INTERIM REPORT

SIX MONTHS ENDED JUNE 30, 2011
(UNAUDITED)

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STATEMENT CONCERNING THE INTERIM FINANCIAL STATEMENTS

Management has compiled the unaudited interim financial report as of June 30, 2011 and 2010. The statements have not been audited or reviewed by the Company's auditors or any other firm of chartered accountants.

Table of Contents

Interim Management Discussion and Analysis 1
Interim Condensed Financial Statements 25
Notes to the Interim Condensed Financial Statements. ... 29

Management Discussion and Analysis ("MD&A")

For the three month period and six month period ended June 30, 2011

The following discussion has been prepared as of August 5, 2011 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 three month period and six month period ended June 30, 2011 in comparison with those as at June 30, 2010.

This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements and the related notes for the three month period and six month period ended June 30, 2011 as well as the Company's audited annual consolidated financial statements for the two years ended December 31, 2010, the related MD&A and the Annual Information Form (available at www.sedar.com) for the year ended December 31, 2010.

The Company's annual financial statements for the year ended December 31, 2010 are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and, unless otherwise specified, all dollar amounts are in Canadian dollars. The condensed interim consolidated financial statements for the quarter ended June 30, 2011 are prepared in accordance with IAS 34 under the International Financial Reporting Standards.

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 first and second quarterly 2010 comparatives. The restatement of the Company's comparative balances from those previously reported under Canadian GAAP standards to the IFRS standards is fully explained and reconciled in note 21 of the Company's June 30, 2011 condensed interim consolidated financial statements.

Table of contents

Overview....2
Corporate Focus....2
Highlights for the current year....3
Forward-looking Statements....4
Exploration Activities and Mining Properties....4
Qualified Person....10
Summary of Quarterly Results....10
Balance Sheet Review....13
Financial Instruments and Risk Management....14
Capital Resources and Disclosures....15
Future Accounting Changes (International Financial Reporting)....16
Critical accounting assumptions, policies and estimates....19
Outstanding Share Data....20
Risks and Uncertainties....20
Related Party Transactions....22
Disclosure Controls and Procedures....22
Internal Control over Financial Reporting (ICFR)....22
Outlook....23
Additional Information....23
Authorization....24

Overview

Globex Mining Enterprises Inc. (“Globex”) is a Canadian focused exploration, royalty and development company with a North American mineral portfolio 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 and molybdenum rare earths) and **Industrial Minerals** (lithium, uranium, mica as well as talc and magnesium). The Company currently generates royalty and option income from properties which contain gold, silver and zinc. We are in the early stages of monetizing a precious metals recovery technology which may potentially generate fees and royalty income.

Corporate Focus

The Company seeks to create shareholder value by acquiring properties, enhancing and developing them for our own account or for optioning, joint venturing or vending, with the ultimate aim of bringing projects into commercial production. Since the spring of 2010, the Company has also been evaluating opportunities to generate royalties through patented hydrometallurgical technology transfers to clients looking to improve the recovery and economics of refractory gold properties and/or seeking solutions to safe arsenic disposal.

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

- Advancing the Timmins Talc-Magnesite Project, (See Timmins Talc-Magnesite Project below);
- Acquiring additional Precious Metal, Base Metal, Industrial Mineral, and Specialty Metals properties;
- Consolidating its land position in the Chibougamau mining district of Quebec, and realizing value from these assets by spinning off these asset to a separate entity which would provide significant investments and Globex would retain in interest in the assets;
- Exploiting Royalty Income opportunities through hydrometallurgical technology transfers to clients (see Other Business Opportunities below);
- Gaining additional information related to all of the properties on a targeted basis;
- Generating Option and Royalty income under existing and new agreements; and
- Exploration of specifically targeted properties.

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

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

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

Highlights for the current period

- The Company reported net income of $692,918 (2010 – loss of $127,601) for the three months and $486,141 (2010 – loss of $544,157) for the six months ended June 30, 2011.

- Exploration expenditures for the second quarter of 2011 totalled $785,649 (2010 - $528,132) and for the six months, totalled $1,144,383 (2010 - $838,825) which includes a combination of eligible flow-through and other expenditures. The Company has planned a number of drilling and geophysical activities and therefore anticipates spending $1,245,858 in the remainder of 2011 to meet its current flow-through commitments.

- During the first six months, the Company continued to focus significant expenditures and exploration effort on advancing the Talc-Magnesite Project near Timmins, Ontario. It spent $469,785 (41% of its deferred exploration expenses) on the property. The Company expects to produce an NI 43-101 conformable prefeasibility study around the end of the third quarter. Further details on the expenditures on major projects are outlined under exploration activities and mining properties on page 5.

- During this six month period ended June 30th, the Company further developed its plans and alternatives for "spinning-off" Chibougamau Independent Mines Inc. On June 9th, the Company announced that it had signed a standstill agreement with a potential acquirer which could provide a profitable alternative to a direct "spin-off" of this Company to the Globex shareholders. Further details are provided on page 6.

- During the six month period ended June 30, 2011, the Company generated net option income of $2,504,918 (cash of $802,418 after offset costs and shares of $1,752,500) compared to $374,000 in the same six month period in 2010. Further details of the sales and options are outlined on page 7.

- 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 direct effect on a number of Globex's Quebec assets. 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 intends to still require us to pay taxes and submit assessment work. If we cannot do the required assessment work, the Government has decided to penalize the industry further by doubling the amount to be paid in cash in lieu of work. 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 is immediately suspended without the prior approval of 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. Further details are outlined under Risks and Uncertainties page 20.

Forward-looking Statements

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

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

Exploration Activities and Mining Properties

The Company conducts exploration activities in compliance with “Exploration Best Practices Guidelines” established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards with exploration programs planned and managed by “Qualified Persons” who ensure that QA/QC practices are consistent with National Instrument 43-101 standards. On all projects, diamond drill core is marked up by a geologist and subsequently split, with one-half of the core analyzed, in the case of gold, by standard fire assay with atomic absorption or gravimetric finish at an independent, registered commercial assay laboratory. The second-half of the core is retained for future reference. Other elements are determined in an industry acceptable manner, for either geochemical trace signatures or metal ore grades.

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

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

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

- A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or reserves;
- The issuer is not treating the historical estimate as current mineral resources or mineral reserves; and
- The historical estimate should not be relied upon. In addition, the source and date of the historical estimate will be provided.

Exploration expenditures for the second quarter of 2011 totalled $785,649 (2010 - $528,132) and for the six months, totalled $1,144,383 (2010 - $838,825) which includes a combination of eligible flow-through and other expenditures. On January 1, 2011, the Company's flow-through commitment outstanding was $1,969,672 (Restricted cash) and has been reduced by eligible flow-through expenditures of $723,814 in the six month period ended June 30, 2011, resulting in an outstanding commitment of $1,245,858. The Company has planned expenditures for a number of projects such as; the Tonnancour, Wood-Pandora, Lyndhurst, as well as Tavernier which will be reflected in subsequent periods and will ensure that the Company meets its commitment for the year.

During the six month period ended June 30, 2011, the Company incurred $469,785 (41%) of the total expenditures on the Timmins-Talc Magnesite project; $105,300 (9%) on the Turner Falls Rare Earth Property; $51,234 (4%) on the Tonnancour Property, $45,218 (4%) on the Farquharson Property located between the Sigma Gold Mine property and the Sullivan Mine Property, $35,857 (3%) on the Cadillac Wood Project, $23,704 (2%) on the Magusi River property, $120,932 (11%) on Quebec general exploration and the remaining $291,103 (26%) was spent on general exploration as well as a number of projects.

Timmins Talc-Magnesite Project

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

On March 2, 2010, in a press release, the Company confirmed the positive outlook for the property. In the press release, the Company outlined the Mineral Resource Estimate, results of Metallurgical Testing as well as providing Background information related to Magnesium Compounds and the Talc products. The following is the tonnage and grade of the mineral resource as estimated by Micon in a limited portion of the A Zone:

Mineral Resource Estimate

Category	Tonnes	Sol MgO (%)	Sol Ca (%)	Magnesite (%)	Talc (%)
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. Additional drilling, trenching and assaying is expected in late 2011 to facilitate raising part of the resource to the reserve category.

In press releases dated September 20, 2010, and October 26, 2010, the Company updated the project's advancement through detailed hydrometallurgical testing while the project team continued to address, numerous related ongoing challenges ranging from environmental and mining permitting issues to project design.

Pre-Feasibility Study and Probable Mineral Reserve

On March 16, 2011, Globex signed contracts with Micon International Limited and Jacobs Engineering Group Inc. (formerly Aker Solutions Canada Inc.) to produce an NI 43-101 conformable prefeasibility study on the TTM project.

The independent prefeasibility study is expected to be completed by September 2011. It will provide the input to enable Globex to evaluate the capital and operating costs as well as economics of an open pit mine with a dedicated processing facility to produce magnesium and talc products. This information is necessary to convert the current Mineral Resource Estimates into Probable Mineral Reserve estimates which will indicate the extent of the deposit. In addition, this input will guide future exploration on the claim group and surrounding area.

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.

