GLOBEX

ANNUAL REPORT 2011

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President’s Message to Shareholders

2011 was an extremely challenging and rewarding year. Firstly, we acknowledge the tremendous efforts of our employees, consultants, professional advisors, contractors and suppliers, all essential to us achieving our goals. We also thank our shareholders for their continued perseverance in a difficult economic environment and market, and for their thoughtful questions and continued support during the year.

Late in 2010, the Company began to narrow its focus to advancing the Timmins Talc-Magnesite (“TTM”) Project, consolidating and monetizing our land position in the Chibougamau Mining district of Quebec and enhancing our knowledge of specific exploration targets.

On the exploration front, 2011 was an active year for our exploration team with a 67% increase in spending, $4.0 M in 2011 up from $2.4 M in 2010. Well-managed, targeted activities achieved positive results such as significant advances on TTM, including a recently announced Preliminary Economic Assessment (“PEA”), high assay results from the Turner Falls rare earths project (see press release January 17, 2012), the Pandora-Wood gold property (see press release October 11, 2011) and the Beacon Property. During the year, a number of properties were acquired, enlarged or optioned to third parties.

The success was reflected in increased option income to $3.2 M in 2011 from $0.5 M in 2010; an increase in metal royalties of $0.4 M as well as the generation of net income in 2011 of $358,768 as compared to a loss in 2010 of $2,033,573. These positive financial results were achieved in a climate of challenging capital markets which impact Globex’s ability to execute mining option agreements with other companies.

Globex accomplished a great deal in 2011, and further details are included in the accompanying financial statements and MD&A. The most significant achievements are the following:

- Timmins Talc-Magnesite (“TTM”) Project: Globex management and consultants produced a positive Preliminary Economic Assessment (“PEA”) on the project. (See press release March 2, 2012). The PEA indicates an after-tax NPV of $258.0 million at a discount rate of 8%, an after-tax IRR of 20% and a payback period of 5.8 years on the discounted cash flow. These efforts enable us to consider a number of go forward options including the possiblity of a spin-out which would generate enhanced value for shareholders. Permitting activities continue with infill drilling planned for later this year. Management believes that TTM is a World-Class Project.

- Chibougamau Land Package: In 2011, we received a National Instrument (“NI”) 43-101 Technical Report on the unmined Berrigan polymetallic (Zn, Au, Ag) asset. A number of parties also indicated serious interest in acquiring the combined Chibougamau assets. Currently, we have started a NI 43-101 study on the entire Chibougamau land package in order to evaluate additional exploration as well as further develop strategies to monetize these assets.

We believe that through continued dedication to advancing our projects, 2012 will be a successful year for Globex and our shareholders.

Management Discussion and Analysis (“MD&A”)

For the year ended December 31, 2011.

The following discussion has been prepared as of March 12, 2012 and is intended to provide a review of the financial position and results of operations of Globex Mining Enterprises Inc. (“Globex”, the “Company” and “we”) for the years ended December 31, 2011 and December 31, 2010. This discussion should be read in conjunction with the audited annual consolidated financial statements and the related notes to the Company’s audited annual consolidated financial statements for the two years ended December 31, 2011 and December 31, 2010.

Conversion to IFRS

As prescribed by the CICA accounting Standards Board, the Company adopted the requirements of the International Financial Reporting Standards (“IFRS”) in its statements of account as of January 1, 2011, including the restatement of its opening balance sheet of January 1, 2010 and its year ended December 31, 2010. The restatement of the Company’s comparative balances from those previously reported under Canadian GAAP standards to the IFRS standards is fully detailed and reconciled in note 24 of the Company’s December 31, 2011 audited annual consolidated financial statements.

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Overview

Globex Mining Enterprises Inc. ("Globex") is a North American focused exploration, royalty and development company with a North American mineral portfolio in excess of 120 early to mid-stage exploration and development properties containing: **Base Metals** (copper, nickel, zinc, lead), **Precious Metals** (gold, silver, platinum, palladium, osmium and iridium), **Specialty Metals and Minerals** (manganese, iron, molybdenum, uranium, lithium as well as rare earths and associated elements) and **Industrial Minerals** (mica, apatite as well as talc and magnesite). The Company currently generates royalty and option income from properties which contain gold, silver, copper, and zinc. We are in the early stages of monetizing a precious metals recovery technology that may potentially generate fees and royalty income.

Corporate Focus

The Company seeks to create shareholder value by acquiring properties, enhancing and developing them for our own account or for optioning, joint venturing or vending, with the ultimate aim of bringing projects into commercial production.

At the present time, the Company is focused on a number of specific objectives which include:

- Advancing the Timmins Talc-Magnesite Project, (See Timmins Talc-Magnesite Project below);
- Consolidating and monetizing its land position in the Chibougamau Mining District of Quebec.
- Generating Option and Royalty income under existing and new agreements;
- Acquiring additional Precious, Base, and Specialty Metal as well as Industrial Mineral properties;
- Exploiting potential royalty income opportunities through hydrometallurgical technology applications with clients or through the direct application of this technology (see Other Business Opportunities below);
- Gaining additional information related to all of the properties on a targeted basis; and
- Continuing to explore, upgrade and prioritize the exploration and or potential development of newly acquired and existing properties.

Optioning exploration properties is one of the strategies Globex employs to manage its extensive mineral property portfolio. This strategy not only enables the Company to, conserve cash, but it also generates current income and ensures that properties are being explored while securing 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 year-ended December 31, 2011

- The Company reported income and comprehensive income of $358,768 (2010 - Loss $2,033,573) for the year ended December 31, 2011 mainly as a result of the option income received.

- Net option income of $3,262,620 (2010 - $501,903) was generated. The net option income consisted of cash of $2,171,104 and shares of $1,781,000 with $689,484 being reflected as a recovery of property and exploration costs. Further details of the sales and options are outlined on pages 9 and 10.

- Globex also received $490,525 (2010 - $124,741) of metal royalty revenue which reflects the higher production levels at Nyrstar's Mid Tennessee zinc operations.

- Exploration expenditures for the year, totalled $4,004,265 (2010 - $2,401,964). The Company has met its 2010 flow-through expenditure commitments. Drilling programs were undertaken on numerous Quebec properties. Further details on the expenditures on Globex's major projects are outlined under exploration activities and mining properties on page 4 through 7.

- The Company spent $228,447 (2010 - $65,534) and issued shares with an ascribed value of $500,000 acquiring various properties. The carrying value of properties has been reduced by $585,968 as a result of sales proceeds received during the year. Further details are provided on pages 9 and 10.

- On September 30, 2011, 490,566 flow-through common shares were issued at a price of $2.65 per share as a result of completing a private placement that generated proceeds of $1,300,000. Subsequently on October 18, 2011, the Company raised an additional $530,000 of flow-through funds. At December 31, 2011, the Company had restricted funds of $910,972 which will be used to fund its 2012 planned exploration expenditures.

- On May 12, 2011, the Quebec Government introduced Bill 14 which seeks to amend Quebec's *Mining Act*. Globex holds its properties under this Act. Globex has completed a preliminary analysis of the proposed changes. Management believes that a number of measures being adopted by the Quebec Government will have a negative impact on a number of Globex's Quebec assets. A further analysis is outlined on page 27.

  In addition to the new mining laws, the Quebec Government announced a "Plan Nord", an ambitious mining exploration and mining development program that envisions over time removing 50% of the large area covered by the plan from any type of industrial activity. At this time, Management does not know what this will mean to companies working in the area nor how the Quebec Government will decide upon which areas will be withdrawn from development.

  These measures and many others in the new law and Plan Nord have become important risks to consider when doing business in Quebec. Globex is reassessing its expenditures in the province as well as other possible courses of action.

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 (NI) 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 high grade metal content.

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 the fourth quarter of 2011 totalled $851,755 (2010 - $760,568) and for the year-ended $4,004,265 (2010 - $2,401,964). The total of $4,004,265 includes eligible flow-through expenditures of $2,888,699 and other expenditures of $1,115,566.

The total of $4,004,265 (2010 - $2,401,964) includes a combination of consulting costs of $789,965 (2010 - $203,440); drilling costs of $862,280 (2010 - $462,834); geophysical survey costs of $511,483 (2010 - $76,663); labour and geologist fees of $764,526 (2010 - $560,567), laboratory analysis and sampling of $244,046 (2010 - $663,932); linecutting of $163,433 (2010 - $69,870); prospecting and surveying of $131,601 (2010 - $121,928) as well as other deferred exploration expenditures of $536,931 (2010 - $242,730).

During the year-ended December 31, 2011, exploration expenditures of $4,004,265 were incurred on the major projects as outlined below.

Region/Property/Township	Exploration Expenditures[1]	Percentage of Total Expenditures
Ontario		
• Timmins Talc-Magnesite, Deloro	$ 1,221,737	30.5%
• Other Projects	15,414	0.4%
	1,237,151	**30.9%**
Quebec		
• Tonnancour (Tonnancour)	509,312	12.7%
• Turner Falls Rare Earth Property (Villedieu)	439,327	10.1%

Region/Property/Township	Exploration Expenditures[1]	Percentage of Total Expenditures
• Tavernier (Tavernier)	235,012	5.9%
• Lyndhurst property (Destor, Poularies)	213,953	5.3%
• Pandora-Wood Project (Cadillac)	217,666	5.2%
• Farquharson Property (Bourlamaque)	191,414	4.8%
• Donalda Project (Rouyn)	113,476	2.8%
• Berrigan (McKenzie)	32,044	0.8%
• Other projects	365,818	10.1%
• Quebec general exploration	187,276	4.8%
	2,505,298	**62.5%**
Other Regions		
• Nova Scotia	132,138	3.4%
• New Brunswick	112,634	2.8%
• Other	17,044	0.4%
Total exploration expenditures	**$ 4,004,265**	**100.0%**

Note:

1. The exploration expenditures represent the most significant project expenditures. The regional and other project amounts have been also included for ease of reference when comparing to the reported amounts as shown in Schedule A of the 2011 Audited Consolidated Financial Statements.

A summary of the activities on the major projects follows.

Timmins Talc-Magnesite Project

The Timmins Talc-Magnesite ("TTM") project is held under an agreement with Drinkard Metalox Inc.("Drinkard"), owned 90% Globex and 10% Drinkard.

As reported earlier in 2011, Globex has committed significant resources to a team composed of Jacobs Engineering Group Inc. and our group of specialized consultants to evaluate processing options and develop preliminary costing estimates. In addition, the team also spent significant efforts testing and evaluating processing alternatives. Prior to December 31, 2011, a 9 tonne bulk sample was sent for crushing and grinding to facilitate large scale testing of these technologies. The results of this work are currently being evaluated.

To date, Globex has completed extensive laboratory metallurgical tests, a mini pilot plant study, an internal Scoping Study, diamond drilling and assaying, and mineralogical studies were undertaken which outlined a large body of talc-magnesite mineralization. Environmental baseline studies are ongoing including water testing from a series of drill holes done for this express purpose. Consultations with stakeholder groups having an interest in the permitting of the property for production have been initiated. Globex has received enquiries from a number of potential clients interested in supplies of the type of products we intend to produce. Test work by potential clients is ongoing and/or planned for both of our magnesium and talc products.

Preliminary Economic Assessment

In a press release, dated March 2, 2012, Globex announced that it had completed a National Instrument ("NI") 43-101 Preliminary Economic Assessment ("PEA") of the large TTM project located 13 km south of Timmins, Ontario, Canada.

The press release commented that the PEA reflects the inputs of Globex's team of consultants in collaboration with Jacobs Minerals Canada ("Jacobs") and Micon International Limited ("Micon"). It also noted on March 2, 2010, Globex received Micon's NI 43-101 Technical Report providing the Initial Mineral Resource Estimates of the Timmins Talc-Magnesite Deposit. Based on this mineral resource estimate and the mining rate used in the PEA of 500,000 tonnes per annum, the proposed mine has an identified 60-year mine life within the previously drilled area, subject to the NI 43-101 resource report. Planned infill drilling will update the resource calculation.

The following resource tonnages and grades from the Micon NI 43-101 report are all within a limited portion of the A Zone:

Mineral Resource Estimate

Category	Tonnes	Sol MgO (%)	Sol Ca (%)	Magnesite (%)	Talc (%)
A Zone Core					
Indicated	12,728,000	20.0	0.21	52.1	35.4
Inferred	18,778,000	20.9	0.26	53.1	31.7
A Zone Fringe					
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 was filed on www.Sedar.com on the same date.

The resource is open both along strike to the west and east where it is exposed on surface as well as to depth.

The March 2, 2012 press release provides a detailed listing of the key operating assumptions as well as a summary of the projected revenues, operating and capital costs for a 20-Year mining period covered by the PEA. The financial results indicate a positive after-tax NPV of $258.0 million at a discount rate of 8%, an after-tax internal rate of return (IRR) of approximately 20% and a payback period of 5.8 years on the discounted cash flow. The cash operating margin averages 61% over the initial 20-year period.

The results of the PEA support completing a feasibility study including an infill drilling program to update the known resource calculation.

Community Engagement

The Company will continue to engage with Provincial and Municipal authorities, and First Nations and the Métis Nation of Ontario, working cooperatively as the project's scope, impacts and benefits become better understood in the stages leading to production.

Globex is pleased with the conclusions provided by the PEA and will now consider how to best proceed toward production while generating the best possible benefit for shareholders.

Quebec Projects

In 2011, drilling programs were undertaken on a number of Globex's Quebec properties. The results of the drilling were announced in various press releases as associated with the properties in the following list:

- **Tonnancour Property**, (August 8 and August 10, 2011),

  During July and August, 27 diamond drill holes totalling 3,100 metres ("m") were completed on this property. The program tested numerous airborne geophysical conductors identified along a 10km strike length of favourable volcano-sedimentary stratigraphy. Selected drill targets were interpreted to offer the potential for base and precious metal volcanogenic massive sulphide (VMS) mineralization. Intersections of up to 5.2 % Cu, 13.1% Zn, 0.7 g/t Au and 41.0 g/t Ag over 4.55 metres were intersected.

- **Turner Falls Property** (January 17, 2012 and December 6, 2011),

  During last summer and fall, Globex undertook mapping, geophysical and limited stripping and sampling on the property. On January 17, 2012, in a press release, the Company announced the assay results of that work. Very high assays for both light and heavy rare earths as well as Hafnium, Zirconium, Yettrium and Cerium were encountered.

- **Pandora-Wood Property** (October 11, 2011),

  In a press release of that date, Globex updated shareholders on the results of a five hole, 2,405m drill program undertaken on the 50%-50% Pandora Wood joint venture (Joint Venture with Queenston Mining Inc.), located near Cadillac, Quebec. The best intersection of 28.86 g/t Au over 4.9 metres was encountered associated with the Cadillac Fault at a previously untested vertical depth of 350 metres..

- **Farquharson Property**

  In August 2011, Globex completed two diamond drill holes totalling 1,059m, testing geophysical IP anomalies with inferred gold mineralization potential. Only minor gold values were intersected. Subsequently in January 2012, the property was optioned to Integra Gold Corp.

- **Donalda Property**

  In September 2011, Globex carried out a limited shallow drill program consisting of 3 holes totalling 308m testing for extensions of reported historical gold drill intercepts along the immediate strike extension of the small past producing Donalda Gold Mine located within 2km east of the Horne Copper Smelter complex. No gold values of economic significance were identified.

- **Beacon (October 13, 2011)**

  In August of the current year, a single 426m diamond drill hole was drilled by Globex on the property. The hole was positioned 400m east of the past producing Beacon Gold Mine. It intersected a new zone of gold mineralization grading 5.2 gpt Au/2.9m at a vertical depth of 260m.

In addition to the drilling on the Quebec projects, two back-to-back cross section drill holes were undertaken on our Woodstock, New Brunswick area manganese property. We succeeded in intersecting four manganese-iron horizons as indicated in the press release issued on October 12, 2011. A combined width of 116.54 metres grading 13.26% Fe and 9.40% Mn was intersected substantiating the existence of an important zone of manganese-iron mineralization.

Chibougamau Independent Mines Inc. 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 much of the Copper Cliff Mine property. These properties were in addition to land positions which Globex previously held and include the Quebec Chibougamau Goldfields Mine (copper-gold), Kokko Creek Mine (copper), Bateman Bay Mine (copper-gold), S-3 Mine (gold-copper) and Grandroy Mine (copper-gold) as well as the down dip potential of the Henderson 1 and 2 and Portage (copper-gold) deposits.

In a press release, dated October 13, 2011, Globex provided an update on a number of projects including the Chibougamau Land package. The release provides additional background regarding the receipt of an NI 43-101 Technical Report, a non-refundable payment of $150,000 which allowed a third party to perform due diligence on the Chibougamau assets, as well as the adverse impact of the dramatic fall in commodity prices, the stock market and the ability of junior mining companies to undertake new financings, at that time. It also outlines that the Company has also received interest from several companies in acquiring these assets. The Berrigan NI 43-10 report was posted on the Company's web site in January 2012 and on www.Sedar.com on February 7, 2012. .

As a result of purchaser interest and current market conditions, the Company suspended efforts to "spin off" the assets while reviewing all options including offers from outside parties and proposals for project financing. The Company has continued to acquire by staking additional claims in this area thereby enlarging the Berrigan and Grandroy Mine properties and an area of mineralization south of Chibougamau. As well, Globex has succeeded in staking a sizeable deposit of iron and titanium called the Magnetite Bay North deposit and a sizable zone of massive sulphide containing erratic gold and copper values called the Sulphur Converting property. The Company is currently compiling historical information and developing exploration targets and strategies.

