adopter" may elect to not apply IFRS on a retroactive basis. These exemptions apply to items such as; business combinations, employee benefits, cumulative translation differences, borrowing costs, share based payment transactions, and fair value or revaluation as deemed cost. A number of the optional exemptions are beyond Globex's current operations. In addition to the optional exemptions, IFRS 1 contains certain mandatory exceptions to the retroactive application of IFRS including; derecognition of financial assets and liabilities, hedge accounting, revisions to accounting estimates, and non-controlling interest.

The Company is in the process of finalizing its decisions, but it anticipates applying the changes as follows:

### **Share-based payments**

- A first-time adopter is encouraged, but not required, to apply IFRS 2, Share-based Payment to equity instruments that were granted on or before November 7, 2002. A first-time adopter is also encouraged, but not required, to apply IFRS 2 to equity instruments that were granted after November 7, 2002 and vested before the later of (a) the date of transition to IFRSs and (b) January 1, 2005.

- *The Company has elected to avail itself of this exemption and apply IFRS for all equity instruments granted after November 7, 2002 that have vested. As a result of this election, at the transition date, the Company will restate the historical Canadian GAAP share-based compensation expenses, resulting in a reclassification of contributed surplus to share capital.*

### **Business Combinations**

- A first-time adopter may elect to apply IFRS 3 Business Combination retrospectively to past business combinations that occurred before the transition date to IFRS.
- *Globex has not been involved in any significant business acquisitions and therefore will elect not to retrospectively apply IFRS 3 to past business combinations.*

### **Deemed Cost**

- IFRS 1 permits an entity to measure an item of property, plant and equipment at the date of transition to IFRSs at its fair value and use that fair value as its deemed cost at that date.
- *The Company has not elected to use this exemption as it believes that the cost method, currently employed, provides more reliable and relevant information.*

### **Cumulative translation differences**

- IFRS 1 provides the option of retrospective application which would require the Company to determine cumulative currency translation differences in accordance with IAS 21, the Effects of Changes in Foreign Exchange Rates, from the date, a subsidiary or equity method investee was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date.
- *The Company elected to reset all cumulative translation gains and losses to zero in the opening retained earnings at the Transition Date.*

### **Other changes in accounting policies**

#### **Adoption of IFRS 9 Financial Instrument**

- IFRS 9 was issued as part of the IASB's process to implement improvements to the understandability of IAS 39, Financial Instruments. It specifies how an entity should classify and measure its financial assets. It requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.
- The guidance differentiates between debt instruments and equity instruments.

#### **Debt Investments**

- A debt instrument may initially be measured at fair value and subsequently re-measured at amortized cost if the entity meets specified criteria. If either of the two criteria is not met, the financial instrument is classified as fair value through profit or loss (FVTPL). Additionally, even if the asset meets the amortized cost criteria, the Company may choose on initial recognition to designate the financial asset as at FVTPL.
- An entity may, at initial recognition, designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

## Equity Investments

- Investments in equity instruments are classified and measured at fair value through Profit and Loss (FVTPL). Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss is included in the “other gains and losses” line item in the profit and loss statement.
- *The standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company has decided to adopt this standard effective January 1, 2010 as part of its IFRS adoption.*

## Explanation of Changes and Impacts on Financial Statement Line Items

In accordance with the Final Materials and IFRS 1, the Company will be required to include reconciliations and the transition opening statement of financial position in its first interim financial report and the annual financial statements. This disclosure is not required in the second and third interim financial rules under the continuous disclosure rules unless there has been a change in accounting policy. IFRS requires only a statement of cash flows for the year to date period and the corresponding period, whereas current Canadian GAAP requires issuers to present a cash flow statement for each interim period as well as for the year-to-date results. The amendments as reflected in the Final Materials contemplate this change and only require a cash flow statement for the year to date periods.

## Insignificant or no impact on reported operating results, but additional disclosures

- Exploration for and evaluation of Mineral Resources (IFRS 6);
- Property, Plant & Equipment (IAS 16);
- Impairment of Assets (IAS 36).

## Impacts of Adopting IFRS on the Company's Opening Balance Sheets

The numbers provided in this section are included for indicative purposes only and might be adjusted, pending further work, analysis and audit. Based on the work completed to date, management's best estimate of the impact of the conversion to IFRS will increase the share capital by \$2,047,000 and decrease the deficit by \$877,000.

The table which follows summarizes the preliminary quantitative impact of differences between Canadian GAAP and IFRS in the Company's more significant accounting policies and from its transition elections from Canadian GAAP to IFRS as of January 1, 2011. Further details including a reconciliation of equity at January 1, 2010, December 31, 2010 and March 31, 2010 which will be included in the notes to the March 31, 2011 IFRS interim financial statements.

Description of Adjustments	Notes	Summary of Opening Balance Sheet Impact (\$000's)		
		Assets Increase (Decrease)	Share Capital Increase (Decrease)	Deficit Increase (Decrease)
Share based payments	(i)	-	3,004	-
FMV adjustment on “flow-through”	(ii)	-	(2,808)	-
Adjustments to deferred tax on “flow-through”	(ii)	-	3,673	865
Reclassification of losses on available for sale securities	(iii)	-	-	80
Reclassification of share issuance costs	(iv)	-	(1,822)	(1,822)
		-	<b>2,047</b>	<b>(877)</b>

## **Adjustments to IFRS opening balance sheet as at the transition date (January 1, 2010):**

### **i. Share based payments**

IFRS requires that stock options that may be sequentially acquired, be measured and recognized on the basis of the valuation of each equity acquisition. Under the Company's current policy, the valuation is determined at the outset of the option grant. IFRS 2 also requires that expected forfeitures be accounted for in the recognition of the compensation cost, whereas currently, forfeitures are recognized when they occur.

There are differences with respect to the measurement of stock-based payments to non-employees (generally measured at the more reliably measurable amount of either the fair value of the goods or services received, or the fair value of the award at the earlier of performance commitment or completion date).

In accordance with the IFRS 1 exemptions, at the transition date, the Company has reversed the historical Canadian GAAP share-based compensation charges resulting in a reclassification of contributed surplus to share capital of \$3.0 M.

### **ii. FMV adjustments on "flow-through"**

Under Canadian GAAP, the value of the common shares issued under a subscription agreement is recorded as an increase in share capital based on the proceeds received. At the time that the tax benefits are renounced to the subscribers, the future tax impact is recorded as a reduction in share capital.

Since no specific guidance for the accounting and reporting of flow-through shares exists within the IFRS framework, companies must adopt the U.S. standards SFAS 109, Accounting for Income taxes. Under this guidance, the proceeds from the issuance are allocated between the subscription price and the sale of tax benefits when the shares are issued. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the "flow-through" shares (given no other differences between the securities). A Liability is recognized for this difference.

The Liability is reversed when the tax benefits are renounced and a deferred tax liability is recognized at that time. A deferred income tax expense reflecting the difference between the amount of the deferred tax liability and the liability recognized on issuance is recorded in the statement of profit and loss rather than as a reduction in share capital under Canadian GAAP.

Management's analysis of this change is reflected in an increase of share capital representing \$3,673,000 of future taxes previously recorded and a reduction of \$2,808,000 representing the credit to share capital based on quoted prices for the Company's shares (FMV) at the issuance of the shares.

The net impact of these adjustments of \$865,000 is reflected in a reduction in the Deficit of the Company.

### **iii. Reclassification of losses on available for sale securities**

Under IFRS, like Canadian GAAP, certain types of contracts are treated as financial instruments which require the assets to be measured initially at fair value with subsequent changes in fair value being reflected through ordinary income or comprehensive income. The disclosures require qualitative and quantitative disclosures of an entity's financial risks and its financial risk management objectives and policies. The level of disclosure varies depending on the nature and significance of financial instruments to the entity.

In accordance with the transition provisions of IFRS 9, as a result of the reclassification of financial assets, the Company will reverse the Other Comprehensive Income (OCI) against the retained earnings (deficit) at that time. This change is reflected in the \$80,000 increase in the Company's deficit at the transition date.

#### **iv. Reclassification of share issuance costs**

Under the Company's current accounting practices, share issuance costs are recorded (net of taxes) directly in the statement of deficit. During the period from 1986 to December 31, 2010, \$1,821,922 has been charged to the deficit.

In accordance with IAS 32.35, transaction costs of an equity transaction shall be accounted for as a deduction from equity, net of any related income tax benefit.

This change is a reclassification within the total equity of the Company.

