



# **GLOBAL ENERGY METALS CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018**

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this Management's Discussion and Analysis.

In certain cases, forward-looking statements can be identified by the use of words such as "believe", "intend", "may", "will", "should", "plans", "anticipates", "believes", "potential", "intends", "expects" and other similar expressions. Forward-looking statements reflect our current expectations and assumptions and are subject to a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements, the actual results of exploration activities, the estimation or realization of mineral reserves and resources, capital expenditures, costs and timing of the development of new mineral deposits, requirements for additional capital, future prices of precious and base metals, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, road blocks and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation and the timing or magnitude of such events are inherently risky and uncertain.

Key assumptions upon which the Company's forward-looking statements are based include the following:

- the prices for based metals will not fall significantly;
- the Company will be able to secure new financing to continue its exploration, development and operational activities;
- there being no significant adverse changes in currency exchange rates;
- there being no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements;
- the Company is able to obtain regulatory approvals (including licenses and permits) in a timely manner;
- the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in the surrounding area to the Company's operations;
- the Company's ability to achieve its growth strategy;
- the Company's operating costs will not increase significantly; and

These assumptions should be considered carefully by investors. Investors are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company's forward-looking statements are based.

Investors are advised to carefully review and consider the risk factors identified in this Management's Discussion and Analysis under the heading "Risk Factors" for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from

any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Investors are further cautioned that the foregoing list of assumptions is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Company's business, financial condition and prospects that is included in this Management's Discussion and Analysis. The forward-looking statements contained in this Management's Discussion and Analysis are made as of the date hereof and, accordingly, are subject to change after such date.

Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this Management's Discussion and Analysis are expressly qualified by this cautionary statement.

## **1.1 Date**

The following management's discussion and analysis ("MD&A"), which is dated of November 29, 2018, provides a review of the activities, results of operations and financial condition of Global Energy Metals Corp ("Global Energy" or "Company") as at September 30, 2018 and for the three months ended September 30, 2018 as well as future prospects of the Company. . This MD&A should be read in conjunction with the unaudited interim condensed financial statements of the Company as at and for the three months ended September 30, 2018 (the "interim financial statements") together with the MD&A and audited financial statements of the Company as at and for the fiscal year ended June 30, 2018 (the "Audited Financial Statements"). All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified (the Company's financial statements are prepared in Canadian dollars).

## **1.2 Overall Performance**

### **1.2.1 General**

The Company was incorporated under the provisions of the British Columbia Business Corporations Act on April 27, 2015.

The Company is a reporting issuer under the *Securities Act* (British Columbia) and thereunder is required to make filings on a continuous basis. All disclosure filings as required under applicable securities laws are available for review under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Company's head office is located at Suite 1501-128 West Pender Street, Vancouver, British Columbia, V6B 1R8, and its registered and records office is located at suite 530-355 Burrard Street, Vancouver, BC. V6C 0B2.

### **1.2.2 Stated Business Objectives**

The Company is engaged in project level investments in the resource sector, with a focus on late stage, near-development and in-production "world class" mining projects globally. The Company's strategy is to co-invest and pre-invest in metals and mining projects, alongside GEMC's select off-take and strategic partners, in long-term accretive projects. GEMC's investment focus is on robust projects, which have been significantly de-risked and are positioned in the lower half of their sector's

cost curve, thus increasing the potential for strong capital gains throughout the commodity life cycle.

The company targets high quality metals and mining companies with an emphasis on those metals associated with the rechargeable battery market and energy storage sector. GEMC's strategy is to aggregate cobalt and other battery metals projects positioned to supply accelerating market demand for battery materials, within a diversified portfolio designed to hedge individual commodity and stand-alone project risk.

The Company's continuing operations, as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

### **1.2.3 Recent Developments**

On July 3, 2018, 1,242,465 share purchase warrants expired unexercised.

On September 11, 2018, the Company entered into a non-binding letter of intent (the "LOI") with Nevada Sunrise Gold Corporation ("Nevada Sunrise") to acquire an 80% interest in the Lovelock Cobalt Mine and the Treasure Box Project, located in Nevada. In order to exercise the option, the Company is required to complete the following terms:

A) Issue to Nevada Sunrise of such number of common shares of the Company (the "Payment Shares") as is equal to USD \$200,000 at a price per share equal to the greater of:

(a) \$0.15; and

(b) the volume weighted average of the closing price of the Company's shares for the 20 trading days immediately prior to the execution of the Definitive Agreement, as herein defined.

B) Assume all future cash payments to the underlying vendor payable as scheduled below subject to an existing 2.0% net smelter royalty (the "Existing Royalty"):

- December 22, 2018: USD \$20,000 in cash;
- December 22, 2019: USD \$25,000 in cash; and
- December 22, 2020: USD \$30,000 in cash.

C) Reimburse Nevada Sunrise for the issue by Nevada Sunrise of Nevada Sunrise common shares to the underlying vendor, with common shares of the Company, payable as scheduled below:

- December 22, 2018: such number of shares as is equal in value to 200,000 shares of Nevada Sunrise on the day prior to their issuance;
- December 22, 2019: such number of shares as is equal in value to 250,000 shares of Nevada Sunrise on the day prior to their issuance; and
- December 22, 2020: such number of shares as is equal in value to 300,000 shares of Nevada Sunrise on the day prior to their issuance.