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.

Optioned Properties

During the year-ended December 31, 2011, a number of Globex partners have been working on optioned properties and have issued press releases outlining their results. The most significant results are as follows:

- On September 8, 2011, Globex issued a press release announcing that Xmet Inc. had published a revised NI 43-101 compliant Mineral Resource estimate on the Duquesne West-Ottoman Property optioned from Duparquet Assets Ltd., a company owned 50% by Globex. The report highlighted an Inferred Resource Estimate of 4,171,000 tonnes at an average grade of 5.42 g/t Au (6.36 g/t uncut) hosting 727,000 cut ounces Au (853,000 uncut ounces Au). In other news, Xmet also announced the results from stripping and surface sampling on the Shaft Zone. Assays of up to 13.38 g/t Au over 3 metres were reported. On October 18, 2011 Xmet issued a press release outlining the results of additional work. Subsequently on January 17, 2012, reported significant assay results from their 2011 drilling program at the Shaft Zone. The announcement also noted that more drilling is planned in 2012.

- Laurion Mineral Exploration Inc. released an NI 43-101 Mineral Resource Estimate on the Bell Mountain property in Nevada, (see Globex press April 7, 2011). The new resource estimate reflects a significant increase in both tonnage and the number of ounces of gold and silver over the previous historical resource which is now 9.76 million tonnes grading 0.526 gpt Au, 17.63 gpt Ag containing 165 thousand ounces of gold and 5.5 million ounces of silver.

- On August 31, 2011, Globex issued a press release which summarized the results of drilling by Richmont Mines Inc. (RIC-TSX); Typhoon Exploration Inc. (TYP-TSX-V), and Plato Gold Corp (PGC-TSX-V). The drilling occurred on properties either located near to Globex properties or properties in which Globex is entitled to future option or royalty payments. In addition to this information, the press release summarized the results of a Preliminary Economic Assessment study on the ScoZine Mine in Nova Scotia issued by Selwyn Resources Ltd. (SWN. TSX-V). Globex maintains a 1% Gross Metal Royalty on the ScoZincs Getty Pb-Zn Deposit. The Economic Assessment Report indicates excellent potential for a seven-plus years mine life with preliminary stripping beginning in the fourth quarter of 2011 and full operation in the second quarter of 2012. Globex looks forward to the realization of a revenue stream from mining and processing of the Getty Deposit.

Work by our partners is ongoing and positive results of their work have been announced.

Other Business Opportunities - Eco Refractory Solutions Inc. ("ERS")

As previously reported, Globex has established an arrangement with Drinkard Metalox Inc. ("DMI") through a 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. 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.

Globex has put a lot of effort into this new technology asset and has done test work for a number of companies on refractory gold ores. In all cases, test work was successful with gold recoveries as high as 98% being achieved. Unfortunately we have not succeeded in carrying the test work to the next stage with advanced projects.

The Company is in the process of exploring different marketing strategies based on the experiences gained to date. We are continuing to try to acquire both refractory gold deposits and tailings assets for our own account in order to utilize and showcase the 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, of 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 2011, the Company spent $228,447 (2010 - $65,534) and issued shares with an ascribed value of $500,000 acquiring various properties. The property carrying value has been reduced by $585,968 representing sales during the year. The more significant acquisitions were as follows:

- **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), S-3 Mine (gold-copper) and Grandroy Mine (copper-gold). Towards year-end, Globex acquired by staking a sizable Iron-Titanium deposit called Magnetite Bay and a large body of massive sulphides called the Sulphur Converting property which has exposed showings of gold and copper in trenches.

- **Magusi River Deposit and related assets** - On March 24, 2011, Globex announced that it had entered into a letter of intent to re-acquire the previously mined Fabie Bay and the unmined Magusi River deposit which contains copper, gold, zinc, and silver and a large package of surrounding claims from First Metals Inc. Under the agreement, Globex issued 166,667 shares at a deemed price of $3.00 per share for a total consideration of $500,000. These properties were subsequently optioned to Mag Copper Inc. and additional claims were added to the land package.

Sales and Options

In the current year, Company generated net option income of $3,262,620 (2010 - $501,903). The net option income consisted of cash of $2,171,104 and shares of $1,781,000 with $689,484 being reflected as a recovery of property and exploration costs.

Net Option Income,
December 31, 2011

Property, Agreements Summary	Net Option Income	Recovery of Property Acquisition	Recovery of Exploration Expenditures
Sales			
Duvay -Fontana Properties - Tres-Or Resources Ltd. • Royalty - Sliding scale GMR[1], • Fontana Property Option Agreement, ◦ November 9, 2011, ◦ Option Payments - $300,000 (paid in 2011), ◦ Purchase of the NPI - $1.2 M over 7 year period, ◦ Royalty - 3% GMR as well as 15% NPI.	**$ 502,121**	**$ 6,773**	**$ 1,105**
Options			
Hematite Lake - Canamara Energy Corporation • March 28, 2011, • Option payments - $1.5 M over 3 years and 2.5 million shares over 3 years, • Work commitment - $10 million over 4 years, • Royalties - 2% GMR as well as a 10% NPR[2].	**368,835**	**5,018**	**1,147**
Magusi River - Mag Copper Inc. • April 28, 2011, • Option payments - $1.075 M over 3 years and 13.5 million shares[3], • Work commitment - $10.3 million, • Royalty - 3% GMR.	**1,361,761**	**514,919**	**60,821**
Beauchastel - Richmont Mines Inc. • May 5, 2011, • Option payments - $0.5 M. on signing, plus $2.5 M. within 36 months and issue 500,000 common shares on the third anniversary, • Work commitment - $2.0 M., • Royalty - 3% GMR.	**499,925**	**75**	**-**
Chibougamau Properties • June 9, 2011, • 60 day standstill Agreement.	**150,000**	**-**	**-**
Other	**11,333**	**34,771**	**-**
Option Payments under Agreements from Prior Years			
• Laurion Mineral Exploration Inc.[4], Bell Mountain Property, Nevada,	**80,000**	**-**	**-**
• Glen Eagle Resources Inc., Lamotte Property, Lamotte Twp.,	**10,404**	**1,781**	**12,815**
• Xmet Inc., Duquesne West Property, Quebec,	**50,000**	**-**	**-**
• NQ Explorations Inc.[5], Shortt Lake Property, Gand Township, Quebec	**28,500**	**22,631**	**27,628**
• NSGold Corporation, Mooseland, Indian Point, Leipsigate Blockhouse, Cheticamp, and French River, Properties, Nova Scotia.	**199,741**		
	$ 3,262,620	**$ 585,968**	**$ 103,516**
Q1 – 2011	**$ 99,761**	**$ 7,451**	**$ 17,788**
Q2 – 2011	**2,405,157**	**505,180**	**7,163**
Q3 – 2011	**318,428**	**44,670**	**41,506**
Q4 – 2011	**439,274**	**28,667**	**37,059**
Total	**$ 3,262,620**	**$ 585,968**	**$ 103,516**

Notes:

1. GMR represents a Gross Metal Royalty with no deductions.
2. NPR represents a Net Profit Royalty.
3. Shares were received on June 28, 2011 and have been recorded at a deemed price of $0.125 per share ($1,687,500), taking into account the one-for-five share consolidation announced by Mag Copper Inc.
4. Includes cash of $15,000 as well as 1 M shares received on June 29, 2011 in accordance with the option agreement signed in June 2010; (shares valued at $0.065 per share or $65,000).
5. Reflects 300,000 shares received on July 29, 2011, (shares valued at $0.095 per share or $28,500).

Subsequent to year-end, on January 12, 2012, an option agreement was executed which enables Integra Gold Corp. to acquire Globex's Farquharson property (renamed by Integra to the Donald Property). Under the agreement, Globex will receive cash, shares and a 3% Gross Metal Royalty in exchange for the property.

On March 5, 2012, Globex and Jack Stoch Geoconsultant Services Limited (company owned by Jack Stoch, President & CEO and Director of Globex) announced that they had entered into a Share Option Agreement dated March 2, 2012, which would allow Xmet Inc. to purchase 100% of the preferred and common shares of Duparquet Assets Ltd. ("DAL"). DAL, the owner of the Duquesne West and Ottoman Fault properties in the Abitibi region of Quebec, is owned 50% by Globex and 50% by Jack Stoch Geoconsultant Services Limited.

The share option agreement sets out two scenarios for Xmet to acquire 100% of DAL:

a) A cash payment of $9 million payable within six months of signing of the Share Option Agreement,

Or

b) A cash payment of $6.5 million payable within six months of signing of the agreement to immediately acquire a 75% interest plus the additional option to acquire the final 25%, good for a period of 4 years, at a price of $2.5M in the first year, $2.6M in the second year, $2.7M in the third year and $2.8M in the fourth year.

In both cases, Globex and Jack Stoch Geoconsultant Services Limited will retain the existing sliding scale Gross Metal Royalty from all production from the properties varying from 2% to 3% depending upon the price of gold at the time of production. Should Xmet Inc. not exercise and complete either of the above scenarios, then the existing mining option agreement will remain in place.

Royalties

Page 30 of the Company's 2011 Annual Information Form, provides Property Descriptions, Royalty Interests, as well as the Optionees of the fourteen royalty interests which were in place at that time. As a result of the agreements negotiated during 2011, the Company has added an additional three royalty arrangements. The agreement with Mag Copper replaces an arrangement which was previously in place for the Magusi River property. The actual royalty receipts related to the Tennessee Zinc Mines are further detailed in the Results of Operation for the year ended December 31, 2011.

Results of Operations

Selected Annual Information

		2011		2010		2009 (1)
Total revenues	**$**	**3,753,145**	$	626,644	$	418,013
Total expenses		**3,032,656**		2,940,973		2,423,749
Income (loss) before taxes		**720,489**		(2,314,329)		(2,005,736)
Income and mining taxes		**361,721**		(280,756)		(632,160)
Income (loss) and comprehensive income (loss) for the year		**358,768**		(2,033,573)		(1,373,576)
Income (loss) per common share						
- Basic	**$**	**0.02**	$	(0.10)	$	(0.07)
- Diluted	**$**	**0.02**	$	(0.10)	$	(0.07)
Total Assets	**$**	**21,491,143**	$	17,769,507	$	15,377,831
Other Liabilities	**$**	**234,693**	$	468,934	$	-

Note:

1. The 2011 and 2010 information is prepared under the IFRS standards whereas the 2009 information has been prepared in accordance with Canadian GAAP.

Variation in Results

In 2011, Globex reported income for the year of $358,768 as compared to a loss of $2,033,573 in 2010 mainly as a result of increased option and royalty income (2011 - $3,753,145; 2010 - $626,644). The increase in income before taxes of $3,034,818 is offset by an increase in income and mining taxes of $642,477.

In 2011, the Net Option income totalled $3,262,620 as compared to $501,903 in the previous year. Details of the 2011 option arrangements are outlined on pages 9 and 10 of this report. In 2011, the metal royalty income was $490,525 as compared to $124,741 in 2010 reflecting higher production levels at Nyrstar's Mid Tennessee zinc operations.

In 2011, the total expenses were $3,032,656 as compared to $2,940,973 in 2010. In 2011, the expenses reflect increased salaries, administration expenses, as well as professional fees and outside services, which total $589,964 as well as other expenses which are $506,105 higher than in the previous year as a result of the loss of $420,425 on the decrease in the fair value of financial instruments. These increases which total $1,096,069 are offset by a reduction of $1,004,386 in the impairment provision for mineral properties and deferred exploration expenses resulting in the net increase of $91,683.

In 2010, the Company reported a loss of $2,033,573 as compared to a loss of $1,373,576 in 2009. The loss in 2010 is greater than the previous year mainly as a result of the $467,564 increase in the impairment provision for mineral properties and deferred exploration expenses from $912,314 in 2009 to $1,379,878 in 2010. The Company also recorded a lower level of deferred tax recoveries in 2010 of $351,404 as compared to 2009.

Total Assets

The increase in the total assets of $6,113,312 from $15,377,831 at December 31, 2009 to $21,491,143 at December 31, 2011 reflects the combined increase in cash and cash equivalents, restricted cash and investments of $1,903,713, increase in mineral properties and deferred explorations expenditures of $3,985,759 as well as the increase in all other assets of $223,840.

Other Liabilities

The Other Liabilities represent the excess of the proceeds received from flow-through share issuances as compared to the fair value at the share issuance date. Under Canadian GAAP, the excess was included in the share capital of the Company whereas under the IFRS standards, the liability is initially recorded when the funds are received and the liability is reduced as qualified exploration and development expenditures are incurred. The reduction in the Liability from $468,934 at December 31, 2010 to $234,693 at December 31, 2011 is a result of incurring qualified exploration expenditures in 2011.

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 2011, the Company recorded a write-down of mineral properties and deferred exploration expenses of $191,651 (2010 - $1,244,437). The reduction mainly is a result of the recovery of amounts through option income.

Summary of Quarterly Results

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

	2011				2010			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenues	$ 436,692	$ 448,685	$ 2,562,074	$ 305,694	$ (193,789)	$ 412,833	$ 333,600	$ 74,000
Total expenses	846,154	540,405	1,059,456	586,641	1,899,853	(7,661)	464,329	584,452
Income (loss) [1]	(346,571)	219,198	692,918	(206,777)	(1,702,527)	269,410	(183,236)	(417,220)
Income (loss) per common share								
- Basic	(0.01)	0.01	0.03	(0.01)	(0.08)	0.01	(0.01)	(0.02)
- Diluted	(0.01)	0.01	0.03	(0.01)	(0.08)	0.01	(0.01)	(0.02)

Note:

1. Attributable to common shareholders of the Company.

The $346,571 loss in the quarter ended December 31, 2011, compares to income of $219,198 in the quarter ended September 30, 2011. The 2011 fourth quarter loss as compared to income in the previous quarter is mainly a result of increased expenses of $305,749 representing additional impairment provisions for mineral properties and deferred exploration expenses of $191,651, other expenses of $71,924 including changes in the carrying value of other assets; $42,174 in other operating expenses. In the 2011 fourth quarter, the Company recorded a tax recovery of $62,891 compared to a recovery of $310,918 in the previous quarter resulting in a loss as compared to income in the previous quarter.

The income in the quarter ended September 30, 2011 of $219,198 compares to the income of $692,918 in the quarter ended June 30, 2011. The lower income in the third quarter of 2011 as compared to second quarter is mainly a result of a reduction in net option income (Q3 - Net Option income - $318,428; Q2 - Net Option Income - $2,405,157) as well as changes in the income and mining tax provisions reflecting management’s latest tax planning strategies.

The income in the quarter ended June 30, 2011 of $692,918 compares to the loss of $206,777 in the quarter ended March 31, 2011, which is mainly a result of the increased option income of $2,405,157 as compared to $99,761 in the previous quarter.

The loss of $206,777 in the quarter ended March 31, 2011 compares to the loss of $1,702,527 in the quarter ended December 31, 2010. The change in the results is mainly related to a reduction in the write-down of mineral properties and deferred exploration expenses of $61,140 in the current quarter as compared to $1,244,437 in the fourth quarter of 2010. The revenues in the first quarter of 2011 of $305,694 were higher than the previous quarter by $499,483 as a result of reflecting Option Income and Metal Royalties income in the current quarter whereas in the previous quarter a significant portion was offset against mineral properties and deferred exploration expenses.

The loss of $1,702,527 in the quarter ended December 31, 2010 compares to earnings of $269,410 in the quarter ended September 30, 2010. The change in the results is mainly a result of the write-down of mineral properties and deferred exploration expenses of $1,244,437 following management's review of the carrying values. The revenues in the fourth quarter of 2010 were lower than the previous quarter by $606,622 as significant option payments have been offset against mineral properties and deferred exploration expenses.

The total expenses of $1,899,853 in the fourth quarter of 2010 compare to a net recovery of $7,661 in the quarter-ended September 30, 2010. The net recovery represents total administrative expense of $362,222 and offsetting other income including the increase in fair value of financial instruments of $369,883. After adjusting the total expenses of $1,899,853 for the deferred exploration impairment provisions of $1,244,437, the total expenses were $655,416 which was $293,194 higher than the previous quarter. The change reflects increased outside consulting resources and stock based payments of $89,818.

The income of $269,410 in the quarter ended September 30, 2010 as compared to the loss of $183,236 in the quarter ended June 30, 2010 is as a result of higher option income earned on Globex's properties and other revenues of $109,464 as well as lower expenses of $166,489 (stock-based compensation and payments lower by $92,476; impairment provision on mineral properties and exploration expenditures lower by $37,276 and lower other expenses of $36,737).

The loss of $183,236 in the quarter ended June 30, 2010 is lower than the loss of $417,220 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 $417,220 in the quarter ended March 31, 2010 is lower than the net loss of $544,276 in the quarter ended December 31, 2009 mainly as a result of a decrease in impairment provision on mineral properties and exploration expenditures of $710,983 and the offsetting impacts of increased administration and professional fees.

Results of Operations for the Year-Ended December 31, 2011

Revenues (December 31, 2011 - $3,753,145; December 31, 2010 - $626,644)

During the year ended December 31, 2011, revenues of $3,753,145 were $3,126,501 greater than the $626,644 reported in the previous year. In 2011, the Company recognized Option Income of $3,262,620 as compared to $501,903 in the previous year as well as Metal royalty income of $490,525 as compared to $124,741 in 2010.