### **Proposed Transactions**

As outlined on page 6, Management has begun to explore alternatives to "spin-off" properties which it has acquired in the Chibougamau area. On December 13, 2010 as part of its strategy to "spin-off" these assets to Globex shareholders, a newly formed company, Chibougamau Independent Mines Inc. was incorporated. The company is currently inactive and owned 100% by Globex.

This process will take some time as it will require the preparation of a qualifying report in accordance with National Instrument 43-101 and approval by the Toronto Stock Exchange. To date, this corporate focus has not had any significant financial impact on the Company.

The Company is also reviewing other opportunities and will update shareholders as required.

### **Critical accounting assumptions, policies and estimates**

The preparation of the Company's annual audited financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. Note 3 to the Financial Statements for the year ended December 31, 2010 summarized the significant accounting policies and also identified that certain accounting policies require management to make estimates or assumptions that in some cases are inherently uncertain. In preparing these audited financial statements, management has used the same approaches and methods as were used for the audited financial statements of the Company for the year ended December 31, 2009.

The preparation of the Company's consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

During the fiscal periods presented, management has made a number of significant estimates and assumptions including the Company's assumption that it is a going concern, estimates and valuation assumptions, including estimates of the net realizable value of accounts receivable and tax credits for mining exploration expenditures, the recoverability of mining properties and deferred exploration expenditures, valuation of stock-based compensation, valuation of future income taxes and the fair value of financial assets and liabilities. These estimates and valuation assumptions are based on current information and management's planned course of actions, as well as assumptions about future business and economic conditions. If the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

Key areas of estimation, where management has made difficult complex or subjective judgments include, finite lives and carrying value of property, plant and equipment, the ability to use income tax loss carry forwards and other future income tax assets and the recoverability of mineral interests which require estimates of future cash flows. A description of the relevant accounting policies follows.

## **Mineral properties and deferred exploration expenses**

The Company accounts for mineral properties and deferred exploration expenses in accordance with the Canadian Institute of Chartered accountants (“CICA”) Handbook Section 3061, “Property, plant and equipment” (“CICA 3061”), and abstract EIC-174, “Mining Exploration Costs” (“EIC-174”) of the Emerging Issues Committee.

CICA 3061 provides for the capitalization of the acquisition and exploration expenses of a mineral property where such costs are considered to have the characteristics of property, plant and equipment. EIC-174 provides that a mining enterprise is not precluded from considering exploration expenses to have the characteristics of property, plant and equipment when it has not established resource reserves objectively and therefore does not have a basis for preparing a projection of the estimated future net cash flow from the property.

The Company capitalizes the acquisition costs of mineral properties and all direct costs relating to exploration on its mineral properties. These costs will be amortized over the estimated productive lives of the properties upon commencement of production using the unit-of-production method. Option income or sales of mineral properties are accounted for by applying the proceeds from such sales to the carrying costs of the property and reducing the carrying costs of the property to zero prior to recognizing any gains. Costs related to abandoned projects are written off. Mineral property interests, where future cash flows are not reasonably determinable, are evaluated for impairment based on results of exploration work, management’s intentions and determination of the extent to which future exploration programs are warranted and likely to be funded. General exploration costs not related to specific properties and general administrative expenses are charged to operations in the year in which they are incurred.

Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the resource interests. It is reasonably possible, based on existing knowledge that changes in future conditions could require a change in the recognized amounts. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

## **Impairment of long-lived assets**

The Company follows the recommendations in CICA Handbook Section 3063 - “Impairment of Long-Lived Assets” and the CICA’s Emerging Issues Committee (“EIC”) emerging extract EIC-174 - “Mining Exploration Costs”. Section 3063 requires that the Company review long-lived assets, including mineral properties for impairment. Long-lived assets are assessed for impairment when events and circumstances warrant an assessment. EIC-174 consensus is that a mining enterprise in the development stage is not obliged to conclude that capitalized costs have been impaired due to the absence of a projected estimated future net cash flow from the mining enterprise. Mineral properties in the exploration stage do not have established mineral reserves and a basis for the preparation of a projection of the estimated future net cash flow from the properties does not exist. However, a mining enterprise is required to consider the conditions in Section 3063 for impairment write-down. The conditions include significant unfavorable economic, legal, regulatory, environmental, political and other factors. In addition, management’s development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, capitalized costs are written down to the estimated recoverable amount.

The Company has sufficient financing in place to meet its exploration property commitments. Globex has the intent and ability to retain its properties until the business climate improves, and although the adverse change in the business climate may result in a delay in the cash flows from properties, this factor alone may not require an impairment test. We review all of our properties annually to determine whether exploration undertaken has eliminated any further viable targets on a property and if affirmative, the property and all associated exploration costs are written down. Costs related to any property not explored over the past 3 years are also written down.



## Stock-based Compensation and Payments

Recognition of contribution to the success of the Company through stock-based compensation and payments conserves cash and acts as an incentive for employees and service providers to maintain their high level of participation. The Company records stock options granted using a fair value based on the Black-Scholes model.

The following weighted assumptions were applied for the period ended December 31, 2010 and 2009:

	2010	2009
Expected dividend yield	Nil	Nil
Expected stock price volatility	78.6%	84.5%
Risk free interest rate	2.16%	2.06%
Expected life	4.88 years	3.28 years
Weighted average fair value of options at grant date	\$0.85	\$0.46

During the year ended December 31, 2010, the Company granted 405,000 stock options, with 405,000 vesting immediately having an assigned value of \$350,539. The details of the grants include 355,000 to service providers, exercisable at a weighted average price of \$1.30, with terms of 3 and 5 years as well as 50,000 options to employees with a weighted average exercise price of \$1.75, for a 5 year period. In 2009, 465,000 options were granted.

The Company cautions that the Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that are fully transferable and have no vesting restrictions. The Company's stock options are not transferable and cannot be traded, thus the Black-Scholes model may overestimate the actual value of the options that the Company has granted. Further, the Black-Scholes model also requires an estimate of expected volatility. The Company uses its historical volatility rates to calculate an estimate of expected volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore do not necessarily provide a reliable measure of the fair value of the Company's stock options.

## Outstanding Share Data

At December 31, 2010, the Company 21,018,008 common shares issued and outstanding (December 31, 2009 – 19,215,074). Since year-end, 843,000 options were exercised for \$274,100, which resulted in 21,861,008 shares outstanding and 1,870,500 stock options remain outstanding for a fully diluted common share capital of 23,731,508.

## Subsequent Events

On March 23, 2011, an agreement to acquire a 100% interest, in the Quebec mining assets of First Metals Inc. was accepted and approved by the Superior Court of the Province of Quebec. The acquisition includes the unmined Magusi River, copper, gold, zinc, silver deposit as well as 136 claims covering an area of 5,415 hectares.

Under the agreement, Globex, will acquire the assets for aggregate consideration of \$500,000 to be satisfied by the issuance of 166,667 Globex shares at a deemed issue price of \$3.00 per share. It is anticipated that the transfer of assets and issuance of shares will be completed on or about March 28, 2011.

## Risks and Uncertainties

Risks beyond the control of the Company come from multiple sources.

**Metal Prices:** World-wide supply and demand for metals determines metal prices. Lower metal prices reduce exploration activity and thus the terms at which Globex can option its properties. The ability of the Company to market and/or develop its properties and the future profitability of the Company are directly related to the market price of metals. Metal prices also directly affect the revenue stream that Globex anticipates from mines in production. Lower metal prices equal lower or no revenue. Higher metal prices equal higher revenue.

**Currency Exchange Fluctuations:** Metal prices are quoted in US dollars. A strong US dollar exchange rate versus the Canadian dollar enhances metal revenues when translated to Canadian dollars, causing an equivalent increase in net profits. Since the majority of Globex's mining properties are located in Canada, a strong Canadian dollar can have a detrimental effect upon the potential cash flow from one of our Canadian projects and a project's profitability.

**Staff Recruitment and Retention:** As a result of the cyclical nature of the business and the lack of job security, it is difficult to find and retain experienced, competent individuals required to build a company: Salaries, benefits, working conditions and challenge must be competitive.

**Option Revenue:** Option contracts taken to term can appear extremely lucrative. However, if exploration results are poor in year 1, the property may be returned after only a single payment. These negative results may further, mean share payments received by the Company lose value. If the main target of a particular property is drilled with negative results, then the property may cease to have exploration potential and thus the ability to generate future option revenue.

**Success of Partners:** The outcome of efforts by joint venture, option and royalty partners has a significant effect on the Company's profitability. If they are successful in achieving their goals in a timely and cost-efficient manner, then the Company will benefit. Should they fail financially, technically or for other reasons, we will be negatively impacted.

**Government Legislation and Taxation:** Flow-through financing, combined with provincial tax credits for exploring in Quebec, are potentially important sources of risk capital for financing exploration programs. Any material changes in these programs could adversely affect the Company's operations.