D) Incur USD \$2,500,000 in exploration expenditures as follows:

- USD \$1,000,000 in exploration expenditures by the second anniversary date of the Definitive Agreement to be entered into by the parties, and
- an additional \$1,500,000 in exploration expenditures by the third anniversary date of the Definitive Agreement.

The transaction is subject to TSX-V approval.

On May 11, 2018, the Company announced that it filed an updated NI 43-101 technical report for the Werner Lake Cobalt project in the Kenora Mining District, Ontario. The report is available on

www.sedar.com and the Company's website. The results of the Werner Lake Resource Estimate issued April 30, 2018 incorporates non-material changes requested by the British Columbia Securities Commission as part of a routine review. The April 30th technical report titled Amended NI 43-101 Resources Estimate for Werner Lake Cobalt Project, Werner Lake, Ontario Canada supersedes the original report dated September 6, 2017 by AGP Mining Consultants.

On September 6, 2017, the Company completed and published the results of NI 43-1010 Mineral Resource. At a cut-off 0.25% Co, the model returned a total of 57,900 indicated tonnes grading 0.51% Co, containing 653,000 lbs of cobalt and 6,300 inferred tonnes grading 0.48% Co, containing 67,000 lbs of cobalt.

On September 25, 2017, the Company acquired an option from Hammer Metals ("Hammer") for the Millennium Cobalt-Copper Project ("Millennium" and/or the "Project") located in the heart of Mt. Isa, Queensland Australia covering five separate mining leases with existing JORC (2012) compliant mineral resources defined by drilling from a 2016 drilling program.

The letter agreement outlines the principal terms and conditions to enter into a three-year option to purchase a staged interest of up to 75% interest upon making project related expenditures to further advance the property. Total consideration for the option is CAD \$2,700,000. Before the third year anniversary of signing a definitive option agreement, GEMC must expend a minimum of CAD \$2,500,000 in project exploration and development work on Millennium as follows:

- \$500,000 within 6 months for 25% interest;
- \$1,000,000 within 18 months for 65% cumulative interest; and
- \$1,000,000 within 36 months for cumulative 75% interest.

The Company paid a total of \$200,000 in cash to Hammer in two equal payments of \$100,000, the first payment completed on September 25, 2017 the second payment completed on March 16, 2018.

On February 20, 2018 the Company announced that it was listed for trading on the OTCQB Venture Market (the "OTCQB Venture") in the United States under the symbol "GBLEF". The OTCQB is a U.S. trading platform that is operated by the OTC Markets Group in New York. The Company's common shares will continue to trade on the TSX Venture Exchange under the symbol "GEMC" as well as the Frankfurt Exchange under the symbol "5GE1".

On February 28, 2018 the Company announced that all conditions precedent have been met in the previously announced Werner Lake transaction with Marquee Resources Ltd. ("Marquee"). As consideration for Marquee's option to earn either a 30% or a 70% interest in the Werner Lake Cobalt Project located in Kenora Mining District, Ontario (the "Property"), Global Energy Metals received a cash payment totaling A\$200,000 and has been granted publicly traded shares of Marquee having an aggregate value of A\$100,000.

In order to maintain and enforce the option granted to it, and to exercise this option, Marquee must incur expenditures of A\$1,000,000 to earn a 30% interest in the Property within year one and a further A\$1,500,000 (for a total of A\$2,500,000) to earn a 70% interest in the Property by year two. The parties will enter into a customary joint venture agreement once the Marquee exercises its option to acquire either a 30% or 70% interest in the Property. In addition, upon obtaining an encouraging Pre-feasibility study according to a commercially reasonable standard, Marquee will pay GEMC A\$150,000.

#### **1.2.4 Property Holdings**

At September 30, 2018, the Company's interests in exploration and evaluation assets are located in Canada and in Australia.

## Werner Lake Cobalt Project

The Werner Lake property is located in north western Ontario, near the Ontario-Manitoba border in the Kenora Mining District. The project area covers favourable horizons in the Werner Lake Geological Belt that hosts numerous cobalt-copper and base metal showings, deposits and past producing mines. The two largest cobalt deposits defined to date are the Werner Lake Minesite Deposit and the West Cobalt Deposit, both controlled by GEMC. The area has seen extensive exploration and development work since the original discovery of cobalt in 1921. Limited production of cobalt ore occurred between 1932 and 1944. During World War II, Werner Lake was mined to a vertical depth of 10 metres; 65.1 tonnes of cobalt was produced from 2,955 tonnes of ore (average grade 2.2% Co).

The most significant work was undertaken by Canmine Resource Corporation (“Canmine”) between 1995 and 2002. During this time Canmine carried out extensive drilling and exploration work leading to the discovery of additional mineralized lenses beneath the old workings, now referred to as the Minesite Deposit (or “Old Mine Site”). The West Cobalt Deposit is located about 500 metres west of the Minesite Deposit and was also discovered during the exploration program. Subsequent metallurgical testing, underground rehabilitation and development work, and engineering studies culminated in a feasibility study that indicated a small scale (300 tpd) underground mining operation was possible.