Option Income

As detailed on pages 9 and 10, option income was received from nine different companies including Tres-Or Resources Ltd., Canamara Energy Corporation, Mag Copper Inc., Richmont Mines Inc., Glen Eagle Resources, Laurion Mineral Explorations Inc., NQ Exploration Inc., NSGold Corporation and Xmet Inc.

In the current year, Company generated net option income of $3,262,620 (2010 - $501,903). The net option income consisted of cash of $2,171,104 and shares of $1,781,000 with $689,484 being reflected as a recovery of mineral property costs and deferred exploration expenses. In 2010, the Company generated net option income of $501,903 which was generated from total option proceeds of $1,271,500 (cash of $780,000 and shares of Optionees of $491,500) with $769,597 reflected as a recovery of property and exploration deferred exploration expenditures.

Metal royalty income

In the current year, Globex received metal royalty income of $490,525 as compared to $124,741 received last year. The Company is entitled to a gross metal royalty based on the gross value of metal from Nyrstar's Mid Tennessee zinc operations if the price of zinc is greater than U.S. $ 0.90 per pound on the shipment date. During the first nine months of 2011, the zinc price was greater than the threshold whereas during the last three months, the price was less than U.S. $ 0.90 per pound. During the year, the LME zinc price averaged U.S. $1.00 per pound. During 2011 the monthly production averaged 4,879,197 (2010 - 2,440,481) pounds of zinc.

Total Expenses (December 31, 2011 - $2,874,819; December 31, 2010 - $3,289,241)

In 2011, the total expenses were $2,874,819 compared to $3,289,241 in 2010. The favourable variance of $414,422 reflects the combined impact of increases of $609,598 (salaries - $140,580; administration expenses - $124,201; professional fees and outside services - $339,662; as well as share-based payments of $5,155) and the offsetting impact of reductions of $1,024,020. The reductions reflected as follows; depreciation and amortization - $2,873, impairment of mineral properties and deferred exploration expenses of $1,004,386, loss (gain) on foreign exchange of $15,434 as well as loss on disposal of property, plant and equipment of $1,327.

Salary

- The increase in salaries of $140,580 from $609,030 in the year ended December 31, 2010 to $749,610 in the year-ended December 31, 2011 represents a combination of normal salary increases and additional staff.

Administration

- In the year ended December 31, 2011, administration expenses totalled $578,454 as compared to $454,253 in the comparable period in 2010. The increase of $124,201 represents a combination of general increases, part XII.6 tax (interest charges) related to the timing of eligible “flow-through” expenditures, and increased corporate and support activity levels.

Professional fees and outside services

- In the year ended December 31, 2011, the professional fees and outside services totalled $775,593 as compared to $435,931 in the comparable period last year. The $339,662 increase mainly represents increased activity levels on the evaluation of a number of major projects as well as legal fees related to the negotiation of option agreements and the evaluation of corporate re-organization and “spin-off” strategies.

Amortization

- Amortization relates to the Company’s Properties and equipment. In the twelve month period ended December 31, 2011, amortization totalled $48,827 as compared to $51,700 in the comparable period in the previous year. The reduction reflects the complete amortization of a number of assets.

Share-based compensation and payments

- For the year-ended December 31, 2011, the total share-based compensation and payments amounted to $355,694 (2010 - $350,539). During the current year, 250,400 options (weighted average fair value of granted options $1.57 per share) were granted as compared 405,000 (weighted average fair value of granted options of $0.85 per share). In 2011, 160,400 of the options vested immediately and the remaining 90,000 options vest in twelve months from the option grant. The expense is being recognized over the vesting period. In the previous period, the options vested immediately and the expense was recorded on that basis.

Impairment of mineral properties and deferred exploration expenses

- The impairment provision is made against properties for which claims have lapsed or no immediate future expenditures are planned. The write-down of mineral properties and deferred exploration expenses in the year ended totalled $375,492 compared to $1,379,878 in the comparable period in 2010. The reduced expense reflects the increased planned activities on many of Globex’s properties.

Other income (expenses)

- Other income (expenses) reflects the gains on sale of investments, interest income, the increase (decrease) in fair value of financial assets as well as other miscellaneous income. In 2011, the Company reported other expenses of $157,837 as compared to other income in 2010 of $348,268. The difference is mainly a result of the decrease of $420,425 in the fair value of investments acquired under option agreements. In 2010, the Company recorded an increase in fair value of financial assets of $194,313.

Income and mining taxes provision (recovery)

- An income and mining tax provision of $361,721 (December 31, 2010 - recovery of $280,756) has been recorded for the year. The provision consists of a current recovery of $17,505 (2010 - provision of $80,897) as well as a deferred income and mining tax provision of $1,004,222 (2010 - recovery of $150,293) representing the increase in temporary timing differences as well as a recovery in the income and mining taxes of $624,996 (2010 – recovery of $211,360) as a result of the sale of tax benefits to subscribers (qualified exploration expenditures have been incurred and renounced). The provision and recoveries as described above resulted in net a deferred income and mining tax expense for the year of $361,721 (2010 - recovery $280,756).

- The deferred income and mining tax provisions in the current year reflects management's best estimate of future tax rates substantially enacted and current tax planning strategies. It also reflects the impact of non-deductible items (share-based payments, impairment provisions on non-financial assets, a decrease in fair value of financial assets) as well as tax planning strategies to minimize the taxable income inclusion for shares received under mining option agreements executed on Globex mineral properties.

Balance Sheet Review

Total Assets

At the year-end, total assets were $21,491,143, an increase of $3,721,636 from December 31, 2010. The increase mainly represents the increase in mineral properties and deferred exploration.

At the year end, cash and cash equivalents as well as investments totalled $4,276,967 (December 31, 2010 - $3,222,934) representing 19.9% of the total assets.

On January 1, 2011, the Company's flow-through commitment outstanding was $1,969,672 (restricted cash) and has been discharged through eligible flow-through expenditures.

On October 3, 2011, the Company announced that it had completed a private placement by issuing 490,566 "flow-through" common shares at a price of $2.65 per share to five "accredited investors" for gross proceeds of $1,300,000. The shares were issued on September 30, 2011. The subscriber agreements were effective September 5, 2011, and during the subsequent period to December 31, 2011, Globex incurred eligible expenditures of $919,028 resulting in an outstanding commitment of $380,972. On October 18, 2011, the Company raised an additional $530,000 by the issuance of 200,000 common shares, sold on a flow-through basis. These funds have been reported with the unspent funds from the September 5, 2011 financing and are reflected in the restricted cash of $910,972 as reported in the statement of financial position at December 31, 2011.

During the current year, the deferred exploration expenses increased by $3,525,257 from $8,382,227 at December 31, 2010 to $11,907,484 at December 31, 2011.

Total Liabilities

At December 31, 2011, the current liabilities were $1,010,848 as compared to $982,033 at the prior year-end.

The Other Liabilities which represent the excess of the fair value of proceeds received from the issuance of flow-through shares was $234,693 at December 31, 2011 as compared to $468,934 as at December 31, 2010. The reduction reflects the impact of eligible expenditures incurred during the year.

Deferred Tax Liabilities

At December 31, 2011, the Company reported deferred tax liabilities of $3,519,727 as compared to $2,500,108 at the previous year-end. The liability represents management's best estimate of future taxes that will be payable based on substantially enacted legislation as well as current operating plans and tax strategies. The majority of the liability arises as a result of Canadian Eligible Exploration Expenditures which have been renounced to shareholders under 'flow-through" arrangements.

Owners' Equity

At December 31, 2011, the total Owners' equity, consisting of Share Capital, Deficit, and Contributed Surplus – Equity settled reserve which totalled $16,725,875 (December 31, 2010 - $13,818,432).

Share Capital

At December 31, 2011, the share capital of the Company was $50,288,153 (December 31, 2010 - $48,019,236) representing 22,726,241 (December 31, 2010 - 21,018,008) common shares outstanding. The increase in the share capital reflects the exercise of 851,000 stock options at an average exercise price of $0.32 per share and the issuance of 166,667 shares with an ascribed value of $500,000 ($3.00 per share) for the acquisition of the Magusi River property and related assets. On September 30, 2011, the Company issued 490,566 "flow-through" common shares which generated gross proceeds of $1,300,000 (IFRS ascribed fair market value of $1,079,245). On October 18, 2011, 200,000 flow-through common shares were issued at a price of $2.65 per share for total proceeds of $530,000 (IFRS ascribed fair market value of $360,000).

On January 26, 2011, 10,000 stock options were exercised at an option price of $1.75 per share. Globex's shares closed at $2.64 per share on that date. On March 16, 2011, 483,000 options were exercised by Jack Stoch, President & CEO and a Director of Globex with a weighted average exercise price of $0.30 per share as well as 350,000 exercised by Dianne Stoch, Executive Vice-President and Corporate Secretary and a Director of Globex with a weighted average exercise price of $0.32 per share. Globex's shares closed on the exercise date of March 16, 2011 at $2.42 per share. On April 25, 2011, 8,000 options were exercised at an option price of $0.26 per share. Globex's shares closed at $2.41 per share on that date.

Liquidity, Working Capital and Cash Flow

At the year end, the Company had cash and cash equivalents of $2,074,901 (December 31, 2010 - $352,863). In addition, the Company had restricted cash of $910,972 (December 31, 2010 - $1,969,672) which has been reflected as a long-term item as these funds are not available for current operating purposes. Investments of $2,202,066 (December 31, 2010 - $2,870,071) mainly reflect shares, recorded at fair value, in optionee companies received as consideration under mining option agreements.

At December 31, 2011, the Company's working capital (based on current assets minus current liabilities) was $3,964,976 (December 31, 2010 - $2,932,635). 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 the year ended December 31, 2011, the operating activities generated $60,077 (2010 – used $1,084,570) while $2,075,477 (2010 - $4,031,605) was generated from financing activities including the issuance of the shares under the company's share option plan and private placements.

The net investing activities totalled $413,516 (2010 - $2,594,172). Within the investing activities, the Company generated total proceeds of $3,923,218 (proceeds on mineral properties optioned of $689,484 sale of investments of $2,175,034 and restricted cash of $1,058,700) as compared to a use of funds of $1,507 in 2010. These funds were invested in the acquisition of properties, plant and equipment of $97,581, deferred exploration expenses and mineral properties of $4,004,265 as well as other investments of $6,441.

The operating, financing, and investing activities for 2011 resulted in a net increase in cash and cash equivalents of $1,722,038 (2010 - $352,863).

Financial Instruments and Risk Management

Capital risk management

The Company manages its common shares, stock options and retained earnings (deficit) as well as contributed surplus – Equity settled reserve as capital.

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 while it pursues its objectives of enhancing projects, properties or the development of properties to the benefit of all shareholders..

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 operating results, 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 low risk highly liquid short-term interest-bearing investments, selected with a duration which is expected to align with the Company's planned expenditures.

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

- Retain cash and cash equivalents, cash restricted for flow-through expenditures and accounts receivable which are equal to or greater than the committed exploration expenditures;

- Retain equity investments and debt instruments with a combined fair market value which are greater than twelve months of projected operating and administrative expenditures.

The Company may need additional capital resources to complete or carry out is exploration and development plans for the next twelve months.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2010.

Financial risk management objectives

The Company's financial instruments are exposed to certain financial risk including credit risk, liquidity risk, foreign exchange risk, and interest rate risk.

(a) Credit Risk

The Company had cash and cash equivalents as well as restricted cash which totalled $2,985,873 at December 31, 2011 (2010 - $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 a guarantee of $1,000,000 provided by the Canadian Investors Protection Fund ("CIPF").

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

The maximum exposure to credit risk was:

		December 31, 2011		December 31, 2010		January 1, 2010
Cash and cash equivalents	**$**	**2,074,901**	$	352,863	$	-
Investments		**2,202,066**		2,870,071		2,936,343
Accounts receivable [(i)]		**486,805**		373,904		215,621
Refundable tax credit and mining duties		**81,794**		242,690		230,888
Restricted cash		**910,972**		1,969,672		347,883
	$	**5,756,538**	$	5,809,200	$	3,730,735

Note:

(i) Accounts receivable are made up of taxes receivable from government authorities and customer receivables.

(b) Liquidity Risk

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

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.

Contractual maturities of financial liabilities are all under one year.

(c) 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 companies as well as a Canadian financial institution which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently these amount to $2,202,066 (December 31, 2010 - $946,699). Based on the balances at December 31, 2011, a 10% increase or decrease would impact Income and Loss by approximately $220,000 (2010 - $94,000).

(d) Fair value measurements recognized in the statement of financial position

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

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

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

- Level 3 -fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable data (unobservable inputs).

	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	$ 2,074,901	$ -	$ -	$ 2,074,901
Restricted cash	910,972	-	-	910,972
Equity investments	514,566	1,687,500	-	2,202,066
Reclamation bonds	-	121,680	-	121,680
Total financial assets	$ 3,500,439	$ 1,809,180	$ -	$ 5,309,619

There were no transfers between level 1 and level 2 in the period. The fair value of the level 2 equity investments represents Globex's 13.5 million common shares of Mag Copper Inc. received during 2011. The fair value reflects recent market prices as well as trading volumes within the principal market in which the shares trade.

Accounting Changes (International Financial Reporting Standards (IFRS))

Until December 31, 2010, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles. In 2010, the Canadian Accounting Standards Board (AcSB) has revised the handbook to incorporate International Financial Reporting Standards ("IFRS"), and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011.

The Company's condensed interim consolidated financials were prepared in accordance with IAS 34, Interim Financial Reporting and IFRS 1, First-Time Adoption of International Financial Reporting ("IFRS 1"). In preparing the interim financial statements, the Company had early adopted IFRS 9, Financial Instruments. On December 16, 2011, the International Accounting Standards Board (IASB) announced a number of changes to this standard as well as a change in the effective date from January 1, 2013 to January 1, 2015.

As a result, of the future uncertainties related to this standard, Globex has adopted the initial measurement and classification categories as outlined in IAS 39, Financial Instruments. This change has not impacted the financial position, income (loss) and comprehensive income (loss) for the periods as the changes in the fair value of financial assets have been reported as changes in fair value through profit and loss in the respective periods. The equity reconciliations and income reconciliations as required under IFRS 1 have remained unchanged.

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. As outlined in Note 2 to the Consolidated Financial Statements, these financial statements represent the first annual financial statements of the Company and its subsidiaries prepared in accordance with IFRS. The Company adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial

Reporting Standards (“IFRS1”). The first date at which IFRS was applied was January 1, 2010. In accordance with IFRS, the Company has:

- provided comparative financial information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied all effective IFRS standards as of December 31, 2011, as required; and
- applied certain optional exemptions and certain mandatory exceptions as applicable for first time IFRS adopters.

The Company's consolidated financial statements were previously prepared in accordance with accounting principles generally accepted in Canada (“Canadian GAAP”). Canadian GAAP differs in some areas from IFRS. In preparing these financial statements, management has amended certain accounting, measurement and consolidation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. Note 24 contains reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on equity, earnings and comprehensive income along with line-by-line reconciliations of the statement of financial position as at December 31, 2009 and January 1, 2010, and the statement of income and statement of comprehensive income for the year ended December 31, 2010. A line-by-line reconciliation of the consolidated statement of income and comprehensive (loss) at December 31, 2010 is also included.

Transition to IFRS

IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS Standards as of the reporting date, which for Globex was December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters.

During the assessment phase, Globex concluded that the Business Combinations Standard had no impact as the Company has not been involved in any significant business acquisitions. The Cumulative translation standard also had no impact as the balance was zero at January 1, 2010, the transition date.

Flow-through share accounting

The Company has adopted the CICA Viewpoint which considers the issuance of flow-through shares in substance; (a) an issue of an ordinary share; and (b) the sale of tax deductions.

The sale of tax deductions has been measured based on the relative fair value method. At the time, the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position because the entity has not yet fulfilled its obligation to pass on the tax deductions to the investor.

When the entity fulfills its obligation, the sale of tax deductions is recognized in the income statement as a reduction of the deferred tax expense, and a deferred tax liability is recognized in accordance with IAS 12, *Income Taxes*, for the taxable temporary differences between the carrying value of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Under Canadian GAAP in accordance with Section 3465, Income Taxes, and EIC-146, Flow-Through Shares, the future tax liability was recorded based on the renunciation of tax write-offs to subscribers. The charge was reflected as a reduction in the carrying value of share capital.

I. IFRS exemption options not used by the Company

1. Share-based payment transactions

IFRS 2, Share-based Payments, requires the application of its provisions to equity instruments 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 by the Transition Date. The Company elected not to avail itself of the exemption provided under IFRS 1.

2. Deemed Cost

IFRS 1 provides the option to measure an item of property, plant and equipment as described in IAS 16, Property, plant and equipment, at the date of transition to IFRS at its fair value and use that fair value as its deemed cost at that date. The Company has not elected to adopt this option as it believes that the cost method currently employed provides more reliable and relevant information.

II. IFRS mandatory exceptions

A number of the mandatory exceptions are not applicable to Globex as a result of the limited scope of its operations. Set forth below are the applicable IFRS 1 exceptions applied in the conversion from Canadian GAAP to IFRS.

Estimates

Hindsight is not used to create or revise estimates. During the analysis of IAS 16, Property, Plant and Equipment, management concluded that the estimated useful lives and expected consumption patterns for the depreciable assets should be revised to reflect the remaining useful life of equipment. The change in the management estimate has been treated on a prospective basis.

Reconciliations and explanations of transitions to IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP. IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for periods prior to the current year. The Company's first time adoption of IFRS did not have an impact on the total operating, investing or financing cash flows and as a result a reconciliation of the cash flows has not been provided.