**Finding and Developing Economic Reserves:** The recoverability of amounts capitalized for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposal thereof.

**Other risks the Company faces are:** Renegotiation of contracts, permitting, reserves estimation, environmental factors, governments not enforcing access laws and various other regulatory risks.

## Related Party Transactions

### Property Transfer

On February 16, 2010, the Company entered into a purchase and sale agreement for the Duquesne West Gold property (20 claims), owned 50% by Globex and 50% by Geoconseils Jack Stoch Limited ("GJSL"), a private company wholly-owned by Jack Stoch, President and Chief Executive Officer and a director of Globex, to transfer its 50% undivided interest in the mining claims to Duparquet Assets Ltd. ("DAL"). DAL was incorporated on the same date to facilitate the undertaking of a Mining Option Agreement with the Optionee, On-Strike Gold Inc., an independent third party, which, following a subsequent merger became Xmet Inc. DAL is a private company owned 50%:50% by Globex and GJSL and under the Mining Option Agreement described above, all of the proceeds from the Option will be shared equally.

Globex's transfer of the property was not within the normal course of operations and has been recorded at its carrying value of \$20,000, due to the nature of the exploration property this represents management's best estimate of a supportable value. The purchase price for the transfer of the claims by Globex was satisfied by the receipt of 3,000,000 preferred shares of DAL (redeemable at \$3,000,000). Globex has directly retained a sliding-scale gross metal royalty of between 1% and 3% of production, dependent on the price of gold produced from the property. Globex's interest in the property is subject to an underlying 1% net smelter return royalty, payable to an unrelated party. Under the Mining Option Agreement, Xmet Inc. has agreed to assume this obligation.

The purchase price by DAL was based on negotiations with the Optionee. For additional details of the option with Xmet Inc., refer to the Sales and Options table on page 8. Similar to all option arrangements, a number of factors could result in the termination of the arrangement prior to the completion of all terms and conditions by the Optionee.

## Other related party transactions

During the year ended December 31, 2010, the Company made the payments described below to two shareholders, both of whom are officers and directors of the Company, and to a company controlled by a shareholder. A summary of related party transactions including all remuneration paid out for services provided follows:

	2010	2009
Compensation - Jack Stoch, President and CEO	\$ 159,996	\$ 159,996
Compensation - Dianne Stoch, Corporate Secretary	120,000	120,000
	<b>279,996</b>	<b>279,996</b>

Other related party transactions are disclosed elsewhere in these consolidated financial statements - see Share Capital, Authorized and Issued (note 10 (i)). These transactions are in the normal course of operations and are measured at the exchange value, that is, the amount of consideration established and agreed to by the related parties which approximates the arm's length equivalent value and do not include any mark-up.

## Disclosure Controls and Procedures

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 Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have evaluated the design and effectiveness of the Company's disclosure controls and procedures as defined in the rules of the Canadian Securities Administrators as at December 31, 2010. Based on that evaluation, they have concluded that the Company's disclosure controls and procedures were as of and for the year ending December 31, 2010 appropriately designed and operating effectively.

## Internal Control over Financial Reporting (ICFR)

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process 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 Company's internal control over financial reporting includes 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 Company'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 authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitation, internal control 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, 2010 and as at December 31, 2010, the CEO and CFO have participated in the evaluation of the design of internal controls over financial reporting based on criteria established in Internal Control over Financial Reporting – Guidance for Smaller Public Companies issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). They have also caused the effectiveness of ICFR to be evaluated at the financial year-end and based on their evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that 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 Company's application of Canadian GAAP. During the quarter ended December 31, 2010 there have been no material changes in the Company's ICFR.

## Outlook

Globex is pleased with the achievements to date on the **Timmins Talc-Magnesite** project and has established a number of activities so that the project will continue to advance during the next years. The rebound in base metal, rare earths and precious metal prices has changed the psychology within our sector and attractive projects are now receiving attention although investors in general are still unsure as to whether or not it is the appropriate time to return to the junior mining sector. Globex will continue to advance its projects and opportunities. In addition, the Company anticipates that it will continue to receive option payments and begin to receive increased royalty payments from the Tennessee zinc (Nyrstar) property as a result of increased production and higher zinc prices. On an overall basis, the Company believes that it is well positioned with a combination of ground breaking technological applications and the resources necessary to continue to advance its strategic objectives.

## Additional Information

This analysis should be read in conjunction with the most recent financial statements. Financial information about the Company is contained in its comparative financial statements for the year-ended December 31, 2010 and the fiscal year ended December 31, 2009 and additional information about the Company, including the Annual Information Form (AIF), is available on SEDAR at [www.sedar.com](http://www.sedar.com). Further, the Company posts all publicly filed documents, including the AIF and the Management Discussion and Analysis, on its website [www.globexmining.com](http://www.globexmining.com) in a timely manner.

If you would like to obtain, at no cost to you, a copy of the 2010 and/or 2009 Management Discussion and Analysis, please send your request to:

Globex Mining Enterprises Inc.  
86, 14th Street, Rouyn-Noranda, Quebec J9X 2J1  
Telephone: 819.797.5242    Telecopier: 819.797.1470  
Email: [dstoch@globexmining.com](mailto:dstoch@globexmining.com)

## Authorization

The contents and the dissemination of this Management's Discussion and Analysis have been approved by the Board of Directors of the Company.

March 25, 2011.

## Responsibilities for Financial Statements

The management of the Company is responsible for the preparation of the consolidated financial statements and the financial information contained in the Annual Report. The accompanying consolidated financial statements of Globex Mining Enterprises Inc. have been prepared by management and approved by the Board of Directors of the Company. Financial information contained elsewhere in this report is consistent with the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and where appropriate reflect management's best estimates and judgments based on currently available information.

Globex maintains adequate accounting systems and administrative controls to produce reliable financial statements and provide reasonable assurance that assets are properly safeguarded.

Samson Bélair/Deloitte & Touche s.e.n.c.r.l., Chartered Accountants, have been appointed by the shareholders to conduct an independent audit of the Company's financial statements. Their report outlines the nature of their audit and expresses their opinion of the financial statements of the Company.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board of Directors carries out this responsibility through its Audit Committee, which is composed solely of independent directors. The Audit Committee is also responsible for making recommendations with respect to the appointment, the remuneration and the terms of engagement of the Company's auditors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the consolidated financial statements, management's discussion and analysis, the external auditor's report, and examines the fees and expenses for audit services, and considers the engagement or reappointment of the external auditors. Samson Bélair/Deloitte & Touche s.e.n.c.r.l., the external auditors, have full and free access to the Audit Committee. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to shareholders.

***"Jack Stoch"***

Jack Stoch  
President and Chief Executive Officer

***"James Wilson"***

James Wilson  
Chief Financial Officer and Treasurer

## Independent Auditor's Report

To the Shareholders of Globex Mining Enterprises Inc.

We have audited the accompanying consolidated financial statements of Globex Mining Enterprises Inc., which comprise the consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of operations and comprehensive loss, contributed surplus and deficit and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Globex Mining Enterprises Inc. as at December 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

***"Samson Bélair/Deloitte & Touche s.e.n.c.r.l."***

Samson Bélair/Deloitte & Touche s.e.n.c.r.l.<sup>1</sup>  
Rouyn-Noranda, Quebec, Canada

March 5, 2011, except as to Note 18, which is as of March 23, 2011

<sup>1</sup> Chartered accountant auditor permit n° 18190

**GLOBEX MINING ENTERPRISES INC.**

**Consolidated Balance Sheets**

As at December 31,

	2010	2009
<b>Assets</b>		
Current assets		
Cash and cash equivalents (note 4)	\$ 352,863	\$ -
Marketable securities	2,870,071	2,936,343
Accounts receivable	373,904	215,621
Quebec refundable tax credit and mining duties	242,690	230,888
Prepaid expenses	75,140	34,031
	<b>3,914,668</b>	<b>3,416,883</b>
Restricted cash (note 5)	1,969,672	347,883
Reclamation bonds (note 6)	118,990	125,320
Properties and equipment (note 7)	476,914	516,505
Mineral properties (schedule A)	2,907,036	2,870,356
Deferred exploration expenses (note 8) (schedule A)	8,382,227	8,100,884
	<b>17,769,507</b>	<b>15,377,831</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	594,265	270,238
Income tax payable	387,768	307,038
	<b>982,033</b>	<b>577,276</b>
Future income and mining taxes (note 9)	3,181,101	2,723,441
<b>Shareholders' equity</b>		
Share capital		
Authorized: Unlimited common shares with no par value		
Issued and fully paid: 21,018,008 common shares		
(2009 - 19,215,074 common shares) (note 10)		
	48,920,534	45,900,953
Contributed surplus	3,335,456	3,004,037
Deficit	(38,569,409)	(36,553,355)
Accumulated other comprehensive loss (note 11)	(80,208)	(274,521)
	<b>(38,649,617)</b>	<b>(36,827,876)</b>
	<b>13,606,373</b>	<b>12,077,114</b>
	<b>17,769,507</b>	<b>15,377,831</b>