The historical estimate was based on 217 diamond drill holes totalling 27,894 metres of coring and underground exploration that advanced 258 metres of ramp, drifts and raises to better explore and define the West Cobalt Deposit. A Pre-feasibility Study was commissioned and completed in 1999. Based on that work a historical estimate base containing 7,435,865 pounds of cobalt was established. Canmine continued with extensive engineering work until 2002 when the company filed for bankruptcy. Canmine initiated a Feasibility study, but work was terminated due to lack of funds.

The total identified historic estimate in the proven, probable, indicated and inferred categories was delineated as follows by Canmine:

### Werner Lake Mineral Belt Resource Estimate

Category <sup>1</sup>	Mining Area	Tonnes	Co %	Co Lbs	Cu %	Co lbs	Au opt	Au oz
Proven	Lense 1 & 2	17,145	0.46	173,872	0.14	52,918	0.022	377
	Lens 3	34,476	0.72	547,247	0.30	228,020	0.005	172
	West Cobalt	82,210	0.37	670,595	0.27	489,353	0.006	493
	Stockpile	6,200	0.50	68,343	0.30	41,006	0.009	56
	Sub-total	140,031	0.47	1,460,058	0.26	811,297	0.008	1,099
Probable	West Cobalt	40,829	0.25	225,031	0.43	387,054	0.030	1,225
Indicated	West Cobalt	51,456	0.13	147,473	0.20	226,882	0.003	154
	West Cobalt	383,647	0.37	3,129,448	0.27	2,283,651	0.006	2,302
	West Cobalt	430,663	0.18	1,709,009	0.29	2,753,403	0.015	6,460
	Minesite	55,068	0.63	764,846	0.24	291,370	0.011	606
Inferred	Sub-total	869,378	0.29	5,603,303	0.28	5,328,425	0.011	9,368

<sup>1</sup> Terminology for mineral resource calculations conforms with nomenclature recommendations by the CIM Ad Hoc Committee on Mineral Resource Classification tabled March 1997 as presented in an internal Canmine technical report dated October 1998. The historical resource estimates at Werner Lake are not being treated as a mineral reserve or mineral resource. Key assumptions, parameters, and methods used to prepare the historical estimates are not known. A qualified person has not done sufficient work to classify the historical estimate as a mineral resource or mineral reserve. Additional drilling and testing is required to determine a current classification as a mineral resource or mineral reserve. The Company is not treating the historical information as a current mineral resource or mineral reserve and the reader is cautioned to not rely upon this

data. Please refer to the “Werner Lake Mineral Belt Properties Technical Report” by Gerald Harper, Ph.D., P.Geo. (On), dated March 22, 2011 and revised June 23, 2011 and May 26, 2015.

Global Cobalt Corp (“GCO”) (previously Puget Ventures) acquired the key patented claims in 2008 and staked or acquired a significant package of land within the Werner Lake Belt at the same time. Additional diamond drilling by GCO in 2009-2010 (7,565 metres in 33 drill holes) has added to the resource database and suggests the deposit remains open for exploration. The targeted completion of NI 43-101 compliant resource was not finalized, though the database is intact. GEMC completed this document and published the results of the study September 6, 2017. At a cut-off 0.25% Co, the model returned a total of 57,900 indicated tonnes grading 0.51% Co, containing 653,000 lbs of cobalt and 6,300 inferred tonnes grading 0.48% Co, containing 67,000 lbs of cobalt.

A number of key recommendations in the report, including additional diamond drilling designed to further define the known deposit at depth and bring some Inferred Resources to Indicated category. Dewatering of the underground workings and resampling of the workings and metallurgical testwork was also recommended by AGP Mining Consultants Inc. The deposit remains open to depth and along strike.

#### **AGP NI 43-101 Mineral Resources for the Werner Lake, September 2017<sup>1</sup>**

<b>Classification</b>	<b>Tonnage (‘000 t)</b>	<b>Co (%)</b>	<b>Cu (%)</b>	<b>Au (gpt)</b>	<b>Contained Co (‘000 lbs)</b>	<b>Contained Cu (‘000 lbs)</b>
Indicated	57.9	0.51	0.25	0.22	653	319
Inferred	6.3	0.48	0.14	0.24	67	19

<sup>1</sup> Deposit at a 0.25%Co cut-off grade, cobalt price of \$US15.60/lb, metallurgical recovery of 85% was assumed.

Excellent opportunities exist for the definition of additional high-grade cobalt mineralised zones at these two deposits and at other locations throughout the Werner Lake Geological Belt.

#### **Geology**

The Werner Lake Geological Belt is part of the Archean English River sub province of the Superior Province in Ontario and is defined by a deep-seated fault that is believed to have ruptured the Superior Geological Province or craton. The fault zone is up to 500 metres wide and dips near vertical. The entire area of the fault has been termed the Cu-Ni-PGE zone. At Werner Lake, the fault zone is marked at surface by a prominent 25 to 50-metre-wide U-shaped valley.