(a) Reconciliation of Equity

A reconciliation between Canadian GAAP and IFRS equity as at January 1, 2010 (date of transition to IFRS) and December 31, 2010 is provided below.

		December 31, 2010		January 1, 2010
Total equity under previous Cdn GAAP	$	13,606,373	$	12,077,114
Adjustments related to				
1. FMV adjustments for marketable securities				
Transfer from OCI		(80,208)		274,521
to deficit		80,208		(274,521)
2. Flow-through share accounting adjustments				
Transfer to deficit		(914,879)		(626,872)
Other liabilities		468,934		40,045
Deferred taxes		(680,993)		(45,010)
from share capital		1,126,938		631,837
3. Share issuance costs				
Transfer from deficit		2,028,236		1,952,061
to share capital		(2,028,236)		(1,952,061)
Total adjustments to equity		212,059		4,965
Total adjustments other liabilities		(212,059)		(4,965)
Total equity under IFRS	$	13,818,432	$	12,082,079

Explanation of transition to IFRS

In addition to the exemptions and exceptions discussed above, the following narratives explain the significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS policies applied by the Company.

1. **Fair market value (FMV) adjustments for marketable securities**

   As outlined in note 4, to the consolidated financial statements, the Company has designated upon initial recognition, its investments at FVTPL and as a result, it has reclassified previously reported unrealized gains (losses) on available for sale marketable securities from other comprehensive income to increase (decrease) in fair value of financial assets in the Statement of Income.

2. **Flow-through share accounting adjustments**

   Under Canadian GAAP, the proceeds from the issuance of flow-through shares were recorded as an increase in share capital when the proceeds were received. Upon the renunciation of the eligible expenditures to the subscribers, a future tax charge was recorded as a reduction in share capital with a related future tax liability being recorded in the balance sheet.

   Currently there is no specific IFRS guidance related to the accounting and reporting of these arrangements. The Company has adopted the CICA Viewpoint which considers the issuance of flow-through shares in substance, (a) an issue of an ordinary share; and (b) the sale of tax deductions. The sale of tax deductions has been measured based on the relative fair value method. At the time, the flow-through shares are issued; the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position because the entity has not yet fulfilled its obligation to pass on the tax deduction to the investor. When the entity fulfills its obligation; the sale of tax deductions is recognized in the income statement as a reduction of the deferred tax expense; and a deferred tax liability is recognized in accordance with IAS 12, Income Taxes, for the taxable temporary differences between the carrying value of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

3. **Share Issue costs**

   Under the Company's previous accounting policy, share issuance costs were charged directly to the deficit. Under IFRS, the costs have been reclassified as a reduction in share capital.

4. **Share-based payments and compensation**

IFRS 2 is effective for the Company as of November 7, 2002 and is applicable to stock options and grants that are unvested at that date. The transition rules and exemptions in IFRS 1 and IFRS 2 as applied by the Company resulted in no change in the reported amounts.

Recognition of Expense

Canadian GAAP – for grants of share-based awards, an entity can elect to recognize graded vesting of equity instruments as separate arrangements or alternatively, an entity can elect to treat the instrument as a pool and determine fair value using the average life of the instruments provided that the compensation expense is recognized on a straight-line basis over the period necessary for the award to vest.

IFRS – Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. The fair value of each grant is amortized within income and loss on that basis.

In most cases, the Globex Option grants, vest immediately or within a short period, less than one year and as a result, the change has no impact on the reported amounts.

(b) Income and loss and total comprehensive income (loss) reconciliation

Reconciliation of income and loss and other comprehensive income (loss)

A reconciliation between Canadian GAAP and IFRS Income (loss) for the year and other comprehensive income (loss) for the year-end December 31, 2010 is provided below:

		December 31, 2010
Net loss under previous Canadian GAAP	$	(1,939,879)
Profit adjustments related:		
1. FMV adjustments for marketable securities		194,313
2. Deferred tax expense related to flow-through shares		(288,007)
Total adjustments		(93,694)
Loss under IFRS	$	(2,033,573)
Other comprehensive income under previous Canadian GAAP	$	194,313
Other comprehensive income adjustments related to:		
1. FMV adjustments for marketable securities		(194,313)
Total IFRS adjustments to comprehensive income		(194,313)
Other comprehensive income under IFRS	$	-

(c) Statement of cash flows

The IFRS transition adjustments did not have an impact on cash and cash equivalents.

(d) Financial statement presentation changes

The transition to IFRS has resulted in numerous presentation changes in the Company's financial statements, most significantly in the descriptions and level of detail provided in the supporting notes to the statement of financial position.

Control Activities

As reported, in previous MD&A's Globex adopted a four phased approach which consisted of; (a) overall planning and staff training and development; (b) detailed assessment; (c) implementation; and (d) post-implementation. The Company has now completed the IFRS conversion project through implementation.

For all changes to policies and procedures that have been identified, the effectiveness of internal controls over financial reporting and disclosure controls and procedures has been assessed and any required changes have been implemented. In addition, controls over the IFRS changeover process have been implemented, as necessary. The required accounting process changes that resulted from the adoption of the IFRS accounting policies were not significant.

Post-Implementation

As part of the post-implementation activities, management will continue to monitor changes in the IFRS environment. As outlined in note 3 (b) to Consolidated statements, earlier this year, the International Accounting Standards Board (IASB) issued a number of revisions to; Amendments to IAS 1, *the Presentation of Financial Statements,* IAS 19, *Employee Benefits*, IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12*, Disclosure of Interest's in Other Entities*, as well as IFRS 13 *Fair Value Measurement*. The Company is aware that the IASB is also working on revisions to Revenue Recognition and an extractive industries project, which could impact the capitalization of exploration costs and the current financial statement disclosures.

The Company has completed a preliminary assessment of these revisions and has concluded that none of these standards are expected to have a significant effect on the consolidated financial statements of the Company. All of these standards are effective January 1, 2013, with the exception of IAS 1 which has a July 1, 2012 effective date. Early adoption is permitted. The Company has concluded that there are no significant benefits to the early adoption of these standards at this time.

Ongoing monitoring of the IASB standards has been incorporated into the Company`s disclosure controls and quarter-end reporting process.

Critical accounting assumptions, judgments and estimates

The preparation of financial statements under the principles of IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associate assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgments and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarized below. Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are:

(a) Impairment of deferred exploration expenses

At the end of each reporting period, the Company considers whether there has been an impairment of its deferred exploration and development expenses. If the Company determines that there has been impairment then it must estimate the recoverable amount and selling costs resulting in a net recoverable amount. As a result of the limited information available, it requires significant management judgment in estimating a net recoverable amount.

(b) Estimate of share-based compensation and payment costs

The estimate of share-based compensation and payment costs requires the selection of an appropriate valuation model and consideration as the inputs necessary for the model chosen. The Company has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options. The Company uses the Black-Scholes valuation model to calculate the fair value of the share based compensation and payment costs.

(c) Fair value estimates of Investments

Globex enters into option agreements for its properties. Under these arrangements, the Company typically receives a series of cash option payments over a period of time and it also often receives shares in the Optionee company. Globex attempts to determine the fair value of the shares on receipt based on published price quotations in an active market. However, in some cases, when received, the shares may not be traded in an active market and as a result, Globex must use a valuation technique to determine the fair market value. In some cases, as a result of the strategic nature or volume of trading in the market, the quoted price may also not be representative of the price that these shares could be sold to a willing arm's length party. These valuation issues could also impact the fair value measurement of financial assets at each period end.

(d) Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the period, Management determined that the useful lives of the equipment were appropriate.

(e) Refundable tax credits and mining duties

The estimates are based on an interpretation of legislation substantially enacted and management's application of their interpretation to the treatment of various items which could impact the valuation.

(f) Deferred tax balances

The Company uses the asset and liability method in accounting for deferred income taxes and mining duties. Under this method, deferred taxes are recognized for the future income and mining duties. In preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate structure plans which may impact taxable income in the future periods.

These estimates and valuation assumptions are based on current information and management's planned course of actions, as well as assumptions about future business economic conditions. Should the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

Outstanding Share Data

At December 31, 2011, the Company had 22,726,241 common shares issued and outstanding (December 31, 2010 – 21,018,008). During 2011, 851,000 options were exercised for $352,116, 166,667 shares valued at $500,000 were issued in connection with the acquisition of a property, and 490,566 "flow-through" common shares which generated gross proceeds of $1.3 million (IFRS ascribed fair market value of $1,079,245). On October 18, 2011, the Company raised $530,000 by the issuance of 200,000 common shares which were sold on a flow-through basis.

On April 4, 2011, pursuant to the 2006 Stock Option Plan, 90,000 Options were granted to Directors and 131,200 were issued to three senior officers of the Company. All of the Options were issued at an exercise price of $2.75 per share and the Options issued to the Directors vest on April 4, 2012 whereas the Options issued to senior management vested immediately. On November 1, 2011, 29,200 Options were granted to a senior officer of the Company. The Options were issued at an exercise price of $1.51 per share and vested immediately.

At the year-end, the Company had 22,726,241 common shares outstanding and 2,112,900 stock options remain outstanding for a fully diluted common share capital of 24,839,141. At December 31, 2011, 319,600 options were available to be granted in addition to the common share purchase options currently outstanding (December 31, 2010 - 570,000). On February 1, 2012, 50,000 options were granted to a consultant which increased the outstanding options to 2,162,900 and correspondingly increased the Fully diluted common share capital to 24,889,141 and reduced the options available to be granted to 269,600.

On March 8, 2012, 25,000 options were exercised at an option price of $0.25 per share. Globex's shares closed at $1.38 share on that date. On March 12, 2012, the Company had 22,751,241 common shares outstanding and 2,137,900 stock options outstanding for Fully diluted common share capital of 24,889,141.

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 incomes. 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 important sources of risk capital for financing exploration programs. Any material changes in these programs could adversely affect the Company's operations.

On May 12, 2011, the Quebec Government introduced Bill 14 which seeks to amend Quebec's *Mining Act*. Globex holds many of its properties under this Act. The amendments were initially proposed in December 2009 (Bill 79), subsequently subjected to public consultation in the fall of 2010. However, Bill 79 had not yet been adopted when the National Assembly was prorogued earlier this year. Bill 14 proposes several significant amendments to the Mining Act, related to;

- Access (surface rights owners and municipalities will now have absolute control over access to mineral rights and can prevent access and any and all work with no compensation to mineral right holders).
- Ownership of Surface Minerals Substances (*surface mineral substances found in land granted by the State for purposes other than mining will belong to the owner of the soil*),

- Credit for Exploration Work on Claims (*it will continue to possible to make a payment in lieu of carrying on mining exploration on claims. However, the payment will be double the cost of the work requirement*),
- Areas within Urbanization Perimeter and Areas Dedicated to Recreation (*as of May 12, these areas will be withdrawn from staking, map designation, mining exploration and mining operations. To perform work in these areas, a holder of claims will have to obtain the consent of the local municipality, as well as provincial government agencies involved in regulating such activities),*
- Mine Rehabilitation (*Mining leases will be granted by the Minister only if a rehabilitation and restoration plan is approved. The proposed amendments include deposits to cover 100% of the anticipated costs to cover rehabilitation and site restoration*),
- Bulk Sampling (*Sampling of over 50 metric tonnes by a claim holder will continue to be possible with the authorization of the Minister, for the purposes of determining the characteristics of the ore*) and,
- Plan of Work (*notice of staking or the map designation of a claim will have to be accompanied by a plan of work to be performed in the coming year*).

Globex has completed a preliminary analysis of the proposed changes. Management believes that a number of measures being adopted by the Quebec Government will have a direct effect on a number of Globex's Quebec assets. In particular, Bill 14, the proposed new Mining Act, has a number of sections which are detrimental to the exploration industry and it will require additional administrative expenditures. Firstly, companies will no longer have the right to enter upon land where the surface rights are privately owned. Previously, mineral rights, which are real property rights, put us on an even footing with surface rights owners so accommodations were always made and settlements reached. This will no longer be the case. Access may be delayed or refused completely. Despite the possible inability to access our mineral rights to do work, the Government of Quebec will still require that we pay taxes and submit assessment work, but although we cannot do the assessment work, the Government has decided to penalize the industry further by doubling the amount to be paid in cash in lieu of work in order to maintain the claims. Further, the Quebec Government has refused to set up any type of arbitration system which could mitigate these problems.

Secondly, the Quebec Government previously designated urbanized areas as requiring municipal approval before exploration or mining could be undertaken. The industry generally supported this move as sensible. Unfortunately, the Quebec Government, without consultation, has designated large lightly populated areas of the province "villégiature" loosely translated as "rural population". In these areas, all exploration will be suspended and exploration or mining may not proceed without the prior approval of surface rights owners, municipalities and the appropriate provincial government agencies. In addition, under the proposed rules, municipal approval as well as Government approval must be obtained prior to acquiring mineral rights. Unfortunately, this makes the acquisition of mineral rights in these areas subject to local politics and the potential for a lack of objectivity and fairness whereas the previous system was an unbiased first come first served system. Oversight will now be by parties unwilling and/or technically unable to effectively manage their new mandate.

In addition to the new mining laws, the Quebec Government announced a "Plan Nord", an ambitious plan that envisions removing 50% of the large area covered by the plan from any type of industrial activity. At this time, Management does not know what this will mean to companies working in the area nor how the Quebec Government will decide upon which areas will be withdrawn from development.

These measures and many others in the new law and Plan Nord have become important risks when doing business in Quebec and Globex is reassessing its expenditures in the province as well as other possible courses of action.

Finding and Developing Economic Reserves: The recoverability of amounts capitalized for mineral properties and deferred exploration expenses 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, reserve estimating, environmental factors, governments not enforcing access laws and various other regulatory risks.

Related Party Transactions

Outlined below is a summary of the total compensation paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company (Management personnel includes President & CEO, Executive Vice-President & Corporate Secretary, and Chief Financial Officer):

		December 31, 2011		December 31, 2010
Salary cost				
Salaries and other benefits	**$**	**457,253**	$	415,718
Fair value of share-based compensation		**243,288**		5,613
	$	**700,541**	$	421,331

Related party transactions which have been incurred and eliminated in these consolidated financial statements are not significant and 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, 2011. Based on that evaluation, they have concluded that the Company's disclosure controls and procedures were as of and for the period ending December 31, 2011 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, 2011, and as at December 31, 2011, 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 the 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 the internal controls over financial reporting are appropriately designed and operating effectively to ensure that the preparation of financial statements for external reporting purposes are in accordance with the Company's application of IFRS standards. Other than changes related to the IFRS transition plan, during the quarter ended December 31, 2011 there have been no material changes in the Company's ICFR or are reasonably likely to materially affect, the internal controls over financial reporting

Outlook

Globex is pleased with our progress to date on the Timmins Talc-Magnesite project. Management believes that the publication of a Preliminary Economic Assessment ("PEA") much of which will be included in a future feasibility study, is of great importance at this stage of the project development. We are also encouraged by the results of drilling activities undertaken this summer on the Pandora-Wood, Beacon, Tonnancour and Woodstock Manganese properties (See also page 7 and related Press Releases).

On an ongoing basis, Globex monitors changes in the global financial and stock markets, and commodity prices, all of which impact on projects. Management recognizes that current financial markets are volatile, investors are risk averse and leading indicators point to significant uncertainties in Europe and Asia which could lead to a global economic slowdown - this would hurt the Canadian resource sector. As a result of these factors, lower market cap junior mining companies face significant challenges in raising sufficient funds to accomplish their exploration programs.

In developing its 2012 operating plans, the Company has targeted additional activities on the Timmins Talc-Magnesite Project including infill drilling for the completion of a Prefeasibility Study. Globex will focus its efforts on projects where initial results have demonstrated significant potential on our properties including the large package of Chibougamau assets and the manganese projects in New Brunswick to name a few.

Globex believes that it is well positioned with a combination of assets and the resources necessary to advance our strategic objectives.

Additional Information

This analysis should be read in conjunction with the comparative financial statements for the year-ended December 31, 2011 and the fiscal year ended December 31, 2010 and additional information about the Company, including the Annual Information Form (AIF), which is available on SEDAR at 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 in a timely manner.

If you would like to obtain, at no cost to you, a copy of the 2011 and/or 2010 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 Fax: 819.797.1470
Email: info@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 12, 2012.