Approved by the Board

**"Jack Stoch"**

Jack Stoch, Director

**"Dianne Stoch"**

Dianne Stoch, Director

**GLOBEX MINING ENTERPRISES INC.****Consolidated Statements of Operations and Comprehensive Loss**

Years ended December 31,

	2010	2009
<b>Revenues</b>		
Net option income (note 8)	\$ 501,903	\$ 152,500
Metal Royalty income	124,741	165,747
Gain on sale of marketable securities	51,096	37,019
Interest income	37,341	56,555
Other	65,518	6,192
	<b>780,599</b>	418,013
<b>Expenses</b>		
Administration	783,287	529,269
Professional fees and outside services	715,927	555,471
Amortization	51,700	62,304
Write-down of mineral properties and deferred exploration expenses	1,379,878	912,314
Loss on foreign exchange translation	6,583	34,088
Loss on disposal of property and equipment	1,327	-
Stock-based compensation (note 10)	59,220	17,939
Stock-based payments (note 10)	291,319	193,990
Other-than-temporary impairment on marketable securities	-	118,374
	<b>3,289,241</b>	2,423,749
Loss before income and mining taxes	<b>(2,508,642)</b>	(2,005,736)
<b>Income and mining taxes (note 9)</b>		
Current	80,896	(16,857)
Future	(649,659)	(615,303)
	<b>(568,763)</b>	(632,160)
<b>Net loss</b>	<b>(1,939,879)</b>	(1,373,576)
Net loss per common share (note 12)		
Basic	<b>(0.10)</b>	(0.07)
Diluted	<b>(0.10)</b>	(0.07)
<b>Other comprehensive loss, net of taxes</b>		
Changes in unrealized gains on available-for-sale marketable securities		
Unrealized gains arising during the period, net of taxes	245,409	172,828
Reclassification to earnings of gains realized, net of taxes	(51,096)	(37,019)
Reclassification to earnings of other-than-temporary impairment on marketable securities	-	118,374
	<b>194,313</b>	254,183
Net loss	<b>(1,939,879)</b>	(1,373,576)
<b>Comprehensive loss</b>	<b>(1,745,566)</b>	(1,119,393)



**GLOBEX MINING ENTERPRISES INC.****Consolidated Statements of Contributed Surplus and Deficit**  
Years ended December 31,

	2010	2009
<b>Contributed surplus</b>		
<b>Balance, beginning of year</b>	<b>\$ 3,004,037</b>	\$ 2,799,452
Stock-based compensation (note 10)	<b>59,220</b>	17,939
Stock-based payments (note 10)	<b>291,319</b>	193,990
Fair value of stock options exercised (note 10)	<b>(19,120)</b>	(7,344)
<b>Balance, end of year</b>	<b>3,335,456</b>	3,004,037
<b>Deficit</b>		
<b>Balance, beginning of year</b>	<b>\$(36,553,355)</b>	\$(35,149,968)
Net loss	<b>(1,939,879)</b>	(1,373,576)
Share issue expenses, net of taxes of \$ 28,031 (2009 - \$10,970)	<b>(76,175)</b>	(29,811)
<b>Balance, end of year</b>	<b>(38,569,409)</b>	(36,553,355)

**GLOBEX MINING ENTERPRISES INC.**  
**Consolidated Statements of Cash Flows**  
Years ended December 31,

	2010	2009
<b>Operating activities</b>		
Net loss	\$ (1,939,879)	\$ (1,373,576)
Items not affecting cash:		
Option income received in marketable securities (note 13)	(491,500)	(27,500)
Other-than-temporary impairment on marketable securities	-	118,374
Amortization	51,700	62,304
Foreign exchange rate variation on reclamation bond	6,330	16,154
Gain on sale of marketable securities	(51,096)	(37,019)
Loss on sale of property and equipment	1,327	-
Write-down of mineral properties	505	-
Write-down of deferred exploration expenses	1,379,373	912,314
Amortization of bonds premium	4,611	10,192
Future income and mining tax recovery	(649,659)	(615,303)
Stock-based compensation	59,220	17,939
Stock-based payments	291,319	193,990
	<b>602,130</b>	<b>651,445</b>
Changes in non-cash operating working capital items (note 13)	<b>253,180</b>	<b>(270,973)</b>
	<b>(1,084,569)</b>	<b>(993,104)</b>
<b>Financing activities</b>		
Issuance of share capital	4,135,811	1,035,750
Share capital issue expenses	(104,206)	(40,781)
	<b>4,031,605</b>	<b>994,969</b>
<b>Investing activities</b>		
Proceeds on disposal of property and equipment	443	-
Acquisition of properties and equipment	(13,879)	(31,280)
Deferred exploration expenses	(2,461,581)	(1,924,068)
Mineral properties acquisitions	(65,534)	(28,152)
Proceeds on mineral properties optioned	769,597	-
Proceeds on sale of marketable securities	850,684	1,684,189
Acquisition of marketable securities	(52,114)	(1,055,762)
Cash restricted for flow-through expenditures	(1,621,789)	213,156
	<b>(2,594,173)</b>	<b>(1,141,917)</b>
Net increase (decrease) in cash and cash equivalents	<b>352,863</b>	<b>(1,140,052)</b>
Cash and cash equivalents, beginning of year	-	1,140,052
<b>Cash and cash equivalents, end of year</b>	<b>352,863</b>	<b>-</b>

Supplementary cash flow information (note 13)

# Notes to the Consolidated Financial Statements

Years ended December 31, 2010 and 2009

## 1. Description of the business

Globex Mining Enterprises Inc. (“Globex”) is a Canadian exploration company with a North American portfolio of properties with gold, copper, zinc, silver, platinum, palladium, manganese, lithium, uranium, rare earths, nickel, magnesium and talc potential. Globex trades on the Toronto Stock Exchange under the symbol GMX, in Europe on the Frankfurt, Munich, Stuttgart, Berlin and Xetra exchanges under the symbol G1M and GLBXF on the OTCQX International, USA. The Company seeks to create shareholder value by acquiring mineral properties, enhancing them and either optioning, selling or joint venturing them or developing them to production.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposal thereof.

These consolidated financial statements have been prepared on a going-concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. This assumption is based on the current net assets of the Company and management's current operating plans.

## 2. Future accounting changes

### *International Financial Reporting Standards*

In February 2006, the Canadian Accounting Standards Board (AcSB) published a strategic plan to transition over a period of five years, Canadian Generally Accepted Principles (Canadian GAAP) for public enterprises to International Financial Reporting Standards (IFRS), as adopted by the International Accounting Standards Board (IASB). In March 2008, the timing of the transition was confirmed. In October 2010, the Canadian Securities Administrators (CSA) through National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards issued Final Materials that sets out both the accounting principles and auditing standards that must be used by all issuers. The AcSB has incorporated IFRS into the Handbook of the Canadian Institute of Chartered Accountants (the Handbook) as Canadian GAAP for publicly accountable enterprises which reflect the changeover in Canada to IFRS.

Globex has completed a detailed assessment of the differences between Canadian GAAP and IFRS. The assessment identified that changes were required to accounting systems and business processes mainly related to capitalization of exploration expenses and the application of the facts and circumstances which identify the need to test for impairment of mineral properties. The new standards will also result in a change in the way that the Company initially recognizes the fair market value of “flow-through” shares issued as well as a difference in the disclosure of changes in the fair value of equity investments in profit and loss rather than as an element of comprehensive income. The IFRSs will also result in the reclassification of share issuance costs from an offset against share capital to the deficit.

IFRS will apply to most Canadian publicly accountable enterprises for financial years beginning on or after January 1, 2011. The Company will produce its March 31, 2011 interim financial statements in accordance with the revised standards.

### 3. Accounting policies

#### ***Principles of consolidation***

The consolidated financial statements of Globex are prepared in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of the Company, and its subsidiaries Globex Nevada Inc. (100% owned by Globex), Worldwide Magnesium Corporation (90% owned by Globex), Eco Refractory Solutions Inc. (75% owned by Globex) and Chibougamau Independent Mines Inc. (100% owned by Globex) and its joint venture Duparquet Assets Ltd. (50% owned by Globex) using proportionate consolidation. All significant intercompany transactions and balances have been eliminated on consolidation.