At Werner Lake, high-grade cobalt-copper mineralisation occurs in stacked lenses of sulphide mineralisation that occupy tensional structures intruded by gabbroic pegmatites to produce skarnoid assemblages. Mineralization is located within or adjacent to rock masses ranging in composition from ultramafic to mafic units and their metamorphosed equivalents, primarily as disseminated bodies but locally with sulphide concentrations reaching massive texture. The deposits tend to be elongated in the down plunge direction that varies between 30 degrees plunge and near vertical in attitude.

The Werner Lake project is underlain by a relatively complex sequence of east-west striking, steeply dipping, highly metamorphosed migmatites, ultramafics, altered mafic volcanic rocks, lesser metasedimentary sequences, plus diverse granitoid intrusive rocks. The ultramafic sequence represents deformed, dislocated lenses that originally formed a (semi)-continuous, thicker mafic-ultramafic igneous sill, possibly with a shallow emplaced volcanic component. Local metamorphism is to granulite phase with retrograde to amphibolite-greenschist locally.

Structure appears to have had the greatest control on mineralization, with the ultramafic magma

intruded along the fault from deep in the crust.

The cobalt deposits are believed to have formed in the middle-depth area of the fault zone as distal skarn deposits derived from a gabbroic pegmatite. The gabbroic pegmatite, probably derived from the ultramafic intrusion, is believed to have moved tens of kilometres along the various faults until it encountered a calcium-bearing amphibolite that acted as a reductant with the deposition of the cobalt, copper and gold. Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and altered amphibolite skarn assemblage (garnet-biotite-magnetite). Others ascribe a syngenetic exhalative or diagenetic origin to the Werner Lake mineralization. Gold occurs erratically and is found predominantly in the high cobalt and/or copper alteration shells.

The West Cobalt Deposit has a drill-indicated strike length of 379 metres and dips near vertically. The horizontal thickness of the deposit ranges from 1.0 to 9.58 metres. The deposit is open down-dip to the east (Figure 4). Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and garnet-biotite-amphibole-magnetite gneiss in the West Cobalt Deposit.

Exploration drilling by Canmine in the late 1990's indicated "excellent additional reserve development potential" exist as the deposits are open at depth. More recent work by GCO (2009-2010) appears to support this conclusion, noting that significance should be paid to structural controls on mineralisation at the deposit.

It is apparent that mineralised widths, certainly for cobalt, are relatively narrow, in the order of <1-3 metres. Cobalt rich zones consist of various combinations of pyrite, pyrrhotite, chalcopyrite, cobaltian pyrite, cobaltite, pentlandite, and arsenopyrite. Sulphide habit is typically disseminated, stringer/veinlet, with concentrations up to 40% (rare) over 10 to 30-centimetre widths of remobilised and replacement material.

Canmine also recognized the potential for very high-grade (up to 20% Co) lenses of limited size within mineralised zones. These high-grade sections that were assayed at up to 20% cobalt were intersected by both surface drilling and underground drifting and could represent significant upside to the project's cobalt output. The potential economic impact of these lenses is important and a thorough understanding of the structure of the deposit is critical to future work.

### **Engineering Work (Canmine)**

Detailed engineering studies were undertaken by SNC-Lavalin ("SNC") to prepare a development plan and determine the most cost-effective mining techniques to be employed at Werner Lake. Due to the variability of the mineralised zones, SNC recommended shrinkage mining at the West Cobalt Zone and Lens 1 and 2 at the Old Mine Site, opting for long-hole open-stope mining being employed at Lens 3. Details including fleet requirements, ventilation, ground support, a development plan and other mining details were laid out in a 2002 report authored by SNC. Detailed cost estimations included: shrinkage costs of \$12.32 per tonne, long-hole costs of \$9.47 per tonne, ramp development costs of \$1,121.72 per metre, raise development costs of \$945.07 per metre and haul drift, draw point and other access costs of \$1,067.31 per metre. A 300-tonne production rate per day over a 5-day week was assumed. From 1997 to 1998 extensive exploration was undertaken through the decline and also through a sub-drift that was driven 107 metres within the ore zone to obtain a 4,094 tonne bulk sample.

Metallurgical studies have shown that excellent cobalt recoveries can be yielded from a standard flotation mill process followed by a low-pressure oxidative hydrometallurgical leach (net recovery 88%), to produce a cobalt carbonate end product. At the time of this work Canmine received written offers or indicative term sheets from companies around the world for the purchase of the cobalt carbonate product, which reportedly averaged 27% cobalt and 6% copper content.

## **Millennium Project, Australia.**

On September 25, 2017, the Company acquired an option from Hammer Metals (“Hammer”) for the Millennium Cobalt-Copper Project (“Millennium” and/or the “Project”) for the exclusive right to earn up to a 75% interest, in the Millennium Cobalt Project (“Millennium”), an advanced mineral exploration and development property located in the famed Mount Isa mining region of Australia. Additionally, GEMC holds a right of first refusal (“RoFR”) to acquire any additional interest in the Project, which Hammer may wish to sell.

The Mount Isa Inlier is a highly mineralised, established mining jurisdiction with significant regional infrastructure and several world-class copper-gold-cobalt and lead-zinc-silver mines and deposits, including CuDeco Limited’s operating Rocklands copper-gold-cobalt project located 19 kilometres to the northwest.