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 International Financial Reporting Standards 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 of 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 statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, and the consolidated statements of income and comprehensive income (loss), consolidated statements of equity and consolidated statements of cash flows for the years ended December 31, 2011 and December 31, 2010, 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 International Financial Reporting Standards, 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, 2011, December 31, 2010 and January 1, 2010 and its financial performance and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

"Samson Bélair/Deloitte & Touche s.e.n.c.r.l."
Samson Bélair/Deloitte & Touche s.e.n.c.r.l.[1]
Rouyn-Noranda, Quebec, Canada

March 12, 2012

[1] Chartered accountant auditor permit n° 18190

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Income and Comprehensive Income (Loss)

(In Canadian dollars)

	Notes	**December 31, 2011**	December 31, 2010
Continuing operations			
Revenues	17	**$ 3,753,145**	$ 626,644
Expenses			
Salary		**749,610**	609,030
Administration		**578,454**	454,253
Professional fees and outside services		**775,593**	435,931
Depreciation and amortization		**48,827**	51,700
Share-based compensation and payments		**355,694**	350,539
Impairment of mineral properties and deferred exploration expenses	12, 13	**375,492**	1,379,878
Loss (gain) on foreign exchange		**(8,851)**	6,583
Loss on disposal of properties, plant and equipment		**-**	1,327
		2,874,819	3,289,241
Income (loss) from operations		**878,326**	(2,662,597)
Other income (expenses)			
Gain on sale of investments		**140,610**	51,096
Interest income		**25,928**	37,341
Increase (decrease) in fair value of financial assets		**(420,425)**	194,313
Other		**96,050**	65,518
		(157,837)	348,268
Income (loss) before taxes		**720,489**	(2,314,329)
Income and mining taxes	16	**361,721**	(280,756)
Income (loss) and comprehensive income (loss) for the year		**$ 358,768**	$ (2,033,573)
Income (loss) attributable to:			
Shareholders of the Company		**358,768**	(2,033,573)
		358,768	(2,033,573)
Total comprehensive income (loss) attributable to:			
Shareholders of the Company		**358,768**	(2,033,573)
		358,768	(2,033,573)
Income (loss) per common share			
Basic	18	**$ 0.02**	$ (0.10)
Diluted	18	**$ 0.02**	$ (0.10)
Weighted average number of common shares outstanding		**21,984,808**	19,884,408
Shares outstanding at end of year		**22,726,241**	21,018,008

The accompanying notes are an integral part of these financial statements

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Cash Flows

(In Canadian dollars)

	Notes	**December 31, 2011**	December 31, 2010
Operating activities			
Income (loss) and comprehensive income (loss) for the year		**$ 358,768**	$ (2,033,573)
Adjustments for:			
Disposal of mineral properties for shares		**(1,781,000)**	(491,500)
Decrease (increase) in fair value of financial assets		**420,425**	(194,313)
Depreciation and amortization		**48,827**	51,700
Foreign exchange rate variation on reclamation bond		**(2,690)**	6,330
Gain on sale of investments		**(140,610)**	(51,096)
Loss on sale of properties, plant and equipment		**-**	1,327
Impairment of mineral properties and deferred exploration expenses		**375,492**	1,379,878
Amortization of bonds premium		**597**	4,611
Current tax expense (recovery)	16	**(17,505)**	80,897
Deferred income and mining taxes	16	**379,226**	(361,653)
Income and mining taxes paid		**(58,115)**	-
Share-based compensation and payments		**355,694**	350,539
		(419,659)	776,720
Changes in non-cash operating working capital items	21	**120,968**	172,283
		60,077	(1,084,570)
Financing activities			
Issuance of share capital		**2,106,180**	4,135,811
Share capital issue costs		**(30,703)**	(104,206)
		2,075,477	4,031,605
Investing activities			
Proceeds on disposal of properties, plant and equipment		**-**	443
Acquisition of properties, plant and equipment		**(97,581)**	(13,879)
Deferred exploration expenses		**(4,004,265)**	(2,461,581)
Mineral properties acquisitions		**(228,447)**	(65,534)
Proceeds on mineral properties optioned		**689,484**	769,597
Proceeds on sale of investments		**2,175,034**	850,685
Acquisition of investments		**(6,441)**	(52,114)
Change in restricted cash		**1,058,700**	(1,621,789)
		(413,516)	(2,594,172)
Net increase in cash and cash equivalents		**1,722,038**	352,863
Cash and cash equivalents, beginning of year		**352,863**	-
Cash and cash equivalents, end of year		**$ 2,074,901**	$ 352,863

Supplementary cash flow information (note 21)

The accompanying notes are an integral part of these financial statements

GLOBEX MINING ENTERPRISES INC.

Consolidated Statement of Financial Position

(In Canadian dollars)

	Notes	**December 31, 2011**	December 31, 2010	January 1, 2010
Assets				
Current assets				
Cash and cash equivalents	6	**$ 2,074,901**	$ 352,863	$ -
Investments	7	**2,202,066**	2,870,071	2,936,343
Accounts receivable	8	**486,805**	373,904	215,621
Refundable tax credit and mining duties	16	**81,794**	242,690	230,888
Prepaid expenses and deposits		**130,258**	75,140	34,031
		4,975,824	3,914,668	3,416,883
Restricted cash	9	**910,972**	1,969,672	347,883
Reclamation bonds	10	**121,680**	118,990	125,320
Properties, plant and equipment	11	**525,668**	476,914	516,505
Mineral properties	12	**3,049,515**	2,907,036	2,870,356
Deferred exploration expenses	13	**11,907,484**	8,382,227	8,100,884
		$ 21,491,143	$ 17,769,507	$ 15,377,831
Liabilities				
Current liabilities				
Payables and accruals	14	**$ 698,700**	$ 594,265	$ 270,238
Current income tax	16	**312,148**	387,768	307,038
		1,010,848	982,033	577,276
Other liabilities	15	**234,693**	468,934	40,045
Deferred tax liabilities	16	**3,519,727**	2,500,108	2,678,431
Owners' equity				
Share capital	19	**50,288,153**	48,019,236	44,580,729
Deficit		**(37,177,492)**	(37,536,260)	(35,502,687)
Contributed surplus - Equity settled reserve		**3,615,214**	3,335,456	3,004,037
		16,725,875	13,818,432	12,082,079
		$ 21,491,143	$ 17,769,507	$ 15,377,831

The accompanying notes are an integral part of these financial statements

Approved by the board

"Jack Stoch"
Jack Stoch, Director

"Dianne Stoch"
Dianne Stoch, Director

GLOBEX MINING ENTERPRISES INC.

Consolidated Statements of Equity

(In Canadian dollars)

	December 31, 2011	December 31, 2010
Common shares		
Beginning of year	**$ 48,019,236**	$ 44,580,729
Issued on exercise of options	**352,116**	48,790
Fair value of shares issued under private placements	**1,439,245**	3,465,892
Shares issued in connection with a property acquisition	**500,000**	-
Share issuance costs, net of taxes of $8,259 (2010 - $28,031)	**(22,444)**	(76,175)
End of year	**50,288,153**	48,019,236
Contributed surplus - Equity settled reserve		
Beginning of year	**3,335,456**	3,004,037
Share-based compensation	**355,694**	59,220
Share-based payments	**-**	291,319
Fair value of stock options exercised	**(75,936)**	(19,120)
End of year	**3,615,214**	3,335,456
Deficit		
Beginning of year	**(37,536,260)**	(35,502,687)
Income (loss) attributable to shareholders	**358,768**	(2,033,573)
End of year	**(37,177,492)**	(37,536,260)
Total Equity	**$ 16,725,875**	$ 13,818,432

The accompanying notes are an integral part of these financial statements

1. General business description

Globex Mining Enterprises Inc. (the "Company") 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 (manganese, iron, uranium, lithium and rare earths) and Industrial Minerals (mica, as well as talc and magnesium). The Company currently generates royalty and option income from properties which contain gold, silver and zinc.

Globex was incorporated in the province of Quebec and its head office and principal business offices are located at 86, 14th Street, Rouyn-Noranda, Quebec, J9X 2J1, Canada.

The Company's commons shares are listed on the Toronto Stock Exchange under the symbol GMX, in Europe on the Frankfurt, Munich, Stuggart, Berlin and Xetra changes 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.

2. Basis of presentation

Until December 31, 2010, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles. In 2010, the Canadian Accounting Standard Board (AcSB) has revised the handbook to incorporate International Financial Reporting Standards ("IFRS"), and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011.

These consolidated financial statements represent the first annual financial statements of the Company and its subsidiaries prepared in accordance with IFRS. The Company adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS1"). The first date at which IFRS was applied was January 1, 2010. In accordance with IFRS, the Company has:

- provided comparative financial information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied all effective IFRS standards as of December 31, 2011, as required; and
- applied certain optional exemptions and certain mandatory exceptions as applicable for first time IFRS adopters.

The Company's consolidated financial statements were previously prepared in accordance with accounting principles generally accepted in Canada (“Canadian GAAP”). Canadian GAAP differs in some areas from IFRS. In preparing these financial statements, management has amended certain accounting, measurement and consolidation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. Note 24 contains reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on equity, income and comprehensive income along with line-by-line reconciliations of the statement of financial position as at January 1, 2010 as well as December 31, 2010. A line-by-line reconciliation of the consolidated statement of income (loss) and comprehensive income (loss) at December 31, 2010 is also included.

These financial statements were prepared on a going concern basis, under the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through the income statement.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

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. The Company’s Board of Directors approved these annual audited consolidated financial statements for the years ended December 31, 2011 and December 31, 2010 on March 12, 2012.

First-time adoption exemptions

IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening statement of financial position on the transition date of January 1, 2010, and allows certain exemptions on the transition to IFRS. The elections that the Company considered are:

- IFRS 2, Share-based Payments, requires the application of its provisions to equity instruments 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 by the Transition Date. The Company has elected not to avail itself of the exemption provided under IFRS 1;
- IFRS 1 provides the option to measure an item of property, plant and equipment as described in IAS 16, Property, plant and equipment, as the date of transition to IFRS at its fair value and use that fair value as its deemed cost at that date. The Company has not elected to adopt this option as it believes that the cost method currently employed provides more reliable and relevant information.

Change in estimates

During the analysis of IAS 16, Properties, plant and equipment, management concluded that the estimated useful lives and expected consumption patterns for the depreciable assets should be revised. The change in the management estimate has been treated on a prospective basis from January 1, 2011 and has resulted in a non-material increase in depreciation during the year ended December 31, 2011, due to the age of the assets.

3. Revised International Financial Reporting Standards

New and amended standards not yet adopted:

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective, and have not been applied in preparing these consolidated financial statements.

- Amendments to IAS 1, Presentation of Items of Other Comprehensive Income, introduce changes to the presentation of items of other comprehensive income that may be reclassified to income or loss in the future and are presented separately from items that would never be reclassified;
- Amendments to IAS 19, Employee Benefits, deal with the recognition of actuarial gains and losses recognized in other comprehensive income as well as the expected measurement and recording of the expected return on plan assets;
- IFRS 9, Financial Instruments, simplifies the measurement and classification for financial assets by reducing the number of measurement categories and removing complex rule-driven embedded derivative guidance in IAS 39, Financial Instruments: Recognition and Measurement. The new standard also provides for a fair value option in the designation of a non-derivative financial instruments and its related classification and measurement. IFRS 9 is effective from periods beginning January 1, 2015 with early adoption permitted;
- IFRS 10, Consolidated Financial Statements, builds on existing principles and standards and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company;
- IFRS 11, Joint Arrangements, establishes the principles for financial reporting by entities when they have an interest in arrangements that are jointly controlled;
- IFRS 12, Disclosure of Interest in Other Entities, outlines the disclosure requirements for interests held in other entities including joint arrangements, associates, special purpose entities and other off balance sheet entities;
- IFRS 13, Fair Value Measurement, defines fair value, requires disclosures regarding fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

All of these standards are applicable to Globex with the exception of the Amendments to IAS 19 as the Company does not have a pension plan in place. None of these standards are expected to have a significant effect on the consolidated financial statements of the Company. All of these standards are effective January 1, 2013 with the exception of IAS 1, which has a July 1, 2012 effective date and IFRS 9 which has a January 1, 2015 effective date. Early adoption is permitted. The Company did not early adopt.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS standards.

Basis of consolidation

The consolidated financial statements include the accounts of the Company, and its controlled subsidiaries Globex Nevada Inc., Worldwide Magnesium Corporation, Eco Refractory Solutions Inc. and Chibougamau Independent Mines Inc. and its joint venture Duparquet Assets Ltd. using proportionate consolidation. All significant intercompany transactions and balances have been eliminated on consolidation. The table which follows outlines Globex's interest in the respective entities:

Corporate Entity	Relationship	December 31, 2011	December 31, 2010	January 1, 2010
Globex Nevada, Inc.	Subsidiary	100%	100%	100%
Duparquet Assets Ltd.	Joint Venture	50%	50%	-
WorldWide Magnesium Corporation	Subsidiary	90%	90%	75%
Eco Refractory Solutions Inc.	Subsidiary	75%	75%	-
Chibougamau Independent Mines Inc.	Subsidiary	100%	100%	-

Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interest in net assets of consolidated subsidiaries is identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interest in excess of their interest in the subsidiary's equity are allocated against the interest of the Company except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

All dollar amounts are presented in Canadian dollars unless otherwise specified.

Foreign currencies

The Company's presentation currency and the functional currency of all of its operations is the Canadian (Cdn) dollar as this is the principal currency of the economic environment in which they operate. Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. All gains and losses on conversion of these foreign currency transactions are included in income and loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Revenue and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

Interest in joint ventures

A joint venture can take the form of a jointly controlled entity, jointly controlled operation or jointly controlled assets. A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

When the Company undertakes its activities under joint venture arrangements, its share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognized in the financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interest in jointly controlled assets are accounted for on an accrual basis.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Company reports its interest in jointly controlled entities using proportionate consolidation.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Refundable tax credits and mining duties

The Company is entitled to a refundable tax credit of 35% on qualified exploration expenditures incurred in the province of Quebec. The Company is also entitled to a refund of mining duties of the lesser of 15% on 50% of qualified mining exploration expenses or operating losses during the period, net of the refundable tax credit.

The credit or refunds are recorded based on management's best estimates once the necessary information is available and management believes that the amounts are collectible.

Restricted cash

Restricted cash is comprised of cash, bank balances and short-term investments in money market instruments with an original term of less than three months. These funds are restricted and designed to fund prescribed resource expenditures.

Financial assets

Financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss” (FVTPL), “held-to-maturity” investments, “available-for-sale” (AFS) financial assets and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as hold for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Company has designated all of its investments as at FVTPL upon initial recognition.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in income or loss. Fair value is determined in the manner described in note 22.

Interest income on debt instruments at FVTPL is included in the net gain or loss described above. Dividend income on investments in equity instruments at FVTPL is recognized in income or loss when the Company’s right to receive the dividends is established.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed redeemable notes held by the Company that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. Fair value is determined in the manner described in note 22. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in income or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to income or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts receivables and refundable tax credit and mining duties) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest rate method

The effective interest method is a method of calculating the amortized cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period.

Impairment of financial assets at amortized cost

Financial assets other than those at FVTPL, including loans and receivables, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial asset have been affected. If the impairment loss decreases, then the impairment loss is reversed through income or loss, to the extent that the carrying amount of the investment reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets.

Classification of financial assets

The table below illustrates the classification and measurement of financial assets under IAS 39 at the initial application, January 1, 2010:

Financial assets	Measurement category under IAS 39
Cash and cash equivalents	Held for trading
Restricted cash	Held for trading
Equity investments	Financial assets at FVTPL
Debt investments	Financial assets at FVTPL
Accounts receivable	Loans and receivables
Refundable tax credit and mining duties	Loans and receivables
Reclamation bonds	Available for sale

Properties, plant and equipment

Properties, plant and equipment are recorded at cost less accumulated depreciation, depletion and impairment charges.

Where an item of properties, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision.

Management reviews the estimated useful lives, residual values and depreciation methods of the Company’s property, plant and equipment at the end of each annual financial reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Mineral properties

All direct costs related to the acquisition of mineral properties are capitalized, at their cost at the date of acquisition, by property.

Deferred exploration and evaluation expenses

All costs incurred prior to obtaining the legal rights to undertake exploration and evaluation activities are recognized in the income statement as incurred. Exploration and evaluation costs arising following the acquisition of the right to explore are capitalized on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical costs and deferred exploration costs, and are carried at historical cost less any impairment losses recognized. The Company classifies exploration and evaluation assets as tangible or intangible according to the nature of the assets acquired.

General exploration costs not related to specific properties and general exploration administrative expenses are charged to the consolidated statement of income and comprehensive income (loss) in the year in which they are incurred.

If an exploration project is successful, then the related expenditures are transferred to mining assets and amortized over the estimated life of the ore reserves on a unit of production basis.

The recoverability of deferred exploration and evaluation costs is dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain the necessary financing to complete the development of ore reserves and future profitable production or proceeds from the disposal thereof.

Depreciation

Properties, plant and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets. The significant classes and their estimated useful lives are as follows:

Buildings	20 years
Mining equipment	5 years
Office equipment	2 to 5 years
Vehicles	5 years
Computer systems	3 years

Impairment of non-financial assets

Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for deferred exploration and evaluation expenses are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;

- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Reversals of impairment losses are recognized in respect of exploration and evaluation expenditures where this is justified by a change of circumstances.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or arising from the use by others of the Company's assets yielding option income, royalties, interest and dividends. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the company's activities as described below.

(a) Sales of mineral properties

The proceeds from the sale of mineral properties are initially recorded as a credit against the carrying costs of the property and deferred exploration expenses until they are fully recovered and any additional amounts are recorded as other income.

(b) Option income

Option income is recognized on an accrual basis in accordance with the substance of the relevant agreements. Shares received under option agreements are valued at fair value which is determined at quoted market prices if the shares are quoted on an active market and if the market for the shares is not active, fair value is established by using a valuation technique.

(c) Royalty income

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

(d) Interest and dividend income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Share-based compensation and payments

Share-based payments to non-employees

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the Company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the underlying equity instrument, measured at the date the Company obtains the goods or the counterparty renders the service.

Share-based compensation

The Company grants stock options to buy common shares of the Company to Directors, Officers, and Employees. The Board of Directors grants such options for periods up to five years, with vesting periods determined at its sole discretion and at the TSX prices at the close of business on the day prior to the option grant.

The fair value of the options is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period that the options are earned. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modifications which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

If and when the stock options are exercised, the applicable fair value amounts charged to contributed surplus are transferred to share capital.