#### ***Translation of foreign currencies***

Integrated foreign operation and accounts denominated in foreign currency are translated as follows: monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the year except for amortization, which is translated at historical rates. Translation gains or losses are included in earnings.

#### ***Cash and cash equivalents***

Cash and cash equivalents include cash funds and bank balances.

#### ***Restricted cash***

Cash restricted is composed of cash funds, bank balances and short-term investments in money market instruments with an original term of less than three months. The cash is restricted to pay prescribed resource expenditures in the province of Quebec.

#### ***Marketable securities***

Marketable securities consist of investments in money market instruments with an original term of more than three months, but no longer than one year. Also included in marketable securities are the shares of public companies, which are not subject to any trading restrictions.

#### ***Quebec refundable tax credit and mining duties***

The Company is entitled to a 35% refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec. The Company is also entitled to a refund of mining duties of the lesser of 12% of qualified mining exploration or operating losses during the period, net of the refundable tax credit. The credits or refunds are recorded based on management's best estimates once the necessary information is available and management believes that the amounts are collectible. Refundable tax credits are offset against the exploration expenses incurred in the balance sheet and the mining duties refunds are recorded for as current mining taxes in the statement of operations.

#### ***Properties and equipment***

Properties and equipment are recorded at cost. Amortization is based on their estimated useful lives using the diminishing balance method and rates as follows:

Buildings	4%
Office equipment	20%
Mining equipment and vehicles	30%
Computer systems	30 - 100%

### ***Mineral properties and deferred exploration expenses***

The Company accounts for mineral properties and deferred exploration expenses in accordance with the CICA Handbook Section 3061, "Property, plant and equipment" ("CICA 3061"), and abstract EIC-174, "Mining Exploration Costs" ("EIC-174"). CICA 3061 provides for the capitalization of the acquisition and exploration expenses of a mineral property where such costs are considered to have the characteristics of property, plant and equipment. EIC-174 provides that a mining enterprise is not precluded from considering exploration expenses to have the characteristics of property, plant and equipment when it has not established resource reserves objectively and therefore does not have a basis for preparing a projection of the estimated future net cash flow from the property.

The Company capitalizes the acquisition costs of mineral properties and all direct costs relating to exploration on its mineral properties. These costs will be amortized over the estimated productive lives of the properties upon commencement of production using the unit-of-production method. Options or sales of mineral properties are accounted for by applying the proceeds from such sales to the carrying costs of the property and reducing costs to zero prior to recognizing any gain. Costs related to abandoned projects are written off. Mineral property interests, where future cash flows are not reasonably determinable, are evaluated for impairment based on results of exploration work, management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded. General exploration costs not related to specific properties and general administrative expenses are charged to operations in the year in which they are incurred.

Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the resource interests. It is reasonably possible, based on existing knowledge that changes in future conditions could require a change in the recognized amounts. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

### ***Impairment of long-lived assets***

The Company follows the recommendations in CICA Handbook Section 3063 – "Impairment of Long-Lived Assets" and the CICA's emerging extract EIC-174 – "Mining Exploration Costs". Section 3063 requires that the Company review long-lived assets, including mineral properties for impairment. Long-lived assets are assessed for impairment when events and circumstances warrant an assessment. EIC-174 consensus is that a mining enterprise in the development stage is not obliged to conclude that capitalized costs have been impaired due to the absence of a projected estimated future net cash flow from the mining enterprise. Mineral properties in the exploration stage do not have established mineral reserves and a basis for the preparation of a projection of the estimated future net cash flow from the properties does not exist. However, a mining enterprise is required to consider the conditions in Section 3063 for impairment write-down. The conditions include significant unfavorable economic, legal, regulatory, environmental, political and other factors. In addition, management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, capitalized costs are written down to the estimated recoverable amount.

**Income taxes**

The Company uses the asset and liability method in accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributed to differences between the financial statement carrying values of assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the year of the rate change. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

**Financial instruments**

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used.

Classification

Cash and cash equivalents	Held for trading
Restricted cash	Held for trading
Marketable securities	Available-for-sale
Accounts receivable and Quebec refundable tax credit	Loans and receivables
Reclamation bonds	Available-for-sale
Accounts payable, accrued liabilities and income tax payable	Other liabilities

**Flow-through shares - tax benefits renounced**

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through shares are renounced to investors in accordance with tax legislation. Under the liability method of accounting for income taxes, the future income taxes related to the temporary difference arising at the later of renunciation and when the qualifying expenditures are incurred, are recorded at that time together with a corresponding reduction to the carrying value of the shares issued.

**Revenue recognition**

The Company generates revenue from the sale or partial sales of mineral properties, metal royalty income, realized gains or losses on the disposition of marketable securities and interest income. The option income earned from the sale of properties is reflected in income in accordance with the substance of the contract terms on an accrual basis. The initial proceeds which may consist of cash and shares of the Optionee are recorded as an asset at fair value which is determined at quoted prices if the shares are quoted in an active market and if the market for the shares is not active, fair value is determined by using a valuation technique. The proceeds are initially offset against the carrying costs of the property with the remainder reflected as Option Income. Metal Royalty and Interest Income are recorded on an accrual basis in accordance with the contract terms.

### ***Stock-based compensation and payments***

The company uses the fair value method for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is charged to operations, with an offsetting credit to contributed surplus, over vesting periods. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to capital stock.

### ***Use of estimates***

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. During the fiscal periods presented, management has made a number of significant estimates and valuation assumptions, including estimates of the net realizable value of accounts receivable and tax credits for mining exploration expenditures, the recoverability of mining properties and deferred exploration expenditures, valuation of stock-based compensation, valuation of future income taxes and the fair value of financial assets and liabilities. These estimates and valuation assumptions are based on current information and management's planned course of actions, as well as assumptions about future business and economic conditions. If the underlying valuation assumptions and estimates changes, the recorded amounts could change by a material amount.

### ***Realization of assets***

Realization of the Company's assets is subject to various risks including permitting, reserves estimation, metal prices and environmental factors.

#### **4. Cash and cash equivalents**

	<b>December 31, 2010</b>	December 31, 2009
Bank balances	<b>\$ 352,863</b>	\$ -

#### **5. Restricted cash**

	<b>December 31, 2010</b>	December 31, 2009
Bank balances	<b>\$ 1,969,672</b>	\$ 300,622
Guaranteed investment certificates	-	47,261
	<b>1,969,672</b>	347,883

Flow-through funds raised under a subscription agreement require the Company to incur prescribed resource expenditures and are not available for current operating purposes and therefore are reported as restricted. If the Company does not incur the resource expenditures, then it will be required to indemnify these shareholders for any tax and other costs payable by them as a result of the Company not making the required resource expenditures. As at December 31, 2010, the Company's remaining commitment with respect to unspent resource expenditures under flow-through common share agreements was \$1,969,672 (December 31, 2009 - \$347,883).

## 6. Reclamation bonds

	December 31, 2010	December 31, 2009
Nova Scotia bond - Department of Natural Resources	\$ 57,974	\$ 57,974
Option reimbursement	(50,000)	(50,000)
Net Nova Scotia bond	7,974	7,974
Washington State bond - Department of Natural Resources	111,016	117,346
	<b>118,990</b>	<b>125,320</b>

Reclamation and environmental bonds were posted by the Company to secure clean-up expenses in the event of mine closure or property abandonment. An environmental bond, posted with the Nova Scotia Department of Natural Resources, the original cost of this bond, \$50,000, was reimbursed to the Company as part of the now defunct Azure option agreement.

Reclamation bonds, posted at the request of Department of Natural Resources, Washington State, concern the Vulcan Mountain property located in Washington State, USA.