The Project comprises five Mining Leases; ML’s 2512, 2761, 2762, 7506 and 7507. Hammer currently has a 100% interest in all five Mining Leases. The tenements are in good standing with no known impediments.

On January 17, 2018 the Company announced that the first assay results on three reverse circulation (RC) drill holes at the Millennium Cobalt project in Mt. Isa, Australia have intersected very wide and significant cobalt and copper grades potentially expanding the existing JORC resource area.

Significant intercepts from the first stage December 2017 RC drilling program include:

- 28 metres at 0.20% Co and 0.35% Cu from 104 metres in MIRC026 including 17 metres at 0.26% Co from 115 metres with peak values over a one metre interval of 1.11% Co, 3.8% Cu and 1.42g/t Au.
- 12 metres at 0.23% Co and 0.27% Cu from 127 metres in MIRC025 with peak values over a one metre interval of 0.67% Co, 0.69% Cu and 0.24g/t Au.
- 13 metres at 0.10% Co, 0.33% Cu and 0.17g/t Au from 91 metres in MIRC025 with peak values over a one metre interval of 0.48% Co, 1.27% Cu and 0.74g/t Au.

On March 14, 2018 the Company entered into a letter of intent (the “LOI”) with Hammer Metals Limited (“Hammer”) setting the terms for the strategic acquisition of the Mount Dorothy Cobalt Project and the Cobalt Ridge Project, collectively the “Mt. Isa Projects”, a district scale exploration opportunity located in Queensland Australia’s Mt. Isa mining jurisdiction. Upon completing its due diligence and upon meeting the conditions set in the LOI, should GEMC elect to enter into a Definitive Agreement with Hammer, GEMC would have the exclusive right to acquire a 100% interest in the Mt. Isa Projects.

On March 22, 2018 the Company complied with its obligations under its agreement with Hammer Metals Limited (“Hammer”) in order to earn a 25% interest in the Millennium Cobalt Project (“Millennium”). Having now incurred exploration expenditures of at least \$500,000 the Company has now given notice that it intends to move forward with the next phase of its earn-in for a 65% interest in the project.

On June 26, 2018, the Company announced that it entered into a binding agreement with Hammer Metals to acquire the balance of the interest in the Millennium Cobalt Project as well as the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project such that it will hold 100% of both the Millennium Property and the Mt. Isa Projects.

## **History**

Recent drilling in 2016 from Hammer's 23 RC drill hole program (Hammer ASX releases, [13/09/2016](#) and [14/10/2016](#)) included peak cobalt results with 8 metres at 0.35% Co in MIRC023 and 4 metres at 0.51% Co in MIRC013.

Other intercepts included:

- 19 m at 0.38% Co, 1.27% Cu, 0.70 g/t Au, (4.12% CuEq) in Q-012;
- 24 m at 0.15% Co, 0.23% Cu and 0.09 g/t Au (1.17% CuEq) in MIRC013;
- including 4 m at 0.51% Co, 0.46% Cu and 0.16 g/t Au (3.64% CuEq),
- 12 m at 0.19% Co, 0.57% Cu and 0.19 g/t Au (1.85% CuEq) in MIRC014;
- including 4 m at 0.30% Co, 0.44% Cu and 0.14 g/t Au (2.33% CuEq),
- 40 m at 0.07% Co, 0.32% Cu and 0.13 g/t Au (0.82% CuEq) in MIRC017;
- including 5 m at 0.15% Co, 0.82% Cu and 0.21 g/t Au (1.90% CuEq); and
- 33 m at 0.16% Co, 0.66% Cu and 0.34 g/t Au (2.11% CuEq) in MIRC023; including 8 m at 0.35% Co, 0.08% Cu (2.19% CuEq).

All intercepts reported represent core lengths; true width will vary depending on the intersection angle with the targeted zone. Hole are generally planned to intersect mineralised zones as close to perpendicular as possible. Copper equivalent (CuEq) calculation is as follows:  $CuEq\% = Cu\% + (Co\% * 5.9) + (Au\text{ ppm} * 0.9) + (Ag\text{ ppm} * 0.01)$ .

Hammer Resources published a JORC (2012) resource report on the project in November 2016 based on 40 reverse circulation drill holes (6,240m) completed between 2013 and 2016. At the time, Hammer used a copper equivalent (CuEq) to calculate the resource base, however, cobalt is the dominant economic metal in the deposit based on current metal prices.

#### Historical Estimate - Hammer Resources: Millennium November 2016 Mineral Resource\*

Classification <sup>1</sup>	Tonnes	CuEq (%)	Cu (%)	Co (%)	Au (ppm)
Inferred	3,070,000	1.29	0.35	0.14	0.12

<sup>1</sup> Cut-off of 1.0% CuEq has been applied for reporting of Mineral Resources; metal prices used were, Cu US\$ 4,600/t, Co US\$ 27,000/t, Au US \$1,330/oz, Ag US\$20/oz (October 1, 2016); metallurgical recoveries were not assumed.