When unexercised stock options are forfeited or expired, the amounts are transferred to deficit.

Current and deferred taxes

Taxes, comprising both income and resource taxes accounted for as income taxes, are recognized in the statement of income and loss, except where they relate to items recognized in other comprehensive income or directly in equity, in which case the related taxes are recognized in other comprehensive income or equity. Taxes on income are recorded using the tax rate that would be applicable to expected annual income.

The current income tax charge is based on taxable income for the period. Taxable income differs from net income as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible.

Deferred tax is recognized, using the asset and liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profits will enable the deferred tax asset to be recovered. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is adjusted to the extent that it is no longer probable that sufficient taxable income will be available to ensure that all or part of the asset will be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-through shares

The Company raises funds through the issuance of “flow-through” shares which entitles investors to prescribed resource tax benefits and credits once the Company has renounced these benefits to the investors in accordance with the tax legislation. Currently there is no specific IFRS guidance related to the accounting and reporting of these arrangements. The Company has adopted the CICA Viewpoint which considers the issuance of flow-through shares in substance; (a) an issue of an ordinary share; and (b) the sale of tax deductions. The sale of tax deductions has been measured based on the relative fair value method. At the time, the flow-through shares are issued; the sale of tax deductions is deferred and presented as a liability in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets". When the Company fulfills its obligation; the liability is reduced; the sale of tax deductions is recognized in the income statement as a reduction of the deferred tax expense; and a deferred tax liability is recognized in accordance with IAS 12, Income Taxes, for the taxable temporary differences between the carrying value of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options (if dilutive).

The number of additional shares is calculated by assuming that outstanding dilutive stock options were exercised and the proceeds from such exercise were used to acquire common stock at the average market price during the reporting periods.

Share Capital

The Company's common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

5. Significant accounting judgments and estimates

The preparation of financial statements under the principles of IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgments and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarized below. Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are:

(a) Impairment of deferred exploration expenses

At the end of each reporting period, the Company considers whether there has been an impairment of its deferred exploration and development expenses. If the Company determines that there has been impairment then it must estimate the recoverable amount and selling costs resulting in a net recoverable amount. As a result of the limited information available, it requires significant management judgment in estimating a net recoverable amount.

(b) Estimate of share-based compensation and payment cost

The estimate of share-based compensation and payment costs requires the selection of an appropriate valuation model and consideration as the inputs necessary for the model chosen. The Company has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options. The Company uses the Black-Scholes valuation model to calculate the fair value of the share-based compensation and payment costs.

(c) Fair value estimates of investments

Globex enters into option agreements for its properties. Under these arrangements, the Company typically receives a series of cash option payments over a period of time and it also often receives shares in the Optionee company. Globex attempts to determine the fair value of the shares on receipt based on published price quotations in an active market. However, in some cases, when received, the shares may not be traded in an active market and as a result, Globex must use a valuation technique to determine the fair market value. In some cases, as a result of the strategic nature or volume of trading in the market, the quoted price may also not be representative of the price that these shares could be sold to a willing arm's length party. These valuation issues could also impact the fair value measurement of financial assets at each period end.

(d) Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the period, Management determined that the useful lives of the equipment were appropriate.

(e) Refundable tax credit and mining duties

The estimates are based on an interpretation of legislation substantially enacted and management's application of their interpretation to the treatment of various items which could impact the valuation.

(f) Deferred tax balances

The Company uses the asset and liability method in accounting for deferred income taxes and mining duties. Under this method, deferred income taxes are recognized for the future income tax. In preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate structure plans which may impact taxable income in future periods.

These estimates and valuation assumptions are based on current information and management's planned course of actions, as well as assumptions about future business economic conditions. Should the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

6. Cash and cash equivalents

	December 31, 2011	December 31, 2010	January 1, 2010
Bank balances	**$ 974,902**	$ 352,863	$ -
Short-term deposits	**1,099,999**	**-**	-
	$ 2,074,901	$ 352,863	$ -

7. Investments

		December 31, 2011		December 31, 2010		January 1, 2010
Debt investments	$	-	$	957,288	$	896,446
Interests in money market funds (debt)		-		966,084		1,663,970
Other equity investments (i), (ii), (iii)		**2,202,066**		946,699		375,927
	$	**2,202,066**	$	2,870,071	$	2,936,343

(i) At December 31, 2011 includes 13.5 million Mag Copper Inc. shares valued at $1,687,500; 2.7 million Laurion Mineral Exploration Inc. shares valued at $148,500; 7,000 TD preferred shares valued at $192,350; and other equity investments received under option agreements which total $173,716.

(ii) At December 31, 2010 includes 1 million Xmet Inc. shares valued at $260,000; 7,000 TD preferred shares valued at $194,300; 1.7 million Laurion Mineral Exploration Inc. shares valued at $170,000; 400,000 Glenn Eagle Resources Inc. shares valued at $102,000; 200,000 Savant Exploration Ltd. shares valued at $58,000 and other equity received under option agreements which total $162,399.

(iii) At January 1, 2010 includes 278,500 VG Gold Corp. shares valued at $101,653; 7,000 TD preferred shares valued at $197,450; and other equity investments received under option agreements totalling $76,824.

8. Accounts receivable

		December 31, 2011		December 31, 2010		January 1, 2010
Trade receivables	**$**	**366,539**	$	276,499	$	165,210
Government taxes receivable		**120,266**		97,405		50,411
	$	**486,805**	$	373,904	$	215,621

9. Restricted cash

		December 31, 2011		December 31, 2010		January 1, 2010
Bank balances	**$**	**910,972**	$	1,969,672	$	300,622
Short-term deposits		-		-		47,261
	$	**910,972**	$	1,969,672	$	347,883

The Company raises flow-through funds for exploration under a subscription agreement which requires the Company to incur prescribed resource expenditures which are not available for current operating purposes and therefore are reported as restricted cash. 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.

10. Reclamation bonds

		December 31, 2011		December 31, 2010		January 1, 2010
Nova Scotia bond - Department of Natural Resources	**$**	**57,974**	$	57,974	$	57,974
Option reimbursement		**(50,000)**		(50,000)		(50,000)
Net Nova Scotia bond		**7,974**		7,974		7,974
Washington State bond - Department of Natural Resources		**113,706**		111,016		117,346
	$	**121,680**	$	118,990	$	125,320

The reclamation and environmental bonds were posted by the Company to secure clean-up expenses in the event of mine closure or property abandonment as required by regulations or laws in the various jurisdictions. The reclamation and environmental bonds are carried at amortized cost and represent management's estimate of their right to reimbursement. Changes in the carrying value of the rights are recognized in income or loss in the period in which these changes occur.

11. Properties, plant and equipment

	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer Systems	Total
Cost						
January 1, 2010	$ 415,112	$ 36,889	$ 140,857	$ 23,462	$ 188,472	$ 804,792
Additions	-	-	4,562	-	9,317	13,879
Disposals	-	(3,499)	-	-	-	(3,499)
December 31, 2010	415,112	33,390	145,419	23,462	197,789	815,172
Additions	-	47,920	855	32,715	16,091	97,581
Disposals	-	-	-	-	-	-
December 31, 2011	**415,112**	**81,310**	**146,274**	**56,177**	**213,880**	**912,753**
Accumulated depreciation						
January 1, 2010	$ (23,819)	$ (28,997)	$ (69,395)	$ (16,512)	$ (149,564)	$ (288,287)
Additions	(10,982)	(2,368)	(14,750)	(2,085)	(21,515)	(51,700)
Disposals	-	1,729	-	-	-	1,729
December 31, 2010	(34,801)	(29,636)	(84,145)	(18,597)	(171,079)	(338,258)
Additions	(13,179)	(5,544)	(12,269)	(3,154)	(14,681)	(48,827)
Disposals	-	-	-	-	-	-
December 31, 2011	**(47,980)**	**(35,180)**	**(96,414)**	**(21,751)**	**(185,760)**	**(387,085)**
Carrying value						
January 1, 2010	391,293	7,892	71,462	6,950	38,908	516,505
December 31, 2010	380,311	3,754	61,274	4,865	26,710	476,914
December 31, 2011	**$ 367,132**	**$ 46,130**	**$ 49,860**	**$ 34,426**	**$ 28,120**	**$ 525,668**

12. Mineral properties

	Nova Scotia	Ontario	Quebec	Other	Total
January 1, 2010	$ 24,699	$ 32,791	$ 2,812,856	10	$ 2,870,356
Additions	17,657	7,880	39,997	-	65,534
Impairment provisions	-	-	(495)	(10)	(505)
Recoveries	-	-	(28,349)	-	(28,349)
December 31, 2010	42,356	40,671	2,824,009	-	2,907,036
Additions	10,689	21,500	696,258	-	728,447
Impairment provisions	-	-	-	-	-
Recoveries	(22,631)	-	(563,337)	-	(585,968)
December 31, 2011	**$ 30,414**	**$ 62,171**	**$ 2,956,930**	**$ -**	**$ 3,049,515**

During the year ended December 31, 2011, the Company purchased the Fabie Bay and Magusi River properties by issuing 166,667 Globex shares at an ascribed value of $3.00 per share.

13. Deferred exploration expenses

	New Brunswick	Nova Scotia	Ontario	Quebec	Other	Total
January 1, 2010	$ -	$ 503,778	$ 1,799,383	$ 5,797,723	$ -	$ 8,100,884
Additions	17,541	168,058	1,181,199	986,899	48,267	2,401,964
Impairment provisions	-	(11,011)	(195,678)	(1,124,417)	(48,267)	(1,379,373)
Recoveries	-	(500,000)	-	(241,248)	-	(741,248)
December 31, 2010	17,541	160,825	2,784,904	5,418,957	-	8,382,227
Additions	112,634	132,138	1,237,151	2,505,298	17,044	4,004,265
Impairment provisions	-	(6,322)	(7,900)	(344,226)	(17,044)	(375,492)
Recoveries	-	(27,628)	-	(75,888)	-	(103,516)
December 31, 2011	**$ 130,175**	**$ 259,013**	**$ 4,014,155**	**$ 7,504,141**	**$ -**	**$ 11,907,484**

During the year ended December 31, 2011, the Company recorded an impairment provision of $375,492 and offset option revenue of $103,516 against deferred exploration expenses. The provisions were a result of management anticipating that they would not continue exploration work on these properties.

Deferred Exploration Expenses

	December 31, 2011	December 31, 2010	January 1, 2010
Balance - beginning of year	**$ 8,382,227**	$ 8,100,884	$ 7,136,945
Current exploration expenses			
Consulting	**789,965**	203,440	188,229
Core shack, storage and equipment rental	**80,257**	21,459	7,831
Drilling	**862,280**	462,834	18,355
Environment	**181,972**	130,101	29,998
Geology	**405,324**	290,000	246,563
Geophysics	**511,483**	76,663	156,935
Laboratory analysis and sampling	**244,046**	663,932	784,859
Labour	**359,202**	270,567	287,283
Line cutting	**163,433**	69,870	20,770
Mining property tax and permits	**79,275**	71,334	68,255
Prospecting and surveying	**131,601**	121,928	48,834
Reports, maps and supplies	**70,239**	19,839	17,393
Transport and road access	**125,188**	59,614	48,763
Quebec refundable tax credit recovery	**-**	(59,617)	(47,815)
Total current exploration expenses	**4,004,265**	2,401,964	1,876,253
Impairment provisions	**(375,492)**	(1,379,373)	(912,314)
Option revenue offset	**(103,516)**	(741,248)	-
	(479,008)	(2,120,621)	(912,314)
Current net deferred exploration expenses	**3,525,257**	281,343	963,939
Balance - end of year	**$ 11,907,484**	$ 8,382,227	$ 8,100,884

Additional information is provided in Schedule A

14. Payables and accruals

		December 31, 2011		December 31, 2010		January 1, 2010
Trade payable and accrued liabilities	**$**	**609,808**	$	420,391	$	242,605
Sundry liabilities		**88,892**		173,874		27,633
	$	**698,700**	$	594,265	$	270,238

15. Other liabilities

		December 31, 2011		December 31, 2010
Balance, beginning of year	**$**	**468,934**	$	40,045
Additions during the year (i, ii)		**390,755**		640,249
Reduction related to the incurrence of qualified exploration expenditures		**(624,996)**		(211,360)
Balance, end of year	**$**	**234,693**	$	468,934

(i) The increase during 2011 represents the excess of the proceeds received from flow-through shares issued over the fair market value of the shares issued of $390,755. The share issuances took place on:

- September 5, 2011, the Company entered into subscriber agreement to issue flow-though shares. On September 30, 2011, 490,566 flow-through common shares were issued at a price of $2.65 per share for total proceeds of $1,300,000 (fair market value - $1,079,245).
- October 18, 2011, 200,000 flow-through common shares were issued at a price of $2.65 per share for total proceeds of $530,000 (fair market value - $360,000).

(ii) The increase during 2010 represents the excess of the proceeds received from flow-through common shares issued over the fair market value of the shares issued of $640,249. The share issuances took place on:

- May 5, 2010, 406,200 Quebec "flow-through" shares and 551,400 Federal "flow-through" common shares were issued for total proceeds of $1,825,239 (fair market value - $1,666,224).
- November 3, 2010, the Company issued 70,000 "flow-through" common shares for total proceeds of $130,900 (fair market value - $112,000).
- November 26, 2010, 300,000 "flow-through" common shares were issued for total proceeds of $900,000 (fair market value of $681,000).
- December 22, 2010, 333,334 "flow-through" common shares were issued for total proceeds of $1,000,000 (fair market value of $756,666).

16. Income taxes

Income and mining tax expense (recovery)

		December 31, 2011		December 31, 2010
Current tax expense (recovery)	**$**	**(17,505)**	$	80,897
Deferred tax provision (recovery) for income tax and mining duties		**1,004,222**		(150,293)
Recovery of income and mining taxes as a result of the sale of tax benefits (flow-through shares)		**(624,996)**		(211,360)
		379,226		(361,653)
	$	**361,721**	$	(280,756)

Refundable tax credit and mining duties

		December 31, 2011		December 31, 2010		January 1, 2010
Quebec refundable tax credit	**$**	**59,617**	$	59,617	$	47,815
Mining tax recoverable		**22,177**		183,073		183,073
	$	**81,794**	$	242,690	$	230,888

The Company applied for certain refundable tax credits in respect of qualifying mining exploration expenses incurred in the province of Quebec.

Tax expense reconciliation

The table which follows reconciles the accounting income (loss) to the total tax expense (recovery) related to continuing operations.

		December 31, 2011		December 31, 2010
Income (loss) before taxes	**$**	**720,489**	$	(2,314,329)
Combined tax rates		**28.4%**		29.9%
Income and mining tax provision (recovery) calculated at combined rate	**$**	**204,619**	$	(691,984)
Adjustments for share-based compensation and payments		**101,017**		104,811
Deferred tax expense related to flow-through shares		**1,009,401**		514,441
Non-deductible expenses (non-taxable income) and other		**2,935**		(34,432)
Taxable income at different rates		**(194,033)**		(19,905)
Mining tax recovery		**(53,547)**		-
Valuation allowance variation		**(10,788)**		(26,136)
Effect on deferred tax balances due to the reduction in income tax rate from 28.4% to 26.9% (effective January 1st, 2012)		**(15,832)**		62,141
Effect on deferred tax balances due to the increase in the mining duties rate from 12% to 16% (effective January 1st, 2012, substantively enacted May 5, 2011)		**228,712**		-
Losses expired		**-**		42,065
Adjustment for mining duties arising from previous taxation years		**(285,767)**		(20,397)
Income and mining tax provision (recovery)		**986,717**		(69,396)
Other liabilities (sale of tax benefits (flow-through shares))		**(624,996)**		(211,360)
Income and mining tax provision (recovery) related to continuing operations	**$**	**361,721**	$	(280,756)

As at December 31, 2011, the Company has non-capital loss carry forwards of $1,787,228 available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

2027	$ 410,572
2029	847,258
2030	529,398
	$ 1,787,228

Deferred tax balances

	December 31, 2010	Recognized in income or loss	Recognized directly in equity	Other	**December 31, 2011**
Temporary differences					
Deferred tax assets					
Non-capital losses carry forward	$ 488,536	$ (7,772)	$ -	$ -	**$ 480,764**
Share issue expenses	47,311	(23,031)	8,259	-	**32,539**
Properties, plant & equipment	42,745	(18,065)	-	-	**24,680**
Financial assets at FVTPL	340,608	62,275	-	-	**402,883**
	919,200	13,407	8,259	-	**940,866**
Less valuation allowance	(340,608)	10,788	-	-	**(329,820)**
	578,592	24,195	8,259	-	**611,046**
Deferred tax liabilities					
Mining properties and deferred exploration expenses	(3,078,700)	(1,028,417)	-	(23,656)	**(4,130,773)**
Deferred tax liabilities	$(2,500,108)	$ (1,004,222)	$ 8,259	$ (23,656)	**$ (3,519,727)**

	January 1, 2010	Recognized in income or loss	Recognized directly in equity	Other	December 31, 2010
Temporary differences					
Deferred tax assets					
Non-capital losses carry forward	$ 375,907	$ 112,629	$ -	$ -	$ 488,536
Share issue expenses	43,106	(23,825)	28,030	-	47,311
Properties, plant & equipment	28,481	14,264	-	-	42,745
Financial assets at FVTPL	367,199	(26,591)	-	-	340,608
	814,693	76,477	28,030	-	919,200
Less valuation allowance	(366,744)	26,136	-	-	(340,608)
	447,949	102,613	28,030	-	578,592
Deferred tax liabilities					
Mining properties and deferred exploration expenses	(3,126,380)	47,680	-	-	(3,078,700)
Deferred tax liabilities	$(2,678,431)	$ 150,293	$ 28,030	$ -	$ (2,500,108)

17. Revenue

	December 31, 2011	December 31, 2010
Option income	**$ 3,262,620**	$ 501,903
Metal royalty income	**490,525**	124,741
	$ 3,753,145	$ 626,644

18. Income (loss) per share

Basic income (loss) per common share is calculated by dividing the net income or (loss) by the weighted average number of common shares outstanding during the year. Diluted income (loss) per common share is calculated by dividing the net income or (loss) applicable to common shares by the weighted average number of common shares outstanding during the year, plus the effects of dilutive common share equivalents such as stock options. Diluted net income per share is calculated using the treasury method, where the exercise of options is assumed to be at the beginning of the period and the proceeds from the exercise of options and the amount of compensation expense measured, but not yet recognized in income are assumed to be used to purchase common shares of the Company at the average market price during the period.