## 7. Properties and equipment

	December 31, 2010	Cost	Accumulated amortization	Net book value
Land	\$ 116,730	\$ 116,730	-	\$ 116,730
Buildings	298,382	298,382	34,801	263,581
Mining equipment	33,389	33,389	29,636	3,753
Office equipment	145,419	145,419	84,145	61,274
Vehicles	23,462	23,462	18,597	4,865
Computer systems	197,790	197,790	171,079	26,711
	<b>815,172</b>	<b>815,172</b>	<b>338,258</b>	<b>476,914</b>

  

	December 31, 2009	Cost	Accumulated amortization	Net book value
Land	\$ 116,730	\$ 116,730	-	\$ 116,730
Buildings	298,382	298,382	23,819	274,563
Mining equipment	36,889	36,889	28,997	7,892
Office equipment	140,857	140,857	69,395	71,462
Vehicles	23,462	23,462	16,512	6,950
Computer systems	188,472	188,472	149,564	38,908
	<b>804,792</b>	<b>804,792</b>	<b>288,287</b>	<b>516,505</b>



## 8. Deferred exploration expenses

The following table presents exploration expenses:

	December 31, 2010	December 31, 2009
Balance - beginning of year	\$ 8,100,884	\$ 7,136,945
Current exploration expenses		
Consulting	203,440	188,229
Core shack and storage	2,614	4,780
Drilling	462,834	18,355
Environment	130,101	29,998
Equipment rental	18,845	3,051
Geology	290,000	246,563
Geophysics	76,663	156,935
Laboratory analysis	657,022	768,099
Labour	270,567	287,283
Line cutting	69,870	20,770
Mining property tax	70,604	68,241
Permits	730	14
Prospecting	102,102	42,645
Reports and maps	7,577	11,781
Sampling	6,910	16,760
Supplies	12,262	5,612
Surveying	19,826	6,189
Transport and road access	59,614	48,763
Total current exploration expenses	2,461,581	1,924,068
Exploration expenses written down (schedule A)	(1,379,373)	(912,314)
Exploration expenses reducing option revenue (schedule A)	(741,248)	-
Quebec refundable tax credit recovery	(59,617)	(47,815)
	(2,180,238)	(960,129)
Current net deferred exploration expenses	281,343	963,939
Balance - end of year	8,382,227	8,100,884

### **Properties under active option 2010**

- Bell Mountain, NV, USA - Laurion Minerals Exploration, Inc.
- Clericy (Victoria), Destor (Railroad) and Beatty (Ramp Vein) - Le groupe Marcotte Inc.
- Duparquet (Duquesne West) - Xmet Inc.
- Gand (Shortt Lake) - NQ Exploration Inc.
- Grand Calumet <sup>(i)</sup> - Ring of Fire Resources Inc.
- Malartic (Parbec) - Savant Explorations Ltd.
- Nova Scotia (Mooseland, Indian Path, Leipsigate, Blockhouse, Cheticamp and French Village) - NS Gold Corporation
- Vauquelin (Nordeau) - Plato Gold Corp.

(i) Due to a continuing access dispute with the surface rights owner at Grand Calumet, Ring of Fire Resources Inc. has been unable to meet its exploration commitments. It has suspended option payments pending resolution of the problem.

**Royalty obligation**

- Wood Gold Mine property, Cadillac Township - Upon a production decision, 60,000 Globex shares are payable to the sellers, and a 2% net smelter royalty is due on production.

**Joint venture agreements**

On July 1, 2004, the Company entered into a joint venture agreement with Queenston Mining Inc. agreeing to pool the Company's Cadillac - Wood Gold Mine claims and Queenston's adjacent claims, the Pandora gold property. With Globex as operator, the venturers participate jointly in exploration, development and mining of mineral resources within the expanded property package.

On February 16, 2010, Globex Mining Enterprises Inc. ("Globex") and Geoconseils Jack Stoch Limited ("GJSL") as vendors and On-Strike Gold Inc. ("Optionee") entered into an Option agreement related to the Duquesne West Gold Property owned 50% by Globex and 50% by GJSL and GJSL's 100% owned Ottoman Fault property (see note 16, related parties). In early June 2010, On-Strike Gold Inc. completed a planned merger and was listed on the TSXV under the name Xmet Inc.

**9. Income and mining taxes**

Future income taxes reflect the net tax effects on losses carried forward and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for tax purposes.

	<b>December 31, 2010</b>	December 31, 2009
Future tax assets		
Non-capital losses carried forward	\$ 497,748	\$ 375,907
Share issue expenses	47,311	43,106
Property and equipment	42,745	28,481
Marketable securities	340,608	367,200
Total gross future tax assets	<b>928,412</b>	814,694
Less valuation allowance	<b>(340,608)</b>	(366,744)
Net future tax assets	<b>587,804</b>	447,950
Future tax liabilities		
Mining properties and deferred exploration expenses	<b>(3,768,905)</b>	(3,171,391)
Total gross future tax liabilities	<b>(3,768,905)</b>	(3,171,391)
Net future tax liabilities	<b>(3,181,101)</b>	(2,723,441)

Income tax expense differs from the amounts computed by applying the combined federal and provincial effective income tax rate of 29.9% (2009 - 30.9%) to the losses before income and mining taxes as a result of the following:

	December 31, 2010	December 31, 2009
Loss before income and mining taxes	\$ (2,508,642)	(2,005,736)
Computed expected tax (recovery)	(750,084)	(619,772)
Stock-based compensation and payments	104,811	65,486
Non-deductible expenses (non taxable income)	(15,253)	14,954
Tax rate variation and other	107,750	89,417
Previous years' assessment (reversal)	-	(133,738)
Taxable income at different rates	(15,987)	(48,507)
Income and mining tax expense (recovery)	(568,763)	(632,160)

As at December 31, 2010, the Company has non-capital loss carry forwards of approximately \$1,821,000 available to reduce future years' income for tax purposes.

The non-capital losses will expire as follows:

2027	\$ 432,000
2029	847,000
2030	542,000
	1,821,000

## 10. Share capital

### **Authorized and issued**

*Authorized, unlimited number of common shares, no par value*

	December 31, 2010		December 31, 2009	
Balance, beginning of year	19,215,074	\$ 45,900,953	18,338,074	\$ 45,026,832
Stock options exercised	42,000	48,790	20,000	27,544
Private placement <sup>(i)</sup>	1,760,934	4,106,141	857,000	1,015,550
Tax benefits renounced - flow-through <sup>(iii)</sup>	-	(1,135,350)	-	(168,973)
Balance, end of year	21,018,008	48,920,534	19,215,074	45,900,953

(i) In 2010, Globex issued 1,660,934 flow-through shares for a cash consideration of \$3,856,141 and 100,000 common shares for a cash consideration of \$250,000 before share issuance expenses. In July 2009, Globex issued 857,000 flow-through shares for a cash consideration of \$1,015,550 before share issuance expenses. As part of the private placement, Jack Stoch a significant shareholder of the Company, purchased 20,000 common shares (equal to 2.3% of the total number issued) and Dianne Stoch purchased 30,000 common shares (equal to 3.5% of the total number issued), both of whom are officers and directors of the Company.

(ii) In accordance with EIC-146, the Company recognizes the tax effect of flow-through shares issued when the Company files the renouncement documents with the tax authorities. The tax effect of flow-through shares issued in 2010 amounts to \$1,135,350 (2009 - \$168,973).

As at December 31, 2010, 36,100 (2009 - 36,100) common shares are held in escrow. These shares were issued as consideration for a property, which has since been abandoned, thus the shares will remain in escrow.

### **Shareholder rights plan**

In 2008, the Company adopted a shareholder rights plan (the "Rights Plan"). The Rights Plan has been adopted to ensure the fair treatment of shareholders in connection with any take-over offer for the Company and is not intended to prevent take-over bids that treat shareholders fairly. The Rights Plan will also provide the Board with more time to fully consider any unsolicited take-over bid and to pursue, if appropriate, other alternatives to maximize shareholder value in the event of a takeover bid. The Rights Plan was not adopted in response to any proposal to acquire control of the Company. Under the Rights Plan, those bids that meet certain requirements intended to protect the interests of all shareholders are deemed to be Permitted Bids. Permitted Bids must be made by way of a take-over circular prepared in compliance with applicable securities laws and, among other conditions, must remain open for sixty days. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights will entitle shareholders, other than any shareholder or shareholders making the take-over bid, to purchase additional common shares of the Company at a substantial discount to the market value at the time. The Rights Plan was presented for ratification by the shareholders at Globex's 2008 Annual General Meeting held on May 2, 2008. The shareholders approved the Rights Plan and the plan has an initial term of three years ending May 2, 2011.

### **Stock option plan**

Under the Company's stock option plan (the "Plan"), the Board of Directors may from time-to-time grant stock options to directors, officers and employees of, and service providers to, the Company and its subsidiaries. Stock options granted under the Plan may have a term of up to ten years, as determined by the Board of Directors at the time of granting the stock options. Accordingly, 570,000 options may be granted in addition to the common share purchase options currently outstanding. Options are granted at an exercise price equal to or greater than the closing quoted market price of the common shares of the Company on the Toronto Stock Exchange for the day immediately preceding the grant date.