Chibougamau Land Position and “spin-off” of Chibougamau Independent Mines Inc.

As reported in press releases in November 2010 and January 2011, the Company acquired a number of properties in the Chibougamau mining district by staking: the 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 and included 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).

On December 13, 2010 as part of our strategy to “spin-off” these assets to Globex shareholders, a newly formed company, Chibougamau Independent Mines Inc. was incorporated.

Globex recently received an NI 43-101 Technical Report on the Berrigan polymetallic property in Chibougamau and at that time was in the process of implementing the necessary steps to spin-off the Chibougamau assets to Globex shareholders. As further described in a press release of June 9, 2011, Globex has signed a sixty (60) day standstill arrangement in exchange for a non-refundable payment of $150,000 which will allow a third party to perform due diligence on the Chibougamau assets.

Globex believes that there may be an opportunity to realize value from the assets by separating them from Globex, as a dividend to shareholders which would result in significant investment in these assets by an experienced mining team. Globex would retain a continued interest n these assets including a Gross Metal Royalty (GMR).

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, which, under conventional technologies, may be uneconomic due to low gold recoveries and/or other environmental considerations that result from conventional processing techniques.

ERS has completed initial test work for potential clients with large tonnage low grade refractory gold deposits. The results of the laboratory test work suggest that significant improvements in gold recovery may be possible using the ERS method, as well as potential improvements in the impact of tailings stability on the environment. ERS has received a number of additional inquiries from companies regarding potential test work upon their refractory ores. 2011 will likely be a pivotal year for ERS and its technology.

While the Company is encouraged with the results of the laboratory test work completed to date and the potential of the ERS technology to set a new standard for the economic recovery of gold from refractory gold ores and/or concentrates, the reader is cautioned that, at this time, the ERS technology is in the development stage. Through continued testing, the "economics" of the recovery process as well as the cost/benefits of both operating and capital costs will be further evaluated.

All statements other than statements of historical fact, included herein, including without limitation, statements regarding the potential of the ERS technology are forward looking- statements that involve various risks, assumptions, estimates and uncertainties. These statements reflect the current internal projections of, expectations or beliefs of Globex and are based on information currently available to the Company. There can be no assurances that such statements will prove to be accurate, and actual results and future events could materially differ from those anticipated in such statements.

Acquisitions, Sales and Options

Property Acquisitions

During 2011, the Company spent $12,832 (2010 - $5,837) and issued shares with an ascribed value of $500,000 acquiring various properties. The property carrying value has been reduced by $12,631 representing sales during the six month period in the current 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).

- **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 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. (see Property Agreements Summary immediately following).

Sales and Options

During the three month period ended June 30, 2011, Company generated net option income of $2,405,157 (2010 - $300,000) and during the six month period ended June 30, 2011, the Company generated net option income of $2,504,918 (cash of $1,290,000 and shares of $1,752,500 and cost recoveries of $537,582) compared to $374,000 in the same period in 2010.

Property Agreements Summary	Net Option Income	Recovery of Property Acquisition	Recovery of Exploration Expenditures
Sales			
Duvay Claim - Tres-Or Resources Ltd. • March 5, 2011; • Sale for $100,000; payments in 2011 • Royalty - Sliding scale GMR[1].	**$ 44,004**	**$ 5,996**	**$ -**
Fontana Property - Tres-Or Resources Ltd. • Letter of intent, June 9, 2011.	**23,835**	**60**	**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].	**369,840**	**5,018**	**142**
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.	**1,287,314**	**501,482**	**23,704**
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**	**-**	**-**
Option Payments under Agreements from Prior Years			
• Bell Mountain, Nevada, Laurion[4]; • Duquesne West, Xmet Inc.	**80,000** **50,000**	**-** **-**	**-** **-**
	$ 2,504,918	**$ 512,631**	**$ 24,951**
Q1 – 2011	**$ 99,761**	**$ 7,451**	**$ 17,788**
Q2 – 2011	**2,405,157**	**505,180**	**7,163**
Total	**$ 2,504,918**	**$ 512,631**	**$ 24,951**

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 recently announced by Mag Copper Inc.
4. Includes 1 M shares issued on June 29th, 2011 in accordance with the option agreement signed in June 2010; (shares valued @ $0.065 per share).

Based on Option Agreements currently in place, the Company anticipates receiving shares (for which no value has been estimated) in the Optionee companies and cash of approximately $1.0 M during the remainder of the year.

The future payments are subject to a number of uncertainties.

Royalties

Page 27 of the Company's 2010 Annual Information Form provided Property Descriptions, Royalty Interests, as well as Optionees for 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 two royalty arrangements. The agreement with Mag Copper replaces an arrangement which was 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 period ended June 30, 2011 as outlined below.

Other exploration activities

Globex Owned Properties

On January 17, 2011, the Company announced the results of 145 rock samples taken from the 100% owned Turner Fall Rare Earths Property located in the Kipawa area of Quebec. At that time, the Company cautioned that the results were highly prospective; however, it intended to use the results to direct a greater effort toward the Tuner Fall Rare Earths property in the coming field season as well as on the large, nearby Hunters Point Rare Earths, Uranium and Gold property. On July 7, 2011, the Company provided a further update regarding the work completed to date and its additional plans for the Turner Fall Rare Earth Property.

Optioned Properties

On January 10, 2011, Globex issued a press release which outlined the planned drilling activities on Globex properties optioned by Glen Eagle Resources Inc. (Authier Lithium property), Tres-Or Resources Ltd. (Duvay Gold property), Laurion Mineral Exploration Inc. (Bell Mountain property) as well as Xmet Inc. (Duquesne West property).

During the second quarter, Globex issued additional press released indicating the following:

- Laurion Mineral Exploration Inc. has released a new NI 43-101 Mineral Resource Estimate on the Bell Mountain property, (see Globex press April 7, 2011). The new resource estimate reflects a significant increase in both tones and the number of ounces of gold and silver over the previous historical resource of 2.1 million tonnes at 1.33 g/t gold and 33.33 g/t silver.
- In a press release dated April 11, 2011, Globex provided shareholders with update regarding resource figures announced by Selwyn Resources Ltd. on the Getty Lead-Zinc zone, part of the Scotia Mine property. In a subsequent press release, Selwyn stated, "*The recently completed Getty Deposit mineral inventory also indicates the potential for open pit mining in that area, so with additional drilling and engineering studies, the mineral resources may have the potential to expand the longevity of the Scotia Mine*."
- In a press release dated April 18, 2011, Globex informed its shareholders that NSGold Corporation (NSX-TSXV) had reported numerous intersections of high grade gold assays typical of the Mooseland Gold Mine property on which Globex retains a 4% Gross Metal Royalty (GMR) and the right to receive shares equal to 5% of the issued stock of NSGold upon commercial production and an additional payment of $250,000 at September 1, 2011. The assays reported in the NSGold Corporation press release dated April 18, 2011 included values of 122.15 g/t Au over 2.2 metres including 243.73 g/t Au over 1.1 metres and 36.93 g/t Au over 2.0 metres including 61.18 g/t Au over 1.2 metres.

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

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.

Summary of Quarterly Results

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

	2011	2010				2009 (note [2])		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenues	**$ 2,562,074**	$ 305,694	$ (193,789)	$ 420,883	$ 333,600	$ 74,000	$ 174,299	$ (48,380)
Total expenses	**874,789**	614,586	1,799,086	362,220	528,707	599,228	1,099,681	360,808
Income (loss) (note [1])	**692,918**	(206,777)	(1,756,707)	409,814	(127,361)	(416,796)	(544,276)	(319,952)
Income (loss) per share								
- Basic	**0.03**	(0.01)	(0.09)	0.02	(0.01)	(0.02)	(0.02)	(0.02)
- Diluted	**0.03**	(0.01)	(0.09)	0.02	(0.01)	(0.02)	(0.02)	(0.02)

Notes:

1. Attributable to common shareholders of the Company
2. Information for 2009 is presented in accordance with Canadian GAAP and has not been restated to IFRS results in accordance with CSA guidelines.

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

The net loss of $206,777 in the quarter March 31, 2011 compares to the net loss of $1,756,707 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 properties and deferred exploration expenses.

The net loss of $1,756,707 in the quarter ended December 31, 2010 compares to earnings of $409,814 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 $614,622 as significant option payments have been offset against property costs and deferred exploration expenses.

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

The net earnings of $409,814 in the quarter ended September 30, 2010 are better than the net loss of $127,361 in the quarter ended June 30, 2010 mainly as a result of higher option income on properties and other revenues of $109,464 as well as lower expenses of $166,489 (stock-based compensation and payments lower by $92,476; write-down of exploration properties lower by $37,276 and lower other expenses of $36,737).

The net loss of $127,361 in the quarter ended June 30, 2010 is lower than the net loss of $416,796 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 $416,796 in the quarter ended March 31, 2010 is less than the net loss of $544,276 in the quarter ended December 31, 2009 mainly as a result of a decrease in exploration write-downs of $710,983 and the offsetting impacts of increased administration and professional fees.