\* There are no more recent estimates or data available. To upgrade this work from an historical estimate to a current mineral resource, the Company will review the data set and complete additional drilling and modelling work to verify the historic estimate as a current mineral resource or mineral reserve. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or reserves, and the issuer is not treating the historical estimate as current mineral resources or reserves.

The deposit remains has been defined along a 1.5-kilometre strike length and remains open to depth and along strike both to the south and north of current drilling limits. Similar geological units and evidence of copper and cobalt mineralisation have been mapped over a 1.5-kilometre zone to the north of the current drill area and the opportunity to discover additional mineralisation is excellent.

#### 1.2.5 Selected Annual Financial Information

The following table presents selected financial information for the three most recent fiscal years; the results are presented in accordance with IFRS.

	Fiscal year ended June 30, 2018	Fiscal year ended June 30, 2017	Period from April 27, 2015 (Incorporation) to June 30, 2016
	-\$-	-\$-	-\$-
Revenue	-	-	-
Loss and comprehensive loss	(875,401)	(1,158,852)	(365,653)
Basic and diluted loss per share	(0.02)	(0.04)	(0.15)
Total assets	4,489,309	4,024,126	3,047,585
Total long-term financial liabilities	-	-	-

### 1.2.6 Results of Operations

For the three months ended September 30, 2018 the Company reported a net loss of \$196,849 or (\$0.00) per share (2017 – \$283,155 or \$0.01 per share). During this period, significant changes in expenses occurred in the expense categories described below.

Operating expenses totaled \$196,849 for the three months ended September 30, 2018 (2017 - \$283,155) as a result of the Company's efforts to market its assets, seek additional financing and research new acquisitions.

The details for the general and administrative expenses for the three months ended September 30, 2018 and 2017 are as follows:

	2018	2017
	-\$ -	-\$ -
Expenses		
General administrative and office	67,955	14,919
Consulting fees	22,500	20,113
Management fees	27,000	42,000
Marketing	34,772	125,665
Advertising and promotions	674	2,288
Corporate development	30,000	42,500
Professional fees	3,000	20,311
Filing fees	5,417	9,009
Travel	5,532	6,350
Total expenses	(196,849)	(283,155)

G&A expenses recorded in the statement of operations reflect the normal corporate business cycle. The Company strives to provide efficient and cost-effective administrative support to management's ongoing efforts to monitor expenditures and costs, and to increase shareholder value.

### 1.2.7 Summary of Quarterly Results

The following table sets out certain financial information of the Company for each of the last 8 quarters, beginning with the second quarter of fiscal 2017. This financial information has been prepared in accordance with IFRS issued by the International Accounting Standard Board ("IASB").

	Q1, 2019	Q4, 2018	Q3, 2018	Q2, 2018
Net revenues	-	-	-	-
Loss and comprehensive loss (gain)	196,849	81,688	241,010	269,568
Loss per share	(0.00)	0.01	(0.01)	(0.01)

  

	Q1, 2018	Q4, 2017	Q3, 2017	Q2, 2017
	\$	\$	\$	\$
Net revenues	-	-	-	-
Loss and comprehensive loss (gain)	283,155	1,073,683	491,752	(107,623)
Loss per share	(0.01)	(0.04)	(0.02)	(0.00)

Quarterly results are highly variable for exploration companies depending on whether the company has abandoned any properties, write off the deferred expenses or granted any stock options.

### 1.2.8 Liquidity

The Company is a mining exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Company has relied upon the sale of equity securities to provide working capital for capital acquisitions, exploration and development activities, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely upon equity and debt financing to raise capital. There can be no assurance that financing will be available to the Company when required, or on terms satisfactory to the Company.

At September 30, 2018, the Company had \$155,708 in cash (2017 – \$178,405).

### 1.2.9 Capital Resources

The Company had at September 30, 2018 a working capital deficiency of \$26,672 (2017 – working capital of \$283,822).

### 1.2.10 Fourth Quarter

N/A

### 1.2.12 Critical Accounting Estimates

The Company's significant accounting policies are contained in Note 3 to the Audited Financial Statements for the year ended June 30, 2018. The preparation of the Audited Financial Statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Audited Financial Statements included the following:

#### *Provisions and contingencies*

The amount recognized as provision, including legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and

estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

### 1.2.13 Changes in Accounting Policies including Initial Adoption of IFRS

The Company adopted IFRS for the year ending June 30, 2015. There were no changes in accounting policies for the year ending June 30, 2018.

### Future Accounting Pronouncements

A number of other new standards and issued amendments to standards and interpretations are not yet effective for the year ending June 30, 2018 and have not been applied when preparing the Company's financial statements. Management does not currently expect the implementation of these new standards and amendments will have a significant effect on the financial statements of the Company.

### Financial Instruments and Other Instruments

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2018	June 30, 2018
	-\$-	-\$-
Accounts payable	156,944	85,751
Accrued liabilities	33,500	20,000
	190,444	105,751

### Fair value

The Company classifies its financial assets as fair value through profit or loss ("FVTPL"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

#### *Fair value through profit or loss*

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category of financial assets.

#### *Fair value hierarchy*

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

- Level 1      Quoted prices in active markets for identical assets or liabilities;
- Level 2      Inputs, other than quoted prices in Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3      Unobservable inputs that are not based on observable market data.