Basic and diluted income (loss) per share

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

	December 31, 2011	December 31, 2010
Numerator		
Income (loss) for the period	**$ 358,768**	$ (2,033,573)
Denominator		
Weighted average number of common shares - basic	**21,984,808**	19,884,408
Effect of dilutive shares (i)		
Stock options ("in the money")	**1,109,174**	-
Weighted average number of common shares - diluted	**23,093,982**	19,884,408
Income (loss) per share		
Basic	**$ 0.02**	$ (0.10)
Diluted	**$ 0.02**	$ (0.10)

(i) In 2010, the stock options are not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

19. Share capital

Common shares

Authorized - Unlimited common shares with no par value

Changes in capital stock

		December 31, 2011		December 31, 2010	January 1, 2010
Fully paid common shares	**Number of shares**	**Capital Stock**	Number of shares	Capital Stock	Capital Stock
Balance, beginning of year	**21,018,008**	**$ 48,019,236**	19,215,074	$ 44,580,729	$ 44,580,729
Stock options exercised	**851,000**	**352,116**	42,000	48,790	-
Private placement (i)	**690,566**	**1,439,245**	1,760,934	3,465,892	-
Shares issued in connection with a property acquisition(ii)	**166,667**	**500,000**	-	-	-
Share issuance costs (iii)	**-**	**(22,444)**	-	(76,175)	-
Balance, end of year	**22,726,241**	**$ 50,288,153**	21,018,008	$ 48,019,236	$ 44,580,729

(i) September 30, 2011, 490,566 flow-through common shares were issued at a price of $2.65 per share for total proceeds of $1,300,000 (fair market value - $1,079,245).

October 18, 2011, 200,000 flow-through common shares were issued at a price of $2.65 per share for total proceeds of $530,000 (fair market value - $360,000).

(ii) On March 24, 2011, the Company announced that it had re-acquired the Magusi River property for 166,667 shares with an assigned value of $3.00 per share.

(iii) Net of taxes of $8,259 (2010 - $28,031).

At December 31, 2011, 36,100 (December 31, 2010 - 36,100) common share 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.

Shareholders rights plan

On May 2, 2011, the shareholders approved a Shareholder Rights Plan. The 2011 Rights Plan replaces the 2008 plan, which expired on March 19, 2011. The new plan will be in effect for three years.

The 2011 Plan is designed to provide shareholders and the Board of Directors with adequate time to consider and evaluate any unsolicited take-over bid made for Globex's common shares; provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives; encourage the fair and equal treatment of shareholders in connection with any take-over bid for Globex's common shares; and generally to prevent any person from acquiring ownership of or the right to vote more than 20% of Globex's common shares while the process undertaken by the Board of Directors is ongoing.

Pursuant to the 2011 Plan, rights were issued and attached to all outstanding common shares. A separate rights certificate will not be issued until the rights become exercisable. If a person acquires common shares in breach of the 2011 Plan, each right held by a shareholder, other than the acquiring person and its affiliates, associates and joint actors, will upon exercise and payment of the exercise price, entitle the holder of the right to purchase common shares from Globex with a total market value equal to twice the exercise price of the rights.

The 2011 Plan provides for permitted bids, which must be made from a take-over bid circular, and in addition to certain other specified conditions, must be for all of the outstanding common shares, other than common shares held by the acquiring person and its affiliates, associates and joint actors, and must remain open for acceptance by shareholders for at least 60 days from the date that the bid is made.

Stock options

Under the Company's stock option plan (the "Plan"), the Board of Directors may, from time to time, grant stock options to directors, officers, 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. At December 31, 2011, 319,600 options may be granted in addition to the common share purchase options currently outstanding (December 31, 2010 - 570,000).

The following is a summary of option transactions under the Company's stock option plan for the relevant periods.

		December 31, 2011		December 31, 2010
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance - beginning of period	**2,713,500**	**$ 0.94**	2,855,500	$ 1.12
Expired	-	-	(205,000)	1.67
Exercised [(i)]	**(851,000)**	**0.32**	(42,000)	0.70
Granted - Directors and employees	**250,400**	**2.61**	50,000	1.75
Granted - Service providers	-	-	355,000	1.30
Cancelled	-	-	(300,000)	2.75
Balance - end of period	**2,112,900**	**$ 1.39**	2,713,500	$ 0.94
Options exercisable	**2,022,900**	**$ 1.33**	2,703,500	$ 0.94

(i) On January 26, 2011, 10,000 options previously issued were exercised at an option price of $1.75 per share. Globex's shares closed at $2.64 per share on that date.

On March 16, 2011, Jack Stoch, President & CEO and a Director of Globex, exercised 483,000 options with a weighted average exercise price of $0.30 per share. Globex's shares closed at $2.42 per share on that date. On the same date, Dianne Stoch, Executive Vice-President and Corporate Secretary, a Director of Globex, exercised 350,000 options at an option price of $0.32.

On April 25, 2011, 8,000 options previously issued were exercised at an option price of $0.26 per share. Globex's shares closed at $2.41 per share on that date.

The following table summarizes information regarding the stock options outstanding and exercisable as at December 31, 2011:

Range of prices	Number of options outstanding	Number of options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
$ 0.25 - 0.34	325,000	325,000	0.81	$0.33
0.75 - 0.88	510,000	510,000	3.73	0.79
1.00 - 1.51	794,200	794,200	2.69	1.16
1.65 - 1.75	90,000	90,000	3.58	1.73
2.75 - 4.45	393,700	303,700	4.52	3.62
	2,112,900	2,022,900	2.97	$1.33

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 250,400 stock options to management and directors during the period ending December 31, 2011 (December 31, 2010 - 405,000 options were granted). Globex uses the Black-Scholes model to estimate fair value using the following weighted average assumptions:

	December 31, 2011	December 31, 2010
Expected dividend yield	**nil**	nil
Expected stock price volatility	**69.9%**	78.6%
Risk free interest rate	**2.27%**	2.16%
Expected life	**5.01 years**	4.88 years
Weighted average fair value of granted options	**$1.57**	$0.85

During the year ending December 31, 2011, the total expense related to stock-based compensation costs and payments amounting to $355,694 has been recorded and presented separately in the statements of Income and Comprehensive Income (loss) (December 31, 2010 - $350,539).

20. Related party information

Related party transactions - Duparquet Assets Ltd. - Joint venture

On February 18, 2010, a Mineral Option Agreement was signed between Globex Mining Enterprises Inc. (“Globex”) and Jack Stoch Geoconsultant Services Limited (“GJSL”) (a company owned by Jack Stoch, president, CEO and director of Globex) as vendors, Duparquet Assets Ltd (“DAL”) and Xmet Inc. (“Xmet” and/or “Optionee”). The agreement relates to the Duquesne West Gold Property (20 claims) located in Duparquet and Destor townships, Quebec owned 50% by Globex and 50% by GJSL (acquired prior to listing of Globex in 1987) and GJSL’s 100% owned Ottoman Fault Property (40 claims). On February 16, 2010, DAL entered into a Joint Venture Agreement with GJSL and Globex which results in all proceeds from the Mineral Option Agreement being shared equally between the vendors.

Under the Mineral Option Agreement, Xmet Inc. was granted the exclusive right to acquire 75% of the common shares of DAL. As consideration for the grant of the option, Xmet paid $50,000 cash and issued 2,000,000 common shares. In order to maintain the option, Xmet was required to pay an additional $700,000 in cash and incur $10,000,000 in cumulative exploration expenditures. On May 31, 2011, the option agreement was amended and extended to seven years from a four year term.

Under the terms of Agreement, Xmet is also required to make non-recoupable cash advances (“Option Advances”) to DAL to satisfy any dividends payable on DAL’s issued and outstanding Preference Shares or on the redemption or retraction of the Preference Shares.

The Agreement also provides DAL a Gross Metal Royalty from all production varying from 2% to 3%, depending upon the price of gold at the time of production.

The following amounts are included in the consolidated financial statements as a result of the proportionate consolidation of Duparquet Assets Ltd.

	December 31, 2011	December 31, 2010	January 1, 2010
Current assets	**$ -**	$ 3,192	$ -
Non-current assets	**600**	2,592	-
Current liabilities	**(140,110)**	80,730	-

	December 31, 2011	December 31, 2010
Income	**$ 50,000**	$ 270,000
Expenses	**(8,485)**	45,959

Other related party transactions

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.

During 2011, the Company received laboratory and test services from Drinkard Metalox Inc. a related party through its ownership interests in Worldwide Magnesium Corporation and its ability to exercise influence through technology license agreements which totaled US$92,039 (December 31, 2010 - $538,891).

Management Compensation

Outlined below is a summary of the total compensation for the respective periods paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company (Management personnel includes President & CEO, Executive Vice-President & Corporate Secretary, and Chief Financial Officer and Treasurer):

	December 31, 2011	December 31, 2010
Salary cost		
Salaries and other benefits	**$ 457,253**	$ 415,718
Fair value of share-based compensation	**243,288**	5,613
	$ 700,541	$ 421,331

21. Supplemental cash flow information

Changes in non-cash working capital items

	December 31, 2011	December 31, 2010
Accounts receivable	**$ (112,901)**	$ (158,283)
Quebec refundable tax credit and mining tax	**184,551**	47,815
Prepaid expenses	**(55,118)**	(41,109)
Accounts payable and accrued liabilities	**104,436**	323,860
	$ 120,968	$ 172,283

Non-cash financing and investing activities

	December 31, 2011	December 31, 2010
Disposal of mineral properties for investments	**$ 1,781,000**	$ 491,500
Transfer of contributed surplus to share capital on exercise of stock option	**75,936**	19,120
Share capital issuance for mineral properties acquisition	**500,000**	-
Refundable tax credit and mining tax	**23,655**	242,690

22. Financial Instruments

Capital risk management

The Company manages its common shares, stock options and retained earnings (deficit) as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern while it pursues its objective of enhancing projects, properties or the development of properties to the benefit of all stakeholders. As a Canadian exploration company, its principal sources of funds consist of; (a) Option income on properties; (b) Metal royalty income; (c) Investment income; (d) proceeds from the issuance of common and flow-through shares and (e) other working capital items.

The Company manages the capital structure and makes adjustments to it in light of operating results in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company issue shares, enter into joint venture property arrangements or dispose of properties.

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

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

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

The Company may need additional capital resource to complete or carry out its exploration and development plans for the next twelve months.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2010.

The fair values of the Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued charges approximate their carrying values due to their short-term nature. The equity investments have been adjusted to reflect the fair market value at the period end based on quoted market rates.

Financial risk management objectives

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, foreign exchange risk, and interest rate risk.

(a) Credit Risk

The Company had cash and cash equivalents as well as restricted cash which totalled $2,985,873 as at December 31, 2011 (2010 - $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 a guarantee of $1,000,000 provided by the Canadian Investors Protection Fund ("CIPF").

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

The maximum exposure to credit risk was:

		December 31, 2011		December 31, 2010		January 1, 2010
Cash and equivalents	**$**	**2,074,901**	$	352,863	$	-
Investments		**2,202,066**		2,870,071		2,936,343
Accounts receivable [(i)]		**486,805**		373,904		215,621
Refundable tax credit and mining tax		**81,794**		242,690		230,888
Restricted cash		**910,972**		1,969,672		347,883
	$	**5,756,538**	$	5,809,200	$	3,730,735

(i) Accounts receivable are made up of taxes receivable from government authorities and customer receivables.

(b) Liquidity Risk

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

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.

Contractual maturities of financial liabilities are all under one year.

(c) 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 companies as well as a Canadian financial institution which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently these amount to $2,202,066 (December 31, 2010 - $946,699). Based on the balance outstanding at December 31, 2011, a 10% increase or decrease would impact income and loss by approximately $220,000 (2010 - $94,000).

(d) Fair value measurements recognized in the statement of financial position

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

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

December 31, 2011	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	$ 2,074,901	$ -	$ -	$ 2,074,901
Restricted cash	910,972	-	-	910,972
Equity investments	514,566	1,687,500	-	2,202,066
Reclamation bonds	-	121,680	-	121,680
Total financial assets	$ 3,500,439	$ 1,809,180	$ -	$ 5,309,619

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

December 31, 2010	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	$ 352,863	$ -	$ -	$ 352,863
Restricted cash	1,969,672	-	-	1,969,672
Equity investments	2,070,506	799,565	-	2,870,071
Reclamation bonds	-	118,990	-	118,990
Total financial assets	$ 4,393,041	$ 918,555	$ -	$ 5,311,596

January 1, 2010	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Restricted cash	$ 347,883	$ -	$ -	$ 347,883
Equity investments	2,757,865	178,478	-	2,936,343
Reclamation bonds	-	125,320	-	125,320
Total financial assets	$ 3,105,748	$ 303,798	$ -	$ 3,409,546

23. Commitments and contingencies

At year end, the Company had no outstanding commitments other than in the normal course of business other than its commitment to incur qualified exploration expenditures to meet its "flow-through" obligations as described in note 9. At this time, Management anticipates meeting that obligation and as a result, no additional provisions are required.

24. First time adoption of IFRS

Transition to IFRS

The Company's consolidated financial statements for the year ended December 31, 2011 are the first annual financial statements that comply with IFRS. IFRS 1 requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company is December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters.

I IFRS exemption options not used by the Company

1. Share-based payment transactions

IFRS 2, Share-based Payments, encourages application of its provisions to equity instruments 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 by the Transition Date. The Company elected not to avail itself of the exemption provided under IFRS 1.

2. Deemed Cost

IFRS 1 provides the option to measure an item of property, plant and equipment as described in IAS 16, Property, plant and equipment, at the date of transition to IFRS at its fair value and use that fair value as its deemed cost at that date. The Company has not elected to adopt this option as it believes that the cost method currently employed provides more reliable and relevant information.

II IFRS mandatory exceptions

A number of the mandatory exceptions are not applicable to Globex as a result of the limited scope of its operations. Set forth below are the applicable IFRS 1 exceptions applied in the conversion from Canadian GAAP to IFRS.

Estimates

Hindsight is not used to create or revise estimates. During the analysis of IAS 16, Property, Plant and Equipment, management concluded that the estimated useful lives and expected consumption patterns for the depreciable assets should be revised to reflect the remaining useful life of equipment. The change in the management estimate has been treated on a prospective basis.

Reconciliations and explanations of transition to IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP. IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for periods prior to the current year. The Company's first time adoption of IFRS did not have an impact on the total operating, investing or financing cash flows and as a result a reconciliation of the cash flows has not been provided.

(a) Reconciliation of Equity

A reconciliation between Canadian GAAP and IFRS equity as at January 1, 2010 (date of transition to IFRS) and December 31, 2010 is provided below.

	December 31, 2010	January 1, 2010
Total equity under previous Cdn GAAP	$ 13,606,373	$ 12,077,114
Adjustments related to		
1. FMV adjustments for marketable securities		
Transfer from OCI	(80,208)	274,521
to deficit	80,208	(274,521)
2. Flow-through share accounting adjustments		
Transfer to deficit	(914,879)	(626,872)
Other liabilities	468,934	40,045
Deferred taxes	(680,993)	(45,010)
from share capital	1,126,938	631,837
3. Share issuance costs		
Transfer from deficit	2,028,236	1,952,061
to share capital	(2,028,236)	(1,952,061)
Total adjustments to equity	212,059	4,965
Total adjustments other liabilities	(212,059)	(4,965)
Total equity under IFRS	$ 13,818,432	$ 12,082,079

Explanation of transition to IFRS

In addition to the exemptions and exceptions discussed above, the following narratives explain the significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS polices applied by the Company.

1 Fair market value (FMV) adjustments for marketable securities

As outlined in note 4, the Company has designated, upon initial recognition, its investments at FVTPL and as a result, it has reclassified previously reported unrealized gains (losses) on available for sale marketable securities from other comprehensive income to increase (decrease) in fair value of financial assets in the Statement of Income.

In the interim condensed consolidated financial statements of 2011, the company had chosen to early adopt IFRS 9 – Financial instruments. During the preparation of its first IFRS consolidated financial statements, the company has decided to change its accounting policy from IFRS 9 to IAS 39 as permitted under IFRS 1 during the year of adoption. This change of accounting policy had no impact on the reconciliation of equity, income and loss and other comprehensive income (loss).

2 Flow-through share accounting adjustments

Under Canadian GAAP, the proceeds from the issuance of flow-through shares were recorded as an increase in share capital when the proceeds were received. Upon the renunciation of the eligible expenditures to the subscribers, a future tax charge was recorded as a reduction in share capital with a related future tax liability being recorded in the balance sheet.