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

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

Results of Operations and Operational Review for the Three Months and Six Months ended June 30, 2011

Revenues

During the three month period ended June 30, 2011, revenues of $2,562,074 were $2,228,474 greater than the $333,600 reported in the comparable period in the previous year. In 2011, the Company recognized Option Income of $2,405,157 as compared to $300,000 in the previous year as well as Metal royalty income of $156,917 as compared to $33,600 in 2010.

During the six month period ended June 30, 2011, the revenues of $2,867,768 were greater than the revenues of $407,600 reported in the comparable period last year. The increase represents additional Option Income of $2,130,918 and the increase in Metal Royalty income of $329,250.

Expenses

In the three month period ended June 30, 2011, total expenses were $874,789 as compared to $528,707 in 2010. The variance of $346,082 mainly reflects the combined impact of increased administrative costs and professional fees and outside services of $179,418, an increase in share based payment of $161,935, as well as other changes of $4,729 related to depreciation, impairment provisions and a loss on foreign exchange.

During the six month period ended June 30, 2011, the total expenses of $1,489,375 were $361,440 greater than the expenses of $1,127,935 reported in the comparable period last year.

Administration

- In the three month period ended June 30, 2011, administration expenses totalled $300,945 as compared to $202,910 in the comparable period in 2010 with the increase of $98,035 mainly related to increases in wages and benefits due to the hiring of additional personnel, salary increases.

- In the six month period ended June 30, 2011, administration expenses totalled $582,899 as compared to $380,512 in the comparable period in 2010. The increase of $202,387 mainly relates to increases in wages and benefits due to the hiring of additional personnel, salary increases as well as Part XII.6 tax (interest charges) related to the timing of eligible “flow-through” expenditures.

Professional fees and outside services

- In the three month period ended June 30, 2011, professional fees and outside services totalled $238,944 as

compared to $157,482 in the previous year. The 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.

- In the six month period ended June 30, 2011, professional fees and outside services totalled $489,691 as compared to $352,338 in the previous year. The increase mainly represents increased exploration and evaluation on a number of major projects.

Amortization

- Amortization relates to the Company’s Properties and equipment. The amortization of $10,563 for the three month period ended June 30, 2011, compares to $12,300 in the comparable period in 2010.

- In the six month period ended June 30, 2011, amortization totalled $20,263 as compared to $24,251 in the comparable period in the previous year. The differences in the charges for the three months and the six month periods reflect the revision to the write-off rates for certain equipment implemented at the beginning of the current year.

Impairment of mineral properties and deferred exploration expenses

- The impairment provision is made against properties for which claims have lapsed or no future expenditures are planned in the near future. The write-down of mineral properties and deferred exploration expenses in the three month period ended June 30, 2011 of $64,189 is comparable to the $63,501 in the comparable period in the previous year.

- In the six month period ended June 30, 2011, the write-down of mineral properties and deferred exploration expenses totalled $125,329 as compared to $109,216 in the comparable period in 2010.

Stock-based compensation and Stock-based payments

- During the three month period ended June 30, 2011, the Company recognized stock-based compensation and stock-based payments of $255,951 as compared to $94,016 in the comparable period in the previous year. The increase of $161,935 is mainly a result of the granting of 221,200 options as compared to 100,000 option grants in the comparable period in 2010.

- For the six month period ended June 30, 2011, the total stock compensation and payments was $255,951 (2010 - $259,181). During the six month period ended June 30, 2011, 221,200 options (weighted average fair value of granted options $1.66 per share) were granted as compared in the same period in 2010 to 325,000 (weighted average fair value of granted options $0.79 per share). In 2011, 131,000 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.

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 the three month period ended June 30, 2011, the company recorded a charge of $184,667 (2010 – Income of $64,378) representing the decline in the fair value of investments acquired under option agreements signed in 2010. During the six period, the Company recorded a charge of $156,722 (2010 – Income of $79,154).

Income and mining taxes provision (recovery)

- In the three month period ended June 30, 2011, a future income tax provision of $809,700 has been recorded as compared to a future tax recovery of $3,368 in the comparable period in 2010. In the six month period

ended June 30, 2011, future income and mining taxes of $735,530 have been recorded as compared to a future tax recovery of $97,024 in the comparable period in 2010. The difference mainly relates to the option income generated in the period. The provision in the current three month and six month periods also reflect the impact of non-deductible items (share-based payments, impairment provisions on non-financial assets, decrease in fair value of financial assets).

Balance Sheet Review

Total Assets

At the period end, total assets were $19,915,077, an increase of $2,145,570 from December 31, 2010. The increase mainly represents the increase in mineral properties financed by the issuance of common shares with an ascribed value of $500,000 and the cash flow from operations which includes the option income received.

At the period end, cash and cash equivalents as well as investments totalled $5,071,735 (December 31, 2010 - $3,222,934) representing 25.4%% of the total assets. During the period, the deferred exploration expenses increased by $994,103 from $8,382,227 at December 31, 2010 to $9,376,330 at June 30, 2011.

Owners' Equity

At June 30, 2011, the total Owners' equity, consisting of Share Capital, Deficit, Contributed Surplus and Accumulated other comprehensive loss totalled $15,243,532 (December 31, 2010 - $13,725,260).

Share Capital

At June 30, 2011, the share capital of the Company was $48,855,414 (December 31, 2010 - $48,003,298) representing 22,035,675 (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.

Included in the 851,000 of stock options exercised were 483,000 exercised on March 16, 2011 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 $2.64 per share.

Liquidity, Working Capital and Cash Flow

At June 30, 2011, the Company had cash and cash equivalents of $1,606,737 (December 31, 2010 - $352,863) excluding restricted cash of $1,245,858 (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 $3,464,998 include shares with a market valuation of $2,495,096 and an investment in a money market fund of $969,902.

At June 30, 2011, the Company's working capital (based on current assets minus current liabilities) was $4,578,630 (December 31, 2010 - $2,370,529). 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 six month period ended June 30, 2011, the operations generated $492,128 (2010 – Used $191,305) while $276,180 was generated from the issuance of the shares under the company's share option plan whereas in 2010, $25,250 was generated from the exercise of share options and $1,825,239 was generated from a private placement

During the six month period ended June 30, 2011, the total investing activities for the period including deferred exploration expenses, cash restricted for flow-through expenditures and the proceeds from the sale of investments generated funds of $485,566 (2010 – Used funds of $1,301,016).

The operating, financing, and investing activities for 2011 resulted in a net increase in cash and cash equivalents of $1,253,874 (2010 - $271,409).

Financial Instruments and Risk Management

Risk Management

The Company, through its financial assets and liabilities, has exposure to the following financial risks: credit risk, liquidity risk, foreign exchange risk, and interest rate risk. The following analysis provides a measurement of risks as at the balance sheet date June 30, 2011.

The Company had cash and cash equivalents as well as restricted cash which totalled $2,852,595. 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 two individual guarantees of $1,000,000 provided by the Canadian Investors Protection Fund ("CIPF").

The Investments which total $3,464,998 (Preferred shares - $192,130; Equity investments - $2,302,966; and Money Market Fund Investment - $969,902) are subject to a guarantee by CIPF of $969,902.

Credit Risk

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

The maximum exposure to credit risk was:

	June 30, 2011	December 31, 2010
Cash and equivalents	**$ 1,606,737**	$ 352,863
Investments	**3,464,998**	2,870,071
Accounts receivable (i)	**306,428**	373,904
Refundable tax credit and mining duties	**81,794**	242,690
Restricted cash	**1,245,858**	1,969,672
	$ 6,705,815	$ 5,809,200

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

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 $2,495,096 (December 31, 2010 - $984,866). Based on the balance outstanding at June 30, 2011, a 10% increase or decrease would impact Profit and Loss by approximately $249,000 (2010 - $98,000).

Liquidity Risk

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

Contractual maturities of financial liabilities are all under one year.

Interest Rate Risk

The Company is not exposed to a significant interest rate risk since the Company has no credit facility. The interest revenue arising from the balance of operating cash accounts is subject to interest rate fluctuations. Based on the balances outstanding during the period, June 30, 2011, a 1% increase (decrease) in the interest rate would have no significant impact on the profit or loss before income taxes.

Capital Resources and Disclosures

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

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

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

As a Canadian exploration company, its principal sources of funds consist of; (a) Options income on properties; (b) Metal royalty income; (c) Investment income; (d) proceeds from the issuance of common and flow-through shares and (e) other working capital items.

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

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

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

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

		June 30, 2011		December 31, 2010
Cash and equivalents	**$**	**1,606,737**	$	352,863
Investments		**3,464,998**		2,870,071
Accounts receivable		**306,428**		373,904
Refundable tax credit and mining duties		**81,794**		242,690
Restricted cash		**1,245,858**		1,969,672
		6,705,815		5,809,200
Exploration expenditure obligations		**(1,245,858)**		(1,969,672)
Surplus	**$**	**5,459,957**	$	3,839,528
Owners' equity	**$**	**15,243,532**	$	13,725,260

International Financial Reporting Standards (IFRS)

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date is January 1, 2010. The three months ended March 31, 2011 was Globex's first reporting under IFRS and the June 30, 2011 is the second report. The OSC's guidance permits Issuers to provide an abbreviated set of accounting policies in its second quarter interim report and make reference to the first quarter report. Globex has included a complete set of accounting policies and reconciliations so that the reports are complete and consistent with the previous report.