A summary of changes in Globex's stock options is presented below:

	<b>December 31, 2010</b>		December 31, 2009	
	<b>Number of options</b>	<b>Weighted average exercise price</b>	Number of options	Weighted average exercise price
Balance - beginning of year	<b>2,855,500</b>	<b>\$ 1.12</b>	2,630,500	\$ 1.17
Expired	<b>(205,000)</b>	<b>1.67</b>	(200,000)	4.25
Exercised	<b>(42,000)</b>	<b>0.70</b>	(20,000)	1.01
Granted - Directors and employees	<b>50,000</b>	<b>1.75</b>	35,000	0.97
Granted - Service providers	<b>355,000</b>	<b>1.30</b>	430,000	2.25
Cancelled	<b>(300,000)</b>	<b>2.75</b>	(20,000)	1.01
Balance - end of year	<b>2,713,500</b>	<b>0.94</b>	2,855,500	1.12
Options exercisable	<b>2,703,500</b>	<b>0.94</b>	2,835,500	1.12

The following table summarizes information about the stock options outstanding and exercisable as at December 31, 2010:

Range of prices	Number of options outstanding	Number of options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
\$ 0.20	83,000	83,000	0.22	\$ 0.20
0.25 - 0.34	1,083,000	1,083,000	0.79	0.32
0.75 - 0.88	510,000	510,000	4.73	0.79
1.00 - 1.44	765,000	755,000	3.62	1.14
1.65 - 1.75	100,000	100,000	4.60	1.73
3.15 - 4.45	172,500	172,500	5.72	4.28
	2,713,500	2,703,500	2.76	0.94

### ***Stock-based compensation and payments***

The Company uses the fair value method for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is charged to operations, with an offsetting credit to contributed surplus, over vesting periods (which can vary from immediate vesting to 3 years). If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to capital stock. The Company granted 405,000 stock options to service providers and employees during the year ending December 31, 2010 (December 31, 2009 - 465,000 options were granted). Globex uses the Black-Scholes model to estimate fair value using the following weighted average assumptions:

	December 31, 2010	December 31, 2009
Expected dividend yield	nil	nil
Expected stock price volatility	78.6%	84.5%
Risk free interest rate	2.16%	2.06%
Expected life	4.88 years	3.28 years
Weighted average fair value of granted options	\$0.85	\$0.46

During 2010, the total expense related to stock-based compensation costs and payments amounting to \$350,539 has been recorded and presented separately in the statement of operations (2009 - \$211,929).

### **11. Accumulated other comprehensive loss**

	December 31, 2010	December 31, 2009
Unrealized losses on available-for-sale marketable securities		
Balance, beginning of year	\$ (274,521)	\$ (528,704)
Net change during the year	194,313	254,183
Balance, end of year	(80,208)	(274,521)

## 12. Net loss per common share

Basic earnings (loss) per common share is calculated by dividing the net earnings (loss) by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per common share is calculated by dividing the net earnings (loss) by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive securities had been issued during the year.

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

	December 31, 2010	December 31, 2009
Numerator		
Net loss for the year	\$ (1,939,879)	\$ (1,373,576)
Denominator		
Weighted average number of common shares - basic	19,884,408	18,740,480
Effect of dilutive shares <sup>(i)</sup>		
Stock options	-	-
Weighted average number of common shares - diluted	19,884,408	18,740,480
Net loss per share		
Basic	\$ (0.10)	\$ (0.07)
Diluted	\$ (0.10)	\$ (0.07)

(i) The stock options are not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

## 13. Additional information to the cash flows statement

### *Changes in non-cash working capital items*

	December 31, 2010	December 31, 2009
Accounts receivable	\$ (158,283)	\$ 149,414
Quebec refundable tax credit and mining duties	47,815	50,289
Prepaid expenses	(41,109)	8,074
Accounts payable and accrued liabilities	324,027	(478,750)
Income tax payable	80,730	-
	253,180	(270,973)

### *Non-cash financing and investing activities*

	December 31, 2010	December 31, 2009
Disposal of mineral properties for marketable securities	\$ 491,500	\$ 27,500
Transfer of contributed surplus to share capital on exercise of stock option	19,120	7,344
Quebec refundable tax credit and mining duties	242,690	230,888

## 14. Financial Instruments and risk management

### *Fair value of financial instruments*

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term nature. The fair value of marketable securities is based on quoted market prices.

### *Fair value hierarchy*

Financial instruments recorded at fair value on the Consolidated Balance Sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities (see risk management below);

Level 2: valuation techniques based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the Consolidated Balance Sheets, classified using the fair value hierarchy described above:

	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	\$ 352,863	\$ -	\$ -	\$ 352,863
Marketable securities	2,070,506	799,565	-	2,870,071
Restricted cash	1,969,672	-	-	1,969,672
Reclamation bonds	-	118,990	-	118,990
Total financial assets	4,393,041	918,555	-	5,311,596

During the year, there has been no significant transfer of amounts between level 1 and level 2.

### *Risk management*

The Company, through its financial assets and liabilities, has exposure to the following financial risks: credit risk, liquidity risk, foreign exchange risk, and interest rate risk. The following analysis provides a measurement of risks as at the balance sheet date of December 31, 2010.

As a result of continued volatile economic conditions precipitated by the credit crisis, at December 31, 2010, the Company had \$2 million in financial instruments, fully guaranteed by the Canadian Government, classified as marketable securities on the balance sheet. The Company's remaining cash restricted for flow-through expenditures is deposited with a Canadian banking institution, member of the Canadian Deposit Insurance Corporation (CDIC): CDIC, a federal Crown Corporation, insures deposits to a maximum of \$100,000 per individual institution. In addition, the Company has invested \$966,000 in a money market fund which is fully guaranteed by the Canadian Investors Protection Fund ("CIPF").

#### ***Credit risk***

The Company does not believe it is subject to any significant concentration of credit risk. Cash and cash equivalents are in place with major financial institutions and corporations.

The maximum exposure to credit risk as at December 31, 2010 and 2009 was:

	<b>2010</b>	2009
Cash and cash equivalents	\$ <b>352,863</b>	\$ -
Marketable securities - term deposits and treasury bonds	<b>2,070,505</b>	2,757,865
Accounts receivable	<b>373,904</b>	215,621
Restricted cash	<b>1,969,672</b>	347,883
	<b>4,766,944</b>	3,321,369

Accounts receivable are made up of taxes receivable from government authorities and customer receivables. As the government receivables arise from legislative measures and customer receivables were paid in January 2011, they do not represent a high credit risk.

#### ***Equity market risk***

Equity market risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company 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 Company.

The Company currently holds investments in a number of Optionee company's which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently these amount to \$799,566 (December 31, 2009 - \$178,478). Based on the balance outstanding at December 31, 2010, a 10% increase or decrease would impact other comprehensive income (OCI) by approximately \$80,000 (2009 - \$18,000).

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in note 15 "Capital Disclosures". It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business. The Company has financed its exploration and mining activities through flow-through shares, operating cash flows and the utilization of its liquidity reserves.

Contractual maturities of financial liabilities are all under one year.



### **Foreign exchange risk**

As at December 31, 2010, the Company has US\$9,491 in cash (December 31, 2009 - \$6,587). The Company estimates that the impact on earnings of a one percent increase or decrease in the US exchange rate would be insignificant.

### **Interest rate risk**

The Company is not exposed to a significant interest rate risk as the Company has no credit facility.

The large majority of the cash and cash equivalents and cash restricted for flow-through expenditures is invested in Canadian dollar denominated short term instruments with fixed interest rates.

Only the interest revenue arising from the balance of operating cash accounts is therefore subject to interest rate fluctuations.

Based on the balances outstanding during the year ended December 31, 2010, a 1% increase or decrease in the interest rate index would have no significant impact on earnings before income taxes.

## **15. Capital Disclosure**

The Company's Capital consists of Share Capital, Contributed Surplus, Deficit and Accumulated other comprehensive income (loss). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of stakeholders. As a Canadian exploration company, its principal source of funds consist of; (a) Options 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 Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements or dispose of properties. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments, selected with regards to the expected timing of expenditures from continuing operations. The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period. The Company is currently not subject to externally imposed capital requirements. Neither the management of capital nor the objectives have changed during the year.