Currently there is no specific IFRS guidance related to the accounting and reporting of these arrangements. The Company has adopted the CICA Viewpoint which considers the issuance of flow-through shares in substance; (a) an issue of an ordinary share; and (b) the sale of tax deductions. The sale of tax deductions has been measured based on the relative fair value method. At the time, the flow-through shares are issued; the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position because the entity has not yet fulfilled its obligation to pass on the tax deductions to the investor. When the entity fulfills its obligation; the sale of tax deductions is recognized in the income statement as a reduction of the deferred tax expense; and a deferred tax liability is recognized in accordance with IAS 12, Income Taxes, for the taxable temporary differences between the carrying value of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

3 Share issue costs

Under the Company's previous accounting policy, share issuance costs were charged directly to the deficit. Under IFRS, the costs have been reclassified as a reduction in share capital.

4 Share-based payments and compensation

IFRS 2 is effective for the Company as of November 7, 2002 and is applicable to stock options and grants that are unvested at that date. The transition rules and exemptions in IFRS 1 and IFRS 2 as applied by the Company resulted in no changes in the reported amounts.

Recognition of Expenses

Canadian GAAP - for grants of share-based awards, an entity can elect to recognize graded vesting of equity instruments as separate arrangements or alternatively, an entity can elect to treat the instruments as a pool and determine fair value using the average life of the instruments provided that the compensation expense is recognized on a straight-line basis over the period necessary for the award to vest.

IFRS - Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. The fair value of each grant is amortized within income and loss on that basis.

In most cases, the Globex Option grants vest immediately or within a very short period, less than one year, and as a result, the change has no impact on the reported amounts.

(b) Income and loss and total comprehensive income (loss) reconciliation

Reconciliation of income and loss and other comprehensive income (loss)

A reconciliation between Canadian GAAP and IFRS income (loss) and other comprehensive (income) loss for the year-ended December 31, 2010 is provided below:

		December 31, 2010
Net loss under previous Canadian GAAP	$	(1,939,879)
Profit adjustments related:		
1. FMV adjustments for marketable securities		194,313
2. Deferred tax expense related to flow-through shares		(288,007)
Total adjustments		(93,694)
Loss under IFRS	$	(2,033,573)
Other comprehensive income under previous Canadian GAAP	$	194,313
Other comprehensive income adjustments related to:		
1. FMV adjustments for marketable securities		(194,313)
Total IFRS adjustments to comprehensive income		(194,313)
Other comprehensive income under IFRS	$	-

The following paragraphs explain the differences between Canadian GAAP and the current IFRS accounting policies applied by the Company. These differences resulted in the adjustments as shown in the table above.

1 Fair market value (FMV) adjustments related to marketable securities

The adjustment represents the reclassification of unrealized gains (losses) on available for sale marketable securities from other comprehensive income to gains and losses through income and loss.

2 Deferred tax expense related to flow-through shares

The adjustment represents the treatment of the sale of tax benefits as an expense in the statement of income rather than as a reduction in share capital under Cdn GAAP.

(c) Statement of cash flows

The IFRS transition adjustments noted above did not have an impact on cash and cash equivalents.

(d) Financial statement presentation changes

The transition to IFRS has resulted in numerous financial statement presentation changes in the Company's financial statements, most significantly in the descriptions and level of detail provided in the supporting notes to the statement of financial position.

The table which follows provides a line by line reconciliation of the Consolidated Statement of Income (Loss) and Comprehensive Income (Loss):

	December 31, 2010 Canadian GAAP Balances	IFRS Adjustments	IFRS Reclassifications	IFRS Balance	
					Continuing operations
Revenues					
Net option income	$ 501,903	-	-	$ 501,903	
Metal Royalty income	124,741	-	-	124,741	
Gain on sale of marketable securities	51,096	-	(51,096)	-	
Interest income	37,341	-	(37,341)	-	
Other	65,518	-	(65,518)	-	
	780,599	-	(153,955)	626,644	**Revenues**
Expenses					**Expenses**
Salary	-	-	609,030	609,030	Salary
Administration	783,287	-	(329,034)	454,253	Administration
Professional fees and outside services	715,927	-	(279,996)	435,931	Professional fees and outside services
Amortization	51,700	-	-	51,700	Depreciation and amortization
Stock-based compensation	59,220	-	(59,220)	-	
Stock-based payments	291,319	-	59,220	350,539	Share-based compensation and payments
Write-down of mineral properties and deferred expenses	1,379,878	-	-	1,379,878	Impairment of mineral properties and deferred exploration expenses
Loss on foreign exchange translation	6,583	-	-	6,583	Loss on foreign exchange
Loss on disposal of property and equipment	1,327	-	-	1,327	Loss on disposal of properties, plant and equipment
	3,289,241	-	-	3,289,241	
Loss before income and mining taxes	**(2,508,642)**	**-**	**(153,955)**	**(2,662,597)**	**Income (loss) from operations**
					Other income (expenses)
Gain on sale of marketable securities	-	-	51,096	51,096	Gain on sale of investments
Interest income	-	-	37,341	37,341	Interest income
Other comprehensive loss, net of taxes	-	-	194,313	194,313	Increase (decrease) in fair value of financial assets
Other	-	-	65,518	65,518	Other
	-	-	348,268	348,268	
Loss before income and mining taxes	**(2,508,642)**	**-**	**194,313**	**(2,314,329)**	**Income (loss) before taxes**
Income and mining taxes					**Income and mining taxes**
Current	80,896	-	-	80,896	Current
Future	(649,659)	-	288,007	(361,652)	Deferred
	(568,763)	-	288,007	(280,756)	
Net Loss	**(1,939,879)**	**-**	**(93,694)**	**(2,033,573)**	**Income (loss) and comprehensive income (loss) for the year**
Other comprehensive loss, net of taxes					**Other comprehensive loss, net of taxes**
Changes in unrealized gains on available-for-sale of marketable securities					
Unrealizable gains arising during the period, net of taxes	245,409	-	(245,409)	-	
Reclassification to earnings of gains realized, net of taxes	(51,096)	-	51,096	-	
	194,313	-	(194,313)	-	
					Total comprehensive income (loss) attributable to:
Comprehensive loss	**(1,745,566)**	**-**	**(288,007)**	**(2,033,573)**	Shareholders of the Company
					Income (loss) attributable to:
	-	-	(2,033,573)	(2,033,573)	Shareholders of the Company

The following table displays the reclassification of items as reflected on the Statement of Financial Position:

	December 31, 2009 Canadian GAAP Balances	IFRS Adjustments	IFRS Reclassifications	IFRS Balance	January 1, 2010 IFRS Accounts
Current assets					
Cash and equivalents	$ -	$ -	$ -	$ -	Cash and cash equivalents
Marketable securities	2,936,343	-	-	2,936,343	Investments
Accounts receivable	215,621	-	-	215,621	Accounts receivables
Quebec refundable tax credit and mining duties refunds	230,888	-	-	230,888	Refundable tax credit and mining duties
Prepaid expenses and deposits	34,031	-	-	34,031	Prepaid expenses and deposits
	3,416,883	**-**	**-**	**3,416,883**	
Non-current assets					
Restricted cash	347,883	-	-	347,883	Restricted cash
Reclamation bonds	125,320	-	-	125,320	Reclamation bonds
Properties and equipment	516,505	-	-	516,505	Properties, plant and equipment
Mineral properties	2,870,356	-	-	2,870,356	Mineral properties
Deferred exploration expenses	8,100,884	-	-	8,100,884	Deferred exploration expenses
Total assets	**$ 15,377,831**	$ -	$ -	**$ 15,377,831**	
Current liabilities					
Accounts payable and accrued expenses	$ 270,238	$ -	$ -	$ 270,238	Payables and accruals
Income tax payable	307,038	-	-	307,038	Current income tax
Other liabilities	-	-	-	-	
	577,276	**-**	**-**	**577,276**	
Other Liabilities	-	40,045	-	40,045	Other liabilities
Future income and mining taxes	2,723,441	(45,010)	-	2,678,431	Deferred tax liabilities
Shareholder's equity					
Share capital	45,900,953	631,837	(1,952,061)	44,580,729	Share capital
Contributed surplus	3,004,037	-	-	3,004,037	Contributed surplus - Equity settled reserve
Retained earnings (Deficit)	(36,553,355)	(626,872)	1,677,540	(35,502,687)	Deficit
Accumulated other Comprehensive loss	(274,521)	-	274,521	-	Accumulated other comprehensive loss
Total owners' equity	**12,077,114**	**4,965**	**-**	**12,082,079**	
Total liabilities and owners' equity	**$ 15,377,831**	**$ -**	**$ -**	**$ 15,377,831**	

The following table displays the reclassification of items as reflected on the Statement of Financial Position

	December 31, 2010 Canadian GAAP Balances	IFRS Adjustments	IFRS Reclassifications	IFRS Balance	December 31, 2010 IFRS Accounts
Current assets					
Cash and equivalents	$ 352,863	$ -	$ -	$ 352,863	Cash and cash equivalents
Marketable securities	2,870,071	-	-	2,870,071	Investments
Accounts receivable	373,904	-	-	373,904	Accounts receivables
Quebec refundable tax credit and mining duties refunds	242,690	-	-	242,690	Refundable tax credit and mining duties
Prepaid expenses and deposits	75,140	-	-	75,140	Prepaid expenses and deposits
	3,914,668	**-**	**-**	**3,914,668**	
Non-current assets					
Restricted cash	1,969,672	-	-	1,969,672	Restricted cash
Reclamation bonds	118,990	-	-	118,990	Reclamation bonds
Properties and equipment	476,914	-	-	476,914	Properties, plant and equipment
Mineral properties	2,907,036	-	-	2,907,036	Mineral properties
Deferred exploration expenses	8,382,227	-	-	8,382,227	Deferred exploration expenses
Total assets	**$ 17,769,507**	$ -	$ -	**$ 17,769,507**	
Current liabilities					
Accounts payable and accrued expenses	$ 594,265	$ -	$ -	$ 594,265	Payables and accruals
Income tax payable	387,768	-	-	387,768	Current income tax
Other liabilities	-	-	-	-	
	982,033	**-**	**-**	**982,033**	
Other Liabilities	-	468,934	-	468,934	Other liabilities
Future income and mining taxes	3,181,101	(680,993)	-	2,500,108	Deferred tax liabilities
Shareholder's equity					
Share capital	48,920,534	1,126,938	(2,028,236)	48,019,236	Share capital
Contributed surplus	3,335,456	-	-	3,335,456	Contributed surplus - Equity settled reserve
Retained earnings (Deficit)	(38,569,409)	(914,879)	1,948,028	(37,536,260)	Deficit
Accumulated other Comprehensive loss	(80,208)	-	80,208	-	Accumulated other Comprehensive loss
Total owners' equity	**13,606,373**	**212,059**	**-**	**13,818,432**	
Total liabilities and owners' equity	**$ 17,769,507**	**$ -**	**$ -**	**$ 17,769,507**	

25. Subsequent events

On March 5, 2012, Globex and Jack Stoch Geoconsultant Services Limited announced that they had entered into a Share Option Agreement dated March 2, 2012, which would allow Xmet Inc. to purchase 100% of the preferred and common shares of Duparquet Assets Ltd ("DAL"). DAL, the owner of the Duquesne West and Ottoman Fault properties in the Abitibi region of Quebec, is owned 50% by Globex and 50% by Jack Stoch Geoconsultant Services Limited.

The share option agreement sets out two scenarios for Xmet to acquire 100% of DAL:

a) A cash payment of $9 million payable within six months of signing of the Share Option Agreement, or

b) A cash payment of $6.5 million payable within six months of signing of the agreement to immediately acquire a 75% interest plus the additional option to acquire the final 25%, good for a period of 4 years, at a price of $2.5M in the first year, $2.6M in the second year, $2.7M in the third year and $2.8M in the fourth year.

In both cases, Globex and Jack Stoch Geoconsultant Services Limited will retain the existing sliding scale Gross Metal Royalty from all production from the properties varying from 2% to 3% depending upon the price of gold at the time of production. Should Xmet Inc. not exercise and complete either of the above scenarios, then the existing mining option agreement will remain in place.

Schedule A - Mineral properties and deferred exploration expenses

Region		2010 Balance January 1, 2010	2010 Additions	2010 Disposals, impairments, and recoveries	2010 Balance December 31, 2010	**2011 Additions**	**2011 Disposals, impairments, and recoveries**	**2011 Balance December 31, 2011**
Nova Scotia								
Other properties	Mineral property	$ 24,699	$ 17,657	$ -	$ 42,356	**$ 10,689**	**$ (22,631)**	**$ 30,414**
	Exploration	503,778	168,058	(511,011)	160,825	**132,138**	**(33,950)**	**259,013**
Ontario								
Deloro, ON	Mineral property	17,544	7,880	-	25,424	**21,500**	**-**	**46,924**
	Exploration	1,592,299	1,178,241	-	2,770,540	**1,221,737**	**-**	**3,992,277**
Other properties	Mineral property	15,247	-	-	15,247	**-**	**-**	**15,247**
	Exploration	207,084	2,958	(195,678)	14,364	**15,414**	**(7,900)**	**21,878**
	Mineral property	32,791	7,880	-	40,671	**21,500**	**-**	**62,171**
	Exploration	1,799,383	1,181,199	(195,678)	2,784,904	**1,237,151**	**(7,900)**	**4,014,155**
Quebec								
Atwatter, QC	Mineral property	156	-	-	156	**-**	**-**	**156**
	Exploration	100,443	511,052	-	611,495	**439,327**	**-**	**1,050,822**
Beauchastel & Rouyn, QC	Mineral property	17,248	690	-	17,938	**970**	**(75)**	**18,833**
	Exploration	588,199	3,045	(2,559)	588,685	**41,681**	**(242)**	**630,124**
Cadillac, QC	Mineral property	2,693,678	-	-	2,693,678	**-**	**-**	**2,693,678**
	Exploration	1,536,724	233,301	(11,596)	1,758,429	**217,666**	**(8,339)**	**1,967,756**
Destor & Poularies, QC	Mineral property	1,544	-	-	1,544	**-**	**-**	**1,544**
	Exploration	1,379,441	34,342	-	1,413,783	**213,953**	**-**	**1,627,736**
Dufresnoy, Vauze, QC	Mineral property	542	30	-	572	**400**	**-**	**972**
	Exploration	400,131	4,074	-	404,205	**2,634**	**-**	**406,839**
Malartic, QC	Mineral property	192	-	-	192	**-**	**-**	**192**
	Exploration	584,847	23,395	(162,000)	446,242	**2,192**	**-**	**448,434**
Poirier & Joutel, QC	Mineral property	2,208	-	-	2,208	**2,000**	**-**	**4,208**
	Exploration	244,371	9,670	(32,829)	221,212	**34,165**	**(31,075)**	**224,302**
Tavernier, QC	Mineral property	4,115	-	-	4,115	**-**	**-**	**4,115**
	Exploration	257,629	2,756	-	260,385	**235,012**	**-**	**495,397**
Tiblemont, QC	Mineral property	2,537	134	-	2,671	**-**	**-**	**2,671**
	Exploration	251,257	277	(104)	251,430	**12,199**	**(5,274)**	**258,355**
Tonnancour, QC	Mineral property	3,042	-	-	3,042	**-**	**-**	**3,042**
	Exploration	427,400	530	-	427,930	**509,312**	**-**	**937,242**
Other properties, QC	Mineral property	87,594	39,143	(28,844)	97,893	**692,888**	**(563,262)**	**227,519**
	Exploration	1,410,971	224,074	(1,156,577)	478,468	**797,157**	**(375,184)**	**900,441**
Less: Quebec refundable tax credits	Exploration	(1,383,690)	(59,617)	-	(1,443,307)	**-**	**-**	**(1,443,307)**
	Mineral property	2,812,856	39,997	(28,844)	2,824,009	**696,258**	**(563,337)**	**2,956,930**
	Exploration	5,797,723	986,899	(1,365,665)	5,418,957	**2,505,298**	**(420,114)**	**7,504,141**
Other regions	Mineral property	10	-	(10)	-	**-**	**-**	**-**
	Exploration	-	65,808	(48,267)	17,541	**129,678**	**(17,044)**	**130,175**
Total mineral properties		$ 2,870,356	$ 65,534	$ (28,854)	$ 2,907,036	**$ 728,447**	**$ (585,968)**	**$ 3,049,515**
Total exploration		$ 8,100,884	$ 2,401,964	$ (2,120,621)	$ 8,382,227	**$ 4,004,265**	**$ (479,008)**	**$ 11,907,484**

CORPORATE INFORMATION

Board of Directors

Jack Stoch
Director
Rouyn-Noranda, Quebec Canada

Dianne Stoch
Director
Rouyn-Noranda, Quebec Canada

Independent Directors

Ian Atkinson [(1) (2) (3)]
Director
Toronto, Ontario Canada

Chris Bryan [(1) (2) (3)]
Director
Whitby, Ontario Canada

Joel D. Schneyer [(1) (2) (3)]
Director
Parker, Colorado USA

(1) Member of the Audit Committee
(2) Member of the Corporate Governance Committee
(3) 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, Treasurer and Corporate Secretary

Dianne Stoch
Executive Vice President

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

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Annual Meeting of Shareholders

June 1, 2012 at 9:30 a.m.
The Offices of the Company
86, 14th Street
Rouyn-Noranda, Quebec Canada