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. Post-implementation will continue in future periods, as outlined below.

Note 21 to the condensed interim consolidated financial statements provides detailed information outlining the key differences between Canadian GAAP to IFRS, the key policy decisions and IFRS 1, First-Time Adoption of International Financial Reporting Standards, optional exemptions for significant or potentially significant areas that have had an impact on the financial statements as a result of the transition to IFRS or may have an impact in future periods.

Transitional Financial Statement Impact

As a result of the policy choices that the Company has selected and the changes that were required to make under IFRS, the Company recorded a number of transfers within total capital to reclassify a number of items in accordance with the IFRS standards, but the overall equity remained unchanged as of January 1, 2010, June 30, 2010, and December 31, 2010. In the Company's Annual MD&A, it outlined that it was in the process of finalizing its decisions, but it anticipated applying changes to; (a) Share-based payments, (b) Business Combinations, (c) Deemed Cost, as well as (d) Cumulative translation differences.

In the final analysis, 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.

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

later of (a) the date of transition to IFRSs and (b) January 1, 2005. Originally, the Company had believed that it would avail itself of this exemption and reclassify its share-based compensation from contributed surplus to share capital at the transition date.

However, in the final analysis, the Company concluded it was more appropriate not to avail itself of the election and to retain the stock-based compensation and reflect the fair market value ("FMV") transfer from Contributed Surplus to Share capital as options are exercised.

The table which follows highlights the adjustments and note 21 to the condensed interim consolidated financial statements provides further details. These adjustments have not been audited and therefore may be subject to adjustments at year-end.

Reconciliation of Equity

	December 31, 2010	June 30, 2010	January 1, 2010
Total equity under Cdn. GAAP before restatement	$ 13,606,373	$ 13,555,868	$ 12,077,114
Adjustments related to			
1. FMV adjustments for marketable securities			
Transfer from OCI	80,208	244,985	274,521
to Deficit	(80,208)	(244,985)	(274,521)
2. Flow-through share accounting adjustments			
Transfer to Deficit	(745,528)	(599,044)	(577,356)
Other liabilities	562,106	293,079	91,737
Deferred taxes	(680,993)	-	(91,737)
from Share Capital	864,415	305,965	577,356
3. Share issuance costs			
Transfer from Deficit	1,781,652	1,781,652	1,705,477
to Share Capital	(1,781,652)	(1,781,652)	(1,705,477)
Total adjustments to equity	118,887	(293,079)	-
Total adjustments Other liabilities	(118,887)	293,079	-
Total equity under IFRS	$ 13,725,260	$ 13,262,789	$ 12,077,114

A reconciliation of comprehensive income under Canadian GAAP and IFRS for the three months and six months ended June 30, 2010 and the year ended December 31, 2010 and a discussion of the impact of IFRS on the Company's cash flows are provided below.

Profit and Loss and Comprehensive Income Impacts

As a result of the policy choices that the Company has selected and the changes that were required to be made under IFRS, the Company recorded a reduction in the Loss for the three month period ended June 30, 2010, of $33,772 as well as a reduction in the Loss for the six month period ended June 30, 2010 of $29,536. Both of these adjustments related to the inclusion of changes in the value of equity investments as ordinary income.

In the twelve month period ended December 31, 2010, the loss was reduced by $48,829 as a result of the combined impact of the treatment of fair value adjustments on marketable securities $194,313 as ordinary income and the recognition of the treatment of deferred tax expense on the renunciation of flow-through shares of $(145,484).

Reconciliation of Profit and Loss and Other Comprehensive Income (Loss)

	Three months ended June 30, 2010	Six months ended June 30, 2010	Year ended December 31, 2010
Net loss under Canadian GAAP before restatement	**$ (161,133)**	**$ (573,693)**	$ (1,939,879)
Profit adjustments related:			
1. FMV adjustments for marketable securities	**33,772**	**29,536**	194,313
2. Flow-through share accounting adjustments	-	-	(145,484)
Total adjustments	**33,772**	**29,536**	48,829
Profit (loss) under IFRS	**$ (127,361)**	**$ (544,157)**	$ (1,891,050)
Other Comprehensive Loss under Canadian GAAP before restatement	**$ 33,772**	**$ 29,536**	$ 194,313
Other Comprehensive Loss adjustments related to:			
1. FMV adjustments for marketable securities	**(33,772)**	**(29,536)**	(194,313)
Total IFRS adjustments to comprehensive income	**(33,772)**	**(29,536)**	(194,313)
Other Comprehensive Loss under IFRS	**$ -**	**$ -**	$ -

Cash Flow Impact

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

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. In addition, items such as share issuance expense which were previously recorded as an element of the Company's deficit have now been reclassified as a reduction in the capital.

Control Activities

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 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 application of IFRS accounting policies and these changes were not significant.

We have completed the design, implementation and documentation of the internal controls over accounting process changes resulting from the application of IFRS accounting policies. We applied our existing control framework to the IFRS changeover process.

Business Activities and Key Performance Measures

Globex does not have any outstanding debt or performance covenants which are impacted by the conversion to IFRS. Management has reviewed a number of Option Agreements and believes that the change to IFRS will not impact the determination of royalty payments under those contracts.

Information Technology and Systems

The IFRS transition project did not have a significant impact on our information systems for the convergence periods. We also do not expect significant changes in the post-convergence periods. In order to mitigate risks, the Company created and archived copies of a number of key databases so that pre-conversion information would be readily available if required.

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 the June 30, 2011 condensed financial statements, during the last quarter, the International Accounting Standards Board (IASB) issued a number of revisions to; Amendments to IAS 1, *the Presentation of Items of Other Comprehensive Income*, IAS 19, *Employee Benefits*, IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12*, Disclosure of Interest in Other Entities*, as we 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 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, policies and estimates

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

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

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

Stock-based Compensation and Payments

Recognition of contribution to the success of the Company through stock-based compensation and payments conserves cash and acts as an incentive for employees and service providers to maintain their high level of participation. The Company records stock options granted using a fair value based on the Black-Scholes model. On April 4, 2011, 221,000 options were granted to directors and senior officers of the Company. The options were valued using the following assumptions; (a) expected dividend yield - nil, (b) expected stock price volatility – 70.34%, (c) risk free interest rate - 2.38% ; (d) expected life - 5.01 years. These assumptions when combined with

an exercise price of $2.75 resulted in a weighted average fair market value for granted options of $1.66.

Outstanding Share Data

At June 30, the Company had 22,035,675 common shares issued and outstanding (December 31, 2010 – 21,018,008). Since year-end, 851,000 options were exercised for $276,180, and 166,667 shares valued at $500,000 were issued in connection with the acquisition of a property.

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.

At the present time, the Company has 22,035,675 common shares outstanding and 2,083,700 stock options remain outstanding for a fully diluted common share capital of 24,119,375.

Risks and Uncertainties

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

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

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

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

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

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

Government Legislation and Taxation: Flow-through financing, combined with provincial tax credits for exploring in Quebec, are 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;

- 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 more than 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. 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. 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 is immediately suspended without the prior approval of municipalities and the appropriate provincial government agencies. In addition, under the proposed rules, which have been put into effect in advance of the law, 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 related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposal thereof.

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

Related Party Transactions

Outlined below is a summary of the total compensation for the respective period 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):

	Three months ended June 30,		**Six months ended June 30,**	
	2011	2010	**2011**	2010
Salary cost				
Salaries and other benefits	**$ 117,207**	$ 92,801	**$ 229,707**	$ 200,301
Fair value of share-based payments	**218,483**	-	**218,483**	-
	$ 335,690	$ 92,801	**$ 448,190**	$ 200,301

Related party transactions which have been incurred and eliminated in these condensed interim 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 June 30, 2011. Based on that evaluation, they have concluded that the Company’s disclosure controls and procedures were as of and for the period ending June 30, 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 (ii) 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 period ended June 30, 2011, and as at the quarter end, 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). 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, there have been no changes in the internal control over financial reporting during the quarter ended June 30, 2011 that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting

Outlook

Globex is pleased with the achievements to date on the Timmins Talc-Magnesite project as well as the progress made during the year on the Tonnancour, Wood-Pandora, Woodstock Manganese and other projects. A number of activities are planned for the remainder of the current year to further advance these projects.

As a result of the current financial market risk aversions and uncertainties, many lower market cap junior mining companies face significant challenges in raising sufficient funds to accomplish their programs. However, at the same time, there has been continued interest in base metal, rare earths and precious metal projects. During the current year, in addition to the Timmins Talc Magnesite Project, Globex has focused its efforts on projects with market interest and as a result, it believes that it will be able to access sufficient funding to continue to advance its projects and opportunities.

In addition, the Company anticipates that it will continue to receive option payments and more substantial royalty payments from the Tennessee zinc (Nyrstar) property as a result of increased production and stabilized zinc prices above US$0.90 per pound.

On an overall basis, the Company believes that it is well positioned with a combination of new technological applications and the resources necessary to continue to advance its strategic objectives.