The Company monitors capital on the basis of surplus to equity. The components of the surplus are outlined below:

	<b>December 31, 2010</b>	December 31, 2009
Cash and cash equivalents	\$ 352,863	\$ -
Marketable securities	2,870,071	2,936,343
Accounts receivable	373,904	215,621
Quebec refundable tax credits and mining duties	242,690	230,888
Restricted cash	1,969,672	347,883
	<b>5,809,200</b>	3,730,735
Flow-through exploration expenditure obligations	<b>(1,969,672)</b>	(347,883)
Surplus	<b>3,839,528</b>	3,382,852
Shareholders' equity	<b>13,606,373</b>	12,077,114

## 16. Related party transactions

### Property transfer

On February 16, 2010, the Company entered into a purchase and sale agreement for the Duquesne West Gold property (20 claims), owned 50% by Globex and 50% by Geoconseils Jack Stoch Limited ("GJSL"), a private company wholly-owned by Jack Stoch, President and Chief Executive Officer and a director of Globex, to transfer its 50% undivided interest in the mining claims to Duparquet Assets Ltd. ("DAL"). DAL was incorporated on the same date to facilitate the undertaking of a Mining Option Agreement with the Optionee, On-Strike Gold Inc., an independent third party, which, following a subsequent merger became Xmet Inc. DAL is a private company owned 50%:50% by Globex and GJSL and under the Mining Option Agreement described above, all of the proceeds from the Option will be shared equally.

Globex's transfer of the property was not within the normal course of operations and has been recorded at its carrying value of \$20,000, due to the nature of the exploration property this represents management's best estimate of a supportable value. The purchase price for the transfer of the claims by Globex was satisfied by the receipt of 3,000,000 preferred shares of DAL (redeemable at \$3,000,000). Globex has directly retained a sliding-scale gross metal royalty of between 1% and 3% of production, dependent on the price of gold produced from the property. Globex's interest in the property is subject to an underlying 1% net smelter return royalty, payable to an unrelated party. Under the Mining Option Agreement, Xmet Inc. has agreed to assume this obligation.

The purchase price by DAL was based on negotiations with the Optionee. Similar to all option arrangements, a number of factors could result in the termination of the arrangement prior to the completion of all terms and conditions by the Optionee.

### Other related party transactions

The Company made the payments described below to two shareholders, both of whom are officers and directors of the Company, and to a company controlled by a shareholder. A summary of related party transactions including all remuneration paid out for services provided follows:

	December 31, 2010	December 31, 2009
Compensation - Jack Stoch, President and CEO	\$ 159,996	\$ 159,996
Compensation - Dianne Stoch, Corporate Secretary	120,000	120,000
	<b>279,996</b>	<b>279,996</b>

Other related party transactions are disclosed elsewhere in these consolidated financial statements, see Share Capital, Authorized and issued (note 10(i)).

All transactions are in the normal course of operations and are measured at the exchange value, that is, the amount of consideration established and agreed to by the related parties which approximates the arm's length equivalent value and do not include any mark-up.

## 17. Comparative consolidated financial statements

Certain comparative figures have been reclassified to conform to the presentation adopted in 2010.

## 18. Subsequent events

On March 23, 2011, an agreement to acquire a 100% interest, in the Quebec mining assets of First Metals Inc. was accepted and approved by the Superior Court of the Province of Quebec. The acquisition includes the unmined Magusi River, copper, gold, zinc, silver deposit as well as 136 claims covering an area of 5,415 hectares.

Under the agreement, Globex, will acquire the assets for aggregate consideration of \$500,000 to be satisfied by the issuance of 166,667 Globex shares at a deemed issue price of \$3.00 per share. It is anticipated that the transfer of assets and issuance of shares will be completed on or about March 28, 2011.

Schedule A - Mineral properties and deferred exploration expenses

Township	2009				2010			
	Balance	Options	Balance	Options	Balance	Options	Balance	Options
	December 31, 2008	grants and write-downs	December 31, 2009	grants and write-downs	December 31, 2009	grants and write-downs	December 31, 2010	grants and write-downs
Atwater, QC	\$ -	\$ -	\$ -	\$ -	\$ 511,052	\$ -	\$ -	\$ -
Beauchastel & Rouyn, QC	80,502	-	19,941	-	100,443	-	611,495	-
	15,623	-	1,625	-	17,248	690	17,938	-
	540,202	-	47,997	-	588,199	3,045	588,685	(2,559)
Cadillac, QC	2,693,678	-	-	-	2,693,678	-	2,693,678	-
	1,499,670	(526)	37,580	(526)	1,536,724	233,301	1,758,429	(11,596)
Deloro, ON	17,544	-	-	-	17,544	7,880	25,424	-
	600,679	-	991,620	-	1,592,299	1,178,241	2,770,540	-
Destor & Poularies, QC	1,544	-	-	-	1,544	-	1,544	-
	1,266,451	(240)	113,230	(240)	1,379,441	34,342	1,413,783	-
Dufresnoy, Vauze, QC	542	-	-	-	542	30	572	-
	397,232	-	2,899	-	400,131	4,074	404,205	-
Gayhurst, QC	3,630	-	-	-	3,630	-	3,630	-
	194,202	-	11,342	-	205,544	2,899	208,443	-
Hearst & McVittie, ON	12,900	-	-	-	12,900	-	12,900	-
	194,617	-	186	-	194,803	186	194,989	-
Malartic, QC	192	-	-	-	192	-	192	-
	574,218	(514)	11,143	(514)	584,847	23,395	446,242	(162,000)
Normetal, QC	-	-	-	-	-	-	-	-
	716,614	-	4,255	-	720,869	1,405	722,274	-
Noval Scotia, QC	23,200	-	1,499	-	24,699	2,000	26,699	-
	430,272	(4,051)	77,558	(4,051)	503,779	37,238	31,517	(509,500)
Poirier & Joutel, QC	1,896	-	312	-	2,208	-	2,208	-
	846,968	(627,783)	25,186	(627,783)	244,371	9,670	221,212	(32,829)
Tavernier, QC	2,685	-	1,430	-	4,115	-	4,115	-
	152,108	-	105,521	-	257,629	2,756	260,385	-
Tiblemont, QC	2,329	-	208	-	2,537	134	2,671	-
	238,303	(442)	13,396	(442)	251,257	277	251,430	(104)
Tonnancour, QC	2,522	-	520	-	3,042	-	3,042	-
	362,775	-	64,625	-	427,400	530	427,930	-
Other properties	63,919	-	22,558	-	86,477	55,010	112,423	(29,064)
	378,007	(278,758)	397,589	(278,758)	496,838	419,170	431,238	(484,770)
Total mineral properties	2,842,204	-	28,152	-	2,870,356	65,744	2,907,036	(29,064)
Total exploration	8,472,820	(912,314)	1,924,068	(912,314)	9,484,574	2,461,581	9,825,534	(2,120,621)
Less: Quebec refundable tax credits	(1,335,875)	-	(47,815)	-	(1,383,690)	(59,617)	(1,443,307)	-
Total exploration	7,136,945	(912,314)	1,876,253	(912,314)	8,100,884	2,401,964	8,382,227	(2,120,621)

# CORPORATE INFORMATION

## Board of Directors

Jack Stoch  
Director  
Rouyn-Noranda, Quebec Canada

Dianne Stoch  
Director  
Rouyn-Noranda, Quebec Canada

## Independent Directors

Ian Atkinson <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>  
Director  
Toronto, Ontario Canada

Chris Bryan <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>  
Director  
Whitby, Ontario Canada

Joel D. Schneyer <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>  
Director  
Parker, Colorado USA

<sup>(1)</sup> Member of the Audit Committee

<sup>(2)</sup> Member of the Corporate Governance  
Committee

<sup>(3)</sup> Member of the Compensation Committee

## Stock Exchange Listings

**Canada** - Trading Symbol: **GMX**  
Toronto Stock Exchange

**Germany** - Trading Symbol: **G1M**  
Frankfurt Stock Exchange  
Berlin Stock Exchange  
Munich Stock Exchange  
Stuttgart Stock Exchange  
Xetra Stock Exchange

**USA** - Trading Symbol: **GLBXF**  
OTCQX International

**SEC - Rule 12g3 - 2(b)**  
Foreign Private Issue

**CUSIP No. 379900 10 3**

## Officers

Jack Stoch  
President and Chief Executive Officer

James Wilson  
Chief Financial Officer and Treasurer

Dianne Stoch  
Executive Vice President and Corporate Secretary

## Auditors

Samson Bélair/Deloitte & Touche s.e.n.c.r.l. Chartered  
Accountants  
Rouyn-Noranda, Quebec Canada

## Legal Counsel

Heenan Blaikie LLP  
Montreal, Quebec Canada

## Transfer Agent & Registrar

Computershare Trust Company of Canada  
Montreal, Quebec Canada

## Head Office

Globex Mining Enterprises Inc.  
86, 14<sup>th</sup> Street  
Rouyn-Noranda, Quebec  
J9X 2J1 Canada  
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Fax: 819.797.1470  
info@globexmining.com  
www.globexmining.com

## Annual Meeting of Shareholders

May 2, 2011 at 9:30 a.m.  
The Offices of the Company  
86, 14<sup>th</sup> Street  
Rouyn-Noranda, Quebec Canada