At September 30, 2018, the Company's financial instruments are comprised of cash. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

### Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's has exposure to credit risk on its deposits. The maximum exposure to loss arising from deposits is equal to their carrying amounts.

#### Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company's functional currency the Canadian dollar, limited current assets are in Australian dollars and is therefore exposed to foreign currency risk on those assets.

#### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at September 30, 2018:

	Within 60 days -\$-	Between 61-90 days -\$-	More than 90 days -\$-
Accounts payable and accrued liabilities	190,444	-	-
Convertible debenture	7,843	-	-
	198,287	-	-

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's convertible debentures bear fixed interest rate and therefore does not expose to interest rate risk.

There were no changes in the Company's approach to risk management during the reporting period.

#### Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

#### **1.2.14 Other MD&A Requirements**

##### **Disclosure of Outstanding Share Data**

At September 30, and June 30, there are 47,098,041 common shares outstanding, 4,556,482 stock options outstanding (June 30, 2018 - 4,706,482) and 9,382,133 share purchase warrants outstanding (June 30, 2018 – 10,624,598).

At November 29, 2018 there are 53,386,415 common shares outstanding, 4,556,482 stock options outstanding and 15,716,400 share purchase warrants outstanding.(Note 1.2.15)

In January 2018, the Company issued 730,000 common shares at \$0.20 for a total of \$146,000 pursuant to the exercise of warrants.

On December 15, 2017 the Company issued a total of 9,382,133 units for gross proceeds of \$1,125,856. Each unit consists of one common share at \$0.12 and one common share purchase warrant exercisable at \$0.20 for a period of 30 months. The Company paid \$96,911 in finders' fees, \$54,653 in cash and \$42,257 in shares by issuing 352,146 common shares at \$0.12 per share. No value was attributed to the share purchase warrants using the residual method.

On July 4, 2017 the Company issued a total of 1,242,465 units at a price of \$0.175 per unit for gross proceeds of \$217,431. Each unit consist of one common share and one common share purchase warrant. Each share purchase warrant is exercisable into one common shares at \$0.30 per share for a period of 12 months. A value of \$43,486 was attributed to the share purchase warrants using the residual method.

##### **Risks and uncertainties**

The Company is in the business of acquiring, exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks set out below to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

##### **Limited Operating History**

The Company is still in an early stage of development. The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the early stages of exploration and are without a known deposit of commercial ore. The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

## **Management**

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

## **Conflicts of Interest**

Various of the Company's directors, officers and other members of management may in the future, serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Corporation will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

## **Additional Funding Requirements**

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

## **Price Volatility and Lack of Active Market**

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

### **1.2.15 Subsequent events**

On November 29, 2018, the Company announced that it executed final agreements with Hammer Metals ("Hammer") to accelerate its ownership interest in the Millennium Cobalt Project (the "Millennium Project") as well as the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project (collectively the "Mt. Isa Projects"), such that it will hold 100% of both the Millennium Project and the Mt. Isa Projects. The agreement is subject to TSX approval.

On November 27, 2018 the Company announced that assay results from metallurgical drill holes 18MET-01 to 18MET-05 have been reported at the Werner Lake Cobalt project ("Werner Lake" and/or the "Project") located in Ontario, Canada.

The multi-phase Werner Lake exploration program is part of a \$2.5 million commitment to advance the project and is being solely funded by Marquee for their earn-in of up to 70% interest in the Project. Global Energy Metals currently owns a 70% interest in the Project.

### Highlights:

- Completion of five metallurgical drill holes collecting approximately 150kgs of HQ core, composited and shipped to the SGS Lakefield lab for further metallurgical work.
- **18MET-05** drilled in the West Mine Zone indicated a thickening of the sulphide zone in this area which will be explored further in the next phase of drilling.
  - 7.33m @ 0.827% Co (from 75.28 m down hole).
- **18MET-04** intersected two zones of copper mineralisation down hole from sulphide cobalt zones.
  - 7.41 m @ 0.123% Cu (from 133.6 m down hole) correspond to a wide intercept of sulphides.
- **18MET-03** was drilled to fill a gap in the resource estimate between historic drill holes.
  - The best interval was 1.35 m @ 0.418% Co (from 32.27 m down hole).
  - A second high grade interval of 1.14 m @ 0.293% Co (from 40.07 m down hole).
- **18MET-01** returned 1.90 m @ 0.445% Co (from 36.10 m down hole).
- Samples will also be sent to Zhejiang Meidu Haichuang Lithium Battery Technology Co., Ltd (“China Hitrans”) a potential off-take partner of Marquee.
- Currently Marquee has an interest in 30% of the Werner Lake deposit and as such any proposed off-take would only apply to this interest.
- Assay results still pending for the final drill holes from Phase 2 drilling program.

On November 26, 2018, the Company announced that it closed a second and final tranche of the previously announced non-brokered private placement

The second tranche consisted of 2,603,193 units at a price of \$0.075 per Unit for gross proceeds of \$195,239. In total 6,288,374 shares will be issued in conjunction with this financing with the Company raising an aggregate of \$471,628. The Company will pay \$3,442 and 45,893 broker warrants as finder’s fees on this Private placement.