Additional Information

This analysis should be read in conjunction with the most recent condensed interim consolidated financial statements. Financial information about the Company is contained in its comparative financial statements for the year-ended December 31, 2010 and the fiscal year ended December 31, 2009 and additional information about the Company, including the Annual Information Form (AIF), is available on SEDAR at www.sedar.com. 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 2010 and/or 2009 Management Discussion and Analysis, please send your request to:

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

Authorization

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

August 5, 2011.

GLOBEX MINING ENTERPRISES INC.

Condensed Consolidated Statements of Income and Comprehensive Income (Loss)

(Unaudited)

	Notes	Three months ended June 30 **2011**	Three months ended June 30 2010	Six months ended June 30 **2011**	Six months ended June 30 2010
Continuing operations					
Revenues	14	**$ 2,562,074**	$ 333,600	**$ 2,867,768**	$ 407,600
Expenses					
Administration		**300,945**	202,910	**582,899**	380,512
Professional fees and outside services		**238,944**	157,482	**489,691**	352,338
Depreciation and amortization		**10,563**	12,300	**20,263**	24,251
Share-based payments		**255,951**	94,016	**255,951**	259,181
Impairment of mineral properties and deferred exploration expenses	11	**64,189**	63,501	**125,329**	109,216
Loss (gain) on foreign exchange		**4,197**	(1,502)	**15,242**	2,437
		874,789	528,707	**1,489,375**	1,127,935
Income (loss) from operations		**1,687,285**	(195,107)	**1,378,393**	(720,335)
Other income (expenses)					
Gain on sale of investments		**-**	-	**27,217**	9,903
Interest income		**5,458**	8,736	**13,348**	17,568
Increase (decrease) in fair value of financial assets		**(215,898)**	33,772	**(254,104)**	29,536
Other		**25,773**	21,870	**56,817**	22,147
		(184,667)	64,378	**(156,722)**	79,154
Income (loss) before taxes		**1,502,618**	(130,729)	**1,221,671**	(641,181)
Income and mining taxes	13	**809,700**	(3,368)	**735,530**	(97,024)
Income (loss) for the period		**692,918**	(127,361)	**486,141**	(544,157)
Other comprehensive income (loss), net of taxes					
Total comprehensive income (loss) for the period		**$ 692,918**	$ (127,361)	**$ 486,141**	$ (544,157)
Income (loss) attributable to:					
Shareholders of the Company		**692,918**	(127,361)	**486,141**	(544,157)
		692,918	(127,361)	**486,141**	(544,157)
Total comprehensive income (loss) attributable to:					
Shareholders of the Company		**692,918**	(127,361)	**486,141**	(544,157)
		692,918	(127,361)	**486,141**	(544,157)
Income (loss) per common share					
Basic	15	**$ 0.03**	$ (0.01)	**$ 0.02**	$ (0.03)
Diluted	15	**$ 0.03**	$ (0.01)	**$ 0.02**	$ (0.03)
Weighted average shares outstanding		**22,033,477**	19,660,997	**21,601,117**	19,446,312
Shares outstanding at end of period		**22,035,675**	20,197,674	**22,035,675**	20,197,674

The accompanying notes are an integral part of these financial statements

GLOBEX MINING ENTERPRISES INC.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	Notes		Six months ended June 30 2011		2010
Operating activities					
Income (loss) for the period		**$**	**486,141**	$	(544,157)
Items not affecting cash:					
Disposal of mineral property for shares	18		**(1,752,500)**		(14,000)
Recovery of property acquisition costs	18		**500,000**		-
Decrease (increase) in fair value of financial assets			**254,104**		(29,536)
Depreciation and amortization			**20,263**		24,251
Foreign exchange rate variation on reclamation bond			**3,359**		(1,519)
Gain on sale of investments			**(27,217)**		(9,903)
Impairment of mineral properties and deferred exploration expenses			**125,329**		109,216
Amortization of bonds premium			**597**		2,292
Income and mining taxes			**735,530**		(97,024)
Share-based payments			**255,951**		259,181
			115,416		(301,199)
Changes in non-cash operating working capital items	18		**(109,429)**		109,894
			492,128		(191,305)
Financing activities					
Issuance of share capital			**276,180**		1,850,489
Share capital issue costs			**-**		(86,759)
			276,180		1,763,730
Investing activities					
Acquisition of properties, plant and equipment			**(12,832)**		(5,837)
Deferred exploration expenses			**(1,144,383)**		(838,825)
Mineral properties acquisitions			**(50,182)**		(49,724)
Proceeds on mineral properties optioned			**37,582**		-
Proceeds on sale of investments			**935,386**		767,573
Acquisition of investments			**(3,818)**		(49,084)
Change in restricted cash			**723,814**		(1,125,119)
			485,566		(1,301,016)
Net increase (decrease) in cash and cash equivalents			**1,253,874**		271,409
Cash and cash equivalents, beginning of period			**352,863**		-
Cash and cash equivalents, end of period		**$**	**1,606,737**	$	271,409

Supplementary cash flow information (note 18)

The accompanying notes are an integral part of these financial statements

GLOBEX MINING ENTERPRISES INC.

Condensed Consolidated Statement of Financial Position

(Unaudited)

	Notes	**June 30, 2011**	December 31, 2010	January 1, 2010
Assets				
Current assets				
Cash and equivalents	5	**$ 1,606,737**	$ 352,863	$ -
Investments	6	**3,464,998**	2,870,071	2,936,343
Accounts receivable		**306,428**	373,904	215,621
Refundable tax credit and mining duties	13	**81,794**	242,690	230,888
Prepaid expenses and deposits		**303,231**	75,140	34,031
		5,763,188	3,914,668	3,416,883
Restricted cash	7	**1,245,858**	1,969,672	347,883
Reclamation bonds	8	**115,631**	118,990	125,320
Properties, plant and equipment	9	**469,483**	476,914	516,505
Mineral properties	10	**2,944,587**	2,907,036	2,870,356
Deferred exploration expenses	11	**9,376,330**	8,382,227	8,100,884
		$ 19,915,077	$ 17,769,507	$ 15,377,831
Liabilities				
Current liabilities				
Payables, accruals and provisions	12	**$ 850,610**	$ 1,156,371	$ 270,238
Income tax provision		**333,948**	387,768	398,775
		1,184,558	1,544,139	669,013
Deferred tax liabilities	13	**3,486,987**	2,500,108	2,631,704
Owners' equity				
Share capital	16	**48,855,414**	48,003,298	44,795,521
Deficit		**(37,127,353)**	(37,613,494)	(35,722,444)
Contributed surplus		**3,515,471**	3,335,456	3,004,037
Accumulated other comprehensive loss		**-**	-	-
		15,243,532	13,725,260	12,077,114
		$ 19,915,077	$ 17,769,507	$ 15,377,831

The accompanying notes are an integral part of these financial statements

GLOBEX MINING ENTERPRISES INC.

Condensed Consolidated Statements of Equity

(Unaudited)

	Six months ended June 30 2011	2010	Year ended December 31, 2010
Common shares			
Beginning of period	**$ 48,003,298**	$ 44,795,521	$ 44,795,521
Issued on exercise of options	**352,116**	43,180	48,790
Fair value of shares issued under private placements	**-**	1,532,160	3,235,162
Shares issued in connection with a property acquistion	**500,000**	-	-
Share issuance costs	**-**	(86,759)	(76,175)
End of period	**48,855,414**	46,284,102	48,003,298
Contributed surplus			
Beginning of period	**3,335,456**	3,004,037	3,004,037
Share-based compensation	**255,951**	1,540	59,220
Share-based payments	**-**	257,641	291,319
Fair value of stock options exercised	**(75,936)**	(17,930)	(19,120)
End of period	**3,515,471**	3,245,288	3,335,456
Deficit			
Beginning of period	**(37,613,494)**	(35,722,444)	(35,722,444)
Profit (loss) attributable to shareholders	**486,141**	(544,157)	(1,891,050)
End of period	**(37,127,353)**	(36,266,601)	(37,613,494)
Accumulated other comprehensive loss			
Beginning of period	**-**	-	-
Gain or loss on foreign exchange translations	**-**	-	-
End of period	**-**	-	-
Total Equity	**$ 15,243,532**	$ 13,262,789	$ 13,725,260

The accompanying notes are an integral part of these financial statements

Notes to the Condensed Consolidated Financial Statements

Periods ended June 30, 2011 and 2010

1. General business description

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

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 as set out in the Handbook of the Canadian Institute of Chartered Accounts (”CICA Handbook”). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards (“IFRS”), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company commenced reporting on this basis in these condensed interim consolidated financial statements. In these financial statements, the term “Canadian GAAP” refers to Canadian GAAP before the adoption of IFRS.

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”) and IFRS 1, First-Time Adoption of International Financial Reporting Standards (“IFRS 1”). Subject to certain transition elections disclosed below, Globex has consistently applied the same accounting policies in the opening IFRS statement of financial position as of January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 21 discloses the impact of the transition to IFRS on the reported statement of financial position, profit and loss and comprehensive income and cash flows, including the nature and effect of significant changes in accounting policies from those used in the consolidated financial statements for the year ended December 31, 2010.

The policies applied in these condensed consolidated financial statements are presented in Note 3 and 4, and are based on IFRS issued and outstanding as of August 5, 2011, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim financial statements should be read in conjunction with the Canadian GAAP annual financial statements for the year ended December 31, 2010. Note 21 discloses IFRS information for the year ended December 31, 2010 that is material to the understanding of these condensed consolidated interim financial statements.

IFRS 1 has been applied in preparing these first IFRS consolidated interim financial statements. The effects of the transition to IFRS on equity, profit and loss and comprehensive income and cash flows are presented in Note 21.

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 significant are:

- 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 has applied IFRS 2 to all options granted after November 7, 2002.

- 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 IFRSs 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 three month and six month periods ended June 30, 2011, due to the age of the assets.

These financial statements were prepared on a going-concern basis, under the historical cost convention, as modified by the revaluation of financial assets.

3. Adoption of new and revised International Financial Reporting Standards

(a) New standards adopted:

Accounting standards effective for periods beginning on or after January 1, 2011 have been adopted as part of the transition to IFRS.

IFRS 9, Financial Instruments

The Company has adopted IFRS 9, Financial Instruments in 2011 in advance of its effective date. It has chosen January 1, 2010 as its date of application (i.e. the date on which the Company has assessed its existing financial assets) as this is the first reporting period end since the Standard was initially issued on November 12, 2009. The Standard has been applied retrospectively and comparative amounts have been restated.

IFRS 9 specifies how an entity should classify and measure its financial assets. It requires all financial assets to be classified on the basis of the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. Financial assets are measured either at amortized cost or fair value.

Under this Standard, debt Instruments are measured at amortized cost if they meet the criteria as specified in the guidance. Even if the instrument meets the criteria, the guidance also permits a Company to choose at initial recognition to designate the financial asset as at fair value through profit and loss (FVTPL) if doing so eliminates or significantly reduces the accounting mismatch. In the current period, the Company has elected to designate debt instruments as FVTPL. Investments in equity instruments are classified and measured as FVTPL.

The reclassification of financial assets on initial application of IFRS 9 changed the measurement basis and/or the policy for the recognition of gains and losses. For more information and details related to the new classifications see note 19.

The impact of adopting IFRS 9 has been a reclassification of fair value losses of $274,521 as at January 1, 2010, from the accumulated other comprehensive loss to the deficit as the marketable securities were reclassified from "available-for-sale" marketable securities to financial assets at FVTPL. The Company has adopted this treatment of gains and losses related to changes in the fair value of investments are ancillary to the primary exploration business of the Company and these assets are held mainly for strategic and liquidity purposes, not for trading.

In the three month period ended June 30, 2011, unrealized losses of $215,898 (2010 - gains of $33,772) were reclassified from other comprehensive income (loss) to profit and loss and during the six month period unrealized losses of $254,104 (2010 - gains of $29,536) were reclassified from other comprehensive income (loss) to profit and loss.

(b) 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 condensed consolidated interim financial statements.

- Amendments to IAS 1, Presentation of Items of Other Comprehensive Income, introduces changes to the presentation of items of other comprehensive income that may be reclassified to profit or loss in the future are presented separately from items that would never be reclassified;

- Amendments to IAS 19, Employee Benefits deals 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 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. Early adoption is permitted.

4. Summary of significant accounting policies

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

Basis of Consolidation

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

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 the next 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.

Use of Estimates

The preparation of the condensed interim consolidated financial statements in conformity with IAS 34 and IFRS 1 requires estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant areas where judgment is applied include the recoverability of amounts shown for mineral properties and related 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, provisions and contingent liabilities, deferred tax balances and the timing of their reversal. Actual results could differ from the original estimates.

Foreign currencies

The Company's presentation currency and the functional currency of all of its operations is the Canadian (Cdn) dollar as this 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 profit and loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Cdn. 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 expense 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 entity's 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 12% on 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

Cash restricted is composed of cash funds and bank balances. These funds are restricted to pay for prescribed resource expenditures.

Financial assets

All financial assets are recognized or derecognized on trade date. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL), which are initially measured at fair value.

Classification of financial assets

For the purpose of classifying financial assets, an instrument is an "equity instrument" if it is a non-derivative and meets the definition of "equity" for the issuer (under IAS 32 Financial Instruments: Presentation - "any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities). All other non-derivative financial assets are "debt instruments".

Financial assets at amortized cost and the effective interest method

Debt instrument are measured at amortized costs if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transactions costs (except if they are designated as at FVTPL – see below). They are subsequently measured at amortized cost using the effective interest method less any impairment with interest revenue recognized on an effective yield basis in investment revenue. Subsequent to initial recognition, debt instruments are reclassified from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortized cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost.

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.

Financial assets at FVTPL

Debt instrument financial assets that do not meet the amortized cost criteria described above, or that meet the criteria, but the Company has chosen to designate as FVTPL, at initial recognition, are measured at FVTPL. The Company has elected to designate debt instruments as financial assets at FVTPL.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. Fair value is determined in the manner described in note 19.

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 profit or loss when the Company's right to receive the dividends is established.

Impairment of financial assets at amortized cost

Financial assets that are measured at amortized cost 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.

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.

Properties, plant and equipment

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

Where an item of 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 Property

All direct costs related to the acquisition of mineral property interests 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 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 statement of profit and 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 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 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.

Current and deferred taxes

Taxes, comprising both income and resource taxes accounted for as income taxes, are recognized in the statement of profit 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 in interim periods are recorded using the tax rate that would be applicable to expected annual profit.

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 liability method, on temporary differs 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 profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially 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 reassess 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.

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 and as a result, the Company has adopted the guidance as outlined in SFAS 109. On the completion of a subscriber arrangement, the proceeds are recorded as an asset with the share capital being increased by the fair value of the shares issued using representative market prices and the difference is reflected as a liability in the statement of financial position. Generally, the Company renounces expenses on a prospective basis, and as a result, the liability is reversed and the deferred tax liability is recorded when the expenditures have been incurred. The deferred tax liability is estimated based on anticipated future tax rates and the difference between the liability and the deferred tax liability is recorded as a deferred tax expense in the statement of profit and loss.

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.

Earnings (loss) per share

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

Diluted earnings (loss) per share is computed similar to basic earnings (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. Cash and cash equivalents

		June 30, 2011		December 31, 2010
Bank balances	**$**	**1,606,737**	$	352,863

6. Investments

		June 30, 2011		December 31, 2010
Debt investments	**$**	**-**	$	957,288
Interests in money market funds (debt)		**969,902**		966,084
Other equity investments		**2,495,096**		946,699
	$	**3,464,998**	$	2,870,071

7. Restricted cash

		June 30, 2011		December 31, 2010
Cash at bank and on hand	**$**	**1,245,858**	$	1,969,672

The Company raises flow-through funds for exploration under a subscription agreement which requires the Company to incur prescribed resource expenditures which is 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.

8. Reclamation bonds

		June 30, 2011		December 31, 2010
Nova Scotia bond - Department of Natural Resources	**$**	**57,974**	$	57,974
Option reimbursement		**(50,000)**		(50,000)
Net Nova Scotia bond		**7,974**		7,974
Washington State bond - Department of Natural Resources		**107,657**		111,016
	$	**115,631**	$	118,990

9. Properties, plant and equipment

	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer Systems	Total
Cost						
January 1, 2011	$ 415,112	$ 33,389	$ 145,419	$ 23,462	$ 197,790	$ 815,172
Additions	-	-	-	-	12,832	12,832
Disposals	-	-	-	-	-	-
June 30, 2011	**415,112**	**33,389**	**145,419**	**23,462**	**210,622**	**828,004**
Accumulated depreciation						
January 1, 2011	(34,801)	(29,636)	(84,145)	(18,597)	(171,079)	(338,258)
Expense for the period	(6,590)	(376)	(6,127)	(486)	(6,684)	(20,263)
Disposals	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-
June 30, 2011	**(41,391)**	**(30,012)**	**(90,272)**	**(19,083)**	**(177,763)**	(358,521)
Carrying value						
December 31, 2010	380,311	3,753	61,274	4,865	26,711	476,914
June 30, 2011	**$ 373,721**	**$ 3,377**	**$ 55,147**	**$ 4,379**	**$ 32,859**	**$ 469,483**

10. Mineral Properties

	January 1, 2011	**Additions (Disposals)**	**Recovery of property cost**	**June 30, 2011**
Areas				
Nova Scotia	$ 42,356	**$ 10,000**	**$ -**	**$ 52,356**
Ontario	40,671	**-**	**-**	**40,671**
Quebec				**-**
Chibougamau	-	**2,550**	**-**	**2,550**
Magusi River and related assets	-	**513,614**	**(501,482)**	**12,132**
Other	2,824,009	**24,018**	**(11,149)**	**2,836,878**
	$ 2,907,036	**$ 550,182**	**$ (512,631)**	**$ 2,944,587**

During the six months ended June 30, 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. In addition, the Company incurred miscellaneous costs of $13,614.

11. Deferred exploration expenses

	January 1, 2011	Additions (Disposals)	Impairment provisions and recoveries	June 30, 2011
Exploration Areas				
Ontario properties				
Timmins - Talc Magnesite	$ 2,770,540	**$ 469,786**	**$ -**	**$ 3,240,326**
Other	14,364	**6,937**	**(2,397)**	**18,904**
Quebec properties				
Atwatter - Turner Falls	10,239	**105,994**	**-**	**116,233**
Cadillac - Wood	1,758,430	**35,857**	**-**	**1,794,287**
Destor - Lyndhurst	1,390,134	**69,240**	**-**	**1,459,374**
Tonnancour	427,931	**51,234**	**-**	**479,165**
Tavernier	260,385	**343**	**-**	**260,728**
General exploration	-	**120,933**	**(120,933)**	**-**
Other	3,015,145	**268,898**	**(24,968)**	**3,259,075**
Other properties				
General exploration	178,366	**15,161**	**(1,982)**	**191,545**
	9,825,534	**1,144,383**	**(150,280)**	**10,819,637**
Quebec refundable tax credit	(1,443,307)	**-**	**-**	**(1,443,307)**
	$ 8,382,227	**$ 1,144,383**	**$ (150,280)**	**$ 9,376,330**

During the six month period ended June 30, 2011, the Company recorded an impairment provision of $125,329 and offset option revenue of $24,951 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	**June 30, 2011**	December 31, 2010
Balance - beginning of period	**$ 8,382,227**	$ 8,100,884
Current exploration expenses		
Consulting	**262,320**	203,440
Core shack, storage and equipment rental	**13,983**	21,459
Drilling	**14,860**	462,834
Environment	**95,072**	130,101
Geology	**158,836**	290,000
Geophysics	**72,609**	76,663
Laboratory analysis and sampling	**116,879**	663,932
Labour	**190,148**	270,567
Line cutting	**80,896**	69,870
Mining property tax and permits	**41,296**	71,334
Prospecting and surveying	**-**	121,928
Reports, maps and supplies	**36,982**	19,839
Transport and road access	**60,502**	59,614
Total current exploration expenses	**1,144,383**	2,461,581
Impairment provisions	**(125,329)**	(1,379,373)
Option revenue offset	**(24,951)**	(741,248)
Quebec refundable tax credit recovery	**-**	(59,617)
	(150,280)	(2,180,238)
Current net deferred exploration expenses	**994,103**	281,343
Balance - end of period	**$ 9,376,330**	$ 8,382,227

12. Payables, accruals and provisions

		June 30, 2011		December 31, 2010
Trade payable and accrued liabilities (i)	**$**	**422,893**	$	420,391
Sundry liabilities		**93,306**		173,874
Accrued flow-through shares liabilities		**334,411**		562,106
	$	**850,610**	$	1,156,371

(i) Trade payable and accrued liabilities includes $255,333 related to exploration expenses.

13. Income taxes

Refundable tax credit and mining duties recoverable

		June 30, 2011		December 31, 2010
Quebec refundable tax credit	**$**	**59,617**	$	59,617
Mining duties recoverable		**22,177**		183,073
	$	**81,794**	$	242,690

The Company applied for certain refundable tax credits in respect of qualifying mining exploration expenses incurred in the province of Quebec. At June 30, 2011, the Company had accrued $81,794 (December 31, 2010, - $242,690) and future accruals are dependent upon the level and nature of expenditures during the remainder of the current year.

Deferred tax balances

	December 31, 2010	Recognized in profit or loss	Impact of flow-through exploration expenses	Recognized directly in equity	June 30, 2011
Temporary differences					
Deferred tax assets					
Non-capital losses carry forward	$ 497,748	**$ (448,433)**	**$** -	**$** -	**$ 49,315**
Share issue expenses	47,311	-	-	-	**47,311**
Property, plant & equipment	42,745	-	-	-	**42,745**
Financial Assets at FVTPL	340,608	-	-	-	**340,608**
	928,412	**(448,433)**	-	-	**479,979**
Less valuation allowance	(340,608)	-	-	-	**(340,608)**
	587,804	**(448,433)**	-	-	**139,371**
Deferred tax liabilities					
Mining properties and deferred exploration expenses	(3,087,912)	**(287,097)**	**(251,349)**	-	**(3,626,358)**
Deferred tax liabilities	$(2,500,108)	**$ (735,530)**	**$ (251,349)**	**$** -	**$ (3,486,987)**

14. Revenue

		Three months ended June 30, 2011		2010		Six months ended June 30, 2011		2010
Option income	**$**	**2,405,157**	$	300,000	**$**	**2,504,918**	$	374,000
Metal royalty income		**156,917**		33,600		**362,850**		33,600
	$	**2,562,074**	$	333,600	**$**	**2,867,768**	$	407,600

15. Income (Loss) per share

Basic earnings (loss) per common share is calculated by dividing the net profit or (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is calculated by dividing the net profit 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 earnings 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

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

		Three months ended June 30, 2011		2010		Six months ended June 30, 2011		2010
Numerator								
Income (loss) for the period	**$**	**692,918**	$	(127,361)	**$**	**486,141**	$	(544,157)
Denominator								
Weighted average number of common shares - basic		**22,033,477**		19,660,997		**21,601,117**		19,446,312
Effect of dilutive shares (i)								
Stock options ("in the money")		**1,014,439**		-		**1,355,843**		-
Weighted average number of common shares - diluted		**23,047,916**		19,660,997		**22,956,960**		19,446,312
Income (loss) per share								
Basic	**$**	**0.03**	$	(0.01)	**$**	**0.02**	$	(0.03)
Diluted	**$**	**0.03**	$	(0.01)	**$**	**0.02**	$	(0.03)

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

Impacts of changes in accounting policies

The impact of the early adoption of IFRS 9 is described in note 3. The change in accounting policy resulted in the reclassification of change in the fair value of investments from other comprehensive income to profit (loss) from continuing operations. The following table sets forth the effect on both basic and diluted earnings per share.

	Effect on profit from continuing operations			
	Three months ended June 30,		Six months ended June 30,	
	2011	2010	**2011**	2010
Change in accounting policies relating to:				
Reclassification and measurement of financial assets (IFRS 9)	**$ (215,898)**	$ 33,772	**$ (254,104)**	$ 29,536

16. Share capital

Common shares

Authorized - Unlimited common shares with no par value

Changes in Capital Stock

	June 30, 2011		December 31, 2010	
Fully paid common shares	**Number of shares**	**Capital Stock**	Number of shares	Capital Stock
Balance, beginning of year	**21,018,008**	**$ 48,003,298**	19,215,074	$ 44,795,521
Stock options exercised	**851,000**	**352,116**	42,000	48,790
Private placement	**-**	**-**	1,760,934	3,235,162
Shares issued in connection with a property acquisition(i)	**166,667**	**500,000**	-	-
Share issuance costs(ii)	**-**	**-**	-	(76,175)
Balance, end of year	**22,035,675**	**$ 48,855,414**	21,018,008	$ 48,003,298

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

(ii) In prior years, the share issuance costs totaled $1,705,477 and were charged to the deficit.

At June 30, 2011, 36,100 (December 31, 2009 - 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. Currently, 348,800 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.

		June 30, 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	**221,200**	**2.75**	50,000	1.75
Granted - Service providers	-	-	355,000	1.30
Cancelled	-	-	(300,000)	2.75
Balance - end of period	**2,083,700**	**$ 1.38**	2,713,500	$ 0.94
Options exercisable	**1,993,700**	**$ 1.32**	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.

The following table summarizes information regarding the stock options outstanding and exercisable as at June 30, 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	1.32	$0.33
0.75 - 0.88	510,000	510,000	4.23	0.79
1.00 - 1.44	765,000	765,000	3.12	1.14
1.65 - 1.75	90,000	90,000	4.08	1.72
2.75 - 4.45	393,700	303,700	5.03	3.61
	2,083,700	1,993,700	3.44	$1.32

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 221,200 stock options to management and directors during the period ending June 30, 2011 (June 30, 2010 -325,000 options were granted). Globex uses the Black-Scholes model to estimate fair value using the following weighted average assumptions:

	Six months ended June 30,	
	2011	2010
Expected dividend yield	**nil**	nil
Expected stock price volatility	**70.3%**	78.4%
Risk free interest rate	**2.38%**	2.25%
Expected life	**5.01 years**	4.85 years
Weighted average fair value of granted options	**$1.66**	$0.79

During the period ending June 30, 2011, the total expense related to stock-based compensation costs and payments amounting to $255,951 has been recorded and presented separately in the statement of operations (June 30, 2010 - $259,181).

17. Related party transactions

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):

		Three months ended June 30,				Six months ended June 30,		
		2011		2010		**2011**		2010
Salary cost								
Salaries and other benefits	**$**	**117,207**	$	92,801	**$**	**229,707**	$	200,301
Fair value of share-based payments		**218,483**		-		**218,483**		-
	$	**335,690**	$	92,801	**$**	**448,190**	$	200,301

18. Supplemental cash flow information

Changes in non-cash working capital items

		Six months ended June 30,		
		2011		2010
Accounts receivable	**$**	**67,476**	$	93,970
Quebec refundable tax credit and mining duties		**183,073**		-
Prepaid expenses		**(228,091)**		(39,396)
Accounts payable and accrued liabilities		**(78,067)**		55,320
Income tax payable		**(53,820)**		-
	$	**(109,429)**	$	109,894

Non-cash financing and investing activities

		Six months ended June 30,		
		2011		2010
Disposal of mineral properties for shares	**$**	**1,752,500**	$	14,000
Transfer of contributed surplus to share capital on exercise of stock option		**75,376**		17,930
Recovery of property acquisition costs		**500,000**		-
Other liability - flow-through liability		**227,694**		-
Refundable tax credit and mining duties		**22,177**		-

19. 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.

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

	June 30, 2011	December 31, 2010
Cash and equivalents	**$ 1,606,737**	$ 352,863
Investments	**3,464,998**	2,870,071
Accounts receivable	**306,428**	373,904
Refundable tax credit and mining duties	**81,794**	242,690
Restricted cash	**1,245,858**	1,969,672
	6,705,815	5,809,200
Exploration expenditure obligations	**(1,245,858)**	(1,969,672)
Surplus	**$ 5,459,957**	$ 3,839,528
Owners' equity	**$ 15,243,532**	$ 13,725,260

Reclassification of financial assets at the date of initial application of IFRS 9

The table below illustrates the classification and measurement of financial assets under IFRS 9 and IAS 39 at the initial application, January 1, 2010.

Financial assets	Original measurement category under IAS 39	New measurement category IFRS 9	Original carrying amount	Revised carrying amount
Cash and cash equivalents	Held for trading	Financial assets at amortized cost	$ -	$ -
Restricted cash	Held for trading	Financial assets at amortized cost	347,883	347,883
Equity investments	Available for sale	Financial assets at FVTPL	178,478	178,478
Debt investments	Available for sale	Financial assets at FVTPL	2,757,865	2,757,865
Accounts receivable	Loans and receivables	Financial assets at amortized cost	215,690	215,690
Refundable tax credit and mining duties	Loans and receivables	Financial assets at amortized cost	230,888	230,888
Reclamation bonds	Available for sale	Financial assets at amortized cost	125,320	125,320

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 $2,852,595. 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 guarantees of $1,000,000 provided by the Canadian Investors Protection Fund ("CIPF").

The investments which total $3,464,998 (Preferred shares - $192,130; Equity investments - $2,302,966; and Money Market Fund Investment - $969,902) are subject to a guarantee by CIPF of $969,902.

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 corporations.

The maximum exposure to credit risk was:

		June 30, 2011		December 31, 2010
Cash and equivalents	**$**	**1,606,737**	$	352,863
Investments		**3,464,998**		2,870,071
Accounts receivable [(i)]		**306,428**		373,904
Refundable tax credit and mining duties		**81,794**		242,690
Restricted cash		**1,245,858**		1,969,672
	$	**6,705,815**	$	5,809,200

[(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 $2,495,096 (December 31, 2010 - $984,866). Based on the balance outstanding at June 30, 2011, a 10% increase or decrease would impact profit and loss by approximately $249,000 (2010 - $98,000).

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).

	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	$ 1,606,737	$ -	$ -	$ 1,606,737
Restricted cash	1,245,858	-	-	1,245,858
Equity investments	807,596	-	1,687,500	2,495,096
Interest in money market funds (debt)	969,902	-	-	969,902
Reclamation bonds	-	115,631	-	115,631
Total financial assets	$ 4,630,093	$ 115,631	$ 1,687,500	$ 6,433,224

There were no transfers between level 1 and level 2 in the period.

20. Commitments and contingencies

At the period 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 7. At this time, Management anticipates meeting that obligation and as a result, no additional provisions are required.

21. First time adoption of IFRS

Transition to IFRS

The Company's consolidated financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS and these interim financial statements were prepared as described in note 1.

(a) Reconciliation of Equity

A reconciliation between Canadian GAAP and IFRS equity as at January 1, 2010 (date of transition to IFRS), June 30, 2010 and December 31, 2010 is provided below.

	December 31, 2010	June 30, 2010	January 1, 2010
Total equity under Cdn. GAAP before restatement	$ 13,606,373	$ 13,555,868	$ 12,077,114
Adjustments related to			
1. FMV adjustments for marketable securities			
Transfer from OCI	80,208	244,985	274,521
to Deficit	(80,208)	(244,985)	(274,521)
2. Flow-through share accounting adjustments			
Transfer to Deficit	(745,528)	(599,044)	(577,356)
Other liabilities	562,106	293,079	91,737
Deferred taxes	(680,993)	-	(91,737)
from Share Capital	864,415	305,965	577,356
3. Share issuance costs			
Transfer from Deficit	1,781,652	1,781,652	1,705,477
to Share Capital	(1,781,652)	(1,781,652)	(1,705,477)
Total adjustments to equity	118,887	(293,079)	-
Total adjustments Other liabilities	(118,887)	293,079	-
Total equity under IFRS	$ 13,725,260	$ 13,262,789	$ 12,077,114

The following paragraphs explain the significant 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

As outlined in note 3 (a), the Company has early adopted, IFRS 9 Financial Instruments and as a result, it has reclassified previously reported unrealized gains (losses) on available for sale marketable securities from other comprehensive income to gains and loss through profit and loss. The treatment has been adopted effective on the transition date of January 1, 2010.

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; however, as a result, the Company has adopted the guidance as outlined in Statement of Financial Accounting Standards ("SFAS") 109, Accounting for Income Taxes. On the completion of a subscriber arrangement, the proceeds are recorded as an asset with the share capital being increased by the fair value of the shares issued using representative market prices and any difference is reflected as a liability in the statement of financial position. On the renunciation and incurrence of the eligible expenditures, the liability is reversed, the deferred tax liability is estimated based on anticipated future tax rates and the difference between the liability and the deferred tax liability is recorded as a deferred tax expense in the statement of profit and loss. The adjustments as outlined above reflect “flow-through” share financings completed prior to the transition and the renunciation of benefits to shareholders.

In May 2010, the Company raised $1,825,239 in private placements where as the fair value of the proceeds received was $1,532,160 resulting in a recognition of an other liability of $293,079. The other liability was reversed in the fourth quarter of 2010.

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.

(b) Profit and Loss and Total Comprehensive Income (loss) reconciliation

Reconciliation of Profit and Loss and Other Comprehensive Loss

A reconciliation between Canadian GAAP and IFRS Profit and Loss and Other Comprehensive Loss for the period ended June 30, 2010 and year-ended December 31, 2010 is provided below:

	Three months ended June 30, 2010	**Six months ended June 30, 2010**	Year ended December 31, 2010
Net loss under Canadian GAAP before restatement	**$ (161,133)**	**$ (573,693)**	$ (1,939,879)
Profit adjustments related:			
1. FMV adjustments for marketable securities	**33,772**	**29,536**	194,313
2. Flow-through share accounting adjustments	**-**	**-**	(145,484)
Total adjustments	**33,772**	**29,536**	48,829
Profit (loss) under IFRS	**$ (127,361)**	**$ (544,157)**	$ (1,891,050)
Other Comprehensive Loss under Canadian GAAP before restatement	**$ 33,772**	**$ 29,536**	$ 194,313
Other Comprehensive Loss adjustments related to:			
1. FMV adjustments for marketable securities	**(33,772)**	**(29,536)**	(194,313)
Total IFRS adjustments to comprehensive income	**(33,772)**	**(29,536)**	(194,313)
Other Comprehensive Loss 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 loss through profit and loss.

2 Flow-through share accounting adjustments

The adjustment represents the recognition of the expenses related to issuance of “flow-through shares” during 2010 as well as the renunciation of eligible expenditures to subscribers.

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

	January 1, 2010 Canadian GAAP Balances	IFRS Adjustments	IFRS Reclassifications	IFRS Balance	January 1, 2010 IFRS Accounts
Current assets					
Cash and equivalents	$ -	$ -	$ -	$ -	Cash and equivalents
Marketable securities	2,936,343	-	-	2,936,343	Investments
Accounts receivable	215,621	-	-	215,621	Other receivables
Quebec refundable tax credit and mining duties refunds	230,888	-	-	230,888	Refundable tax credits and mining duty refunds
Prepaid expenses and deposits	34,031	-	-	34,031	Prepaid expenses
	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, accruals and provisions
Income tax payable	307,038	-	-	307,038	Income tax provisions
Other liabilties	-	91,737	-	91,737	Other liabilities
	577,276	**91,737**	**-**	**669,013**	
Future income and mining taxes	2,723,441	(91,737)	-	2,631,704	Deferred tax balances
Shareholder's equity					
Share capital	45,900,953	599,044	(1,704,476)	44,795,521	Capital
Contributed surplus	3,004,037	-	-	3,004,037	Contributed surplus
Retained earnings (Deficit)	(36,553,355)	(599,044)	1,429,955	(35,722,444)	Retained earnings (Deficit)
Accumulated other Comprehensive loss	(274,521)	-	274,521	-	Accumulated other Comprehensive loss
Total owners' equity	**12,077,114**	**-**	**-**	**12,077,114**	
Total liabilities and owners' equity	**$ 15,377,831**	**$ -**	**$ -**	**$ 15,377,831**	