Each Unit is comprised of one common share of the Company and one transferable common share purchase warrant. Each Warrant will be exercisable to purchase an additional Share of the Company for a period of 12 months from the closing date at a price of CAD\$0.15 subject to acceleration. All securities issued in connection with the Private Placement will be subject to a statutory hold period of 4 months plus a day from the Closing Date in accordance with applicable securities legislation.

Warrants are subject to an acceleration clause whereby if on any 10 consecutive Trading Days occurring after four months and one day has elapsed from the Closing Date, the daily volume weighted average trading price of the common shares of the Company is at least \$0.20 per share, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Subscriber in accordance with the Warrant of such acceleration.

On November 19, 2018 the Company announced that it closed the first tranche of a \$500,000 non-brokered private placement to strategic investors at 7.5 cents per unit for gross proceeds of \$276,389. A total of 3,685,180 units were issued to complete the first tranche.

On November 14, 2018, the company announced that partner Marquee entered into a non-binding Memorandum of Understanding (“MoU”) regarding a cobalt-copper offtake agreement for the Werner Lake Cobalt project (“Werner Lake” and/or the “Project”) with Zhejiang Meidu Haichuang Lithium

Battery Technology Co. ("China Hitrans"), a subsidiary of Shanghai Stock Exchange listed Meidu Energy Co. Ltd. (Code 600175). Global Energy Metals currently owns a 70% interest in the Project.

Highlights:

- Non-binding Cobalt-Copper Offtake Agreement for Marquee's interest in the Werner Lake Sulphide Cobalt project signed with Zhejiang Meidu Haichuang Lithium Battery Technology Co. Ltd.
- China Hitrans is one of the most significant Chinese operating enterprises involved in the manufacturing of battery cathode materials.
- China Hitrans is ranked highly in the Chinese cathode material manufacturing community.
- Negotiations underway for a Formal Offtake agreement with China Hitrans by Marquee.
- Marquee will provide China Hitrans with a metallurgical sample for independent testing within the next 3 months and China Hitrans will work together with Marquee to design the best products to be the potential feed of China Hitrans.
- Currently Marquee has an interest in 30% of the Werner Lake deposit and as such this proposed agreement would only apply to this interest.
- Further Werner Lake drill results expected shortly.

On November 6, 2018 the Company reported exceptionally positive results from the initial metallurgical program conducted over the northern quartzite zone of the Millennium Cobalt Project ("Millennium") in Mt. Isa, Queensland Australia.

Two composite samples were sourced from diamond drill core (MIDD001-MIDD010) from a program conducted at Millennium during the first phase exploration program which continued for several months over the first half of 2018.

The drilling tested the northern quartzite domain that contains the majority of the known resource at Millennium. Highlights of the metallurgical test work include:

- Production of separate cobalt (Co) and copper (Cu) rougher concentrate streams is possible.
- High-grade composite peak rougher floatation test: • Combined Cu recovery of 95.1%
- Combined Co recovery of 95.4%
- Au total recovery of 81.4% reporting dominantly to the Cu concentrate
- Low-grade composite peak rougher floatation test:
- Combined Cu recovery of 91.3% • Combined Co recovery of 91.7%
- Au total recovery of 77.9% reporting dominantly to the Cu concentrate
- It is expected that the concentrate grades may increase on re-grind and final cleaner floatation.

This test-work will be conducted in 2019. The results are considered very encouraging. Looking ahead, further drilling is planned on both the northern and southern portion of the Millennium deposit to expand and upgrade the current resource. This will be accompanied by ongoing metallurgical characterization. GEMC has entered into a binding agreement (the "Agreement") with joint venture partner Hammer Metals ("Hammer") to acquire the balance of the interest in the Millennium Cobalt Project as well as the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project (collectively the "Mt. Isa Projects"), such that it will hold 100% of both Millennium and the Mt. Isa Projects. This accelerated acquisition of cobalt rich assets positions GEMC as the region's leading cobalt explorer/

developer building a district-scale cobalt opportunity in Queensland Australia's Mt. Isa prolific mining jurisdiction.

On November 5, , 2018 the Company announced that Marquee reached the stage one expenditure commitment of A\$1,000,000 and gave notice to the Company of its intention to earn the 70% Interest in the project by incurring the second stage of expenditure (A\$1,500,000) on the project.

On October 29, 2018 the Company announced successful completion of a phase 1 exploration program that partner Marquee Resources Limited ("Marquee") has confirmed encouraging consistency of data from previous drill campaigns at the Werner Lake Cobalt project ("Werner Lake" and/or the "Project") located in Ontario, Canada.

The multi-phase Werner Lake exploration program is part of a \$2.5 million commitment to advance the project and is being solely funded by Marquee for their earn-in of up to 70% interest in the Project. Global Energy Metals currently owns 100% of the Werner Lake Project.

Phase 2 drill campaign has intersected further extensions to cobalt sulphide mineralisation:

- 0.55 m @ 0.534% Co from 202.75 m and 0.73 m @ 0.159% Co from 210.20 m in WL 18-08.
- 0.89 m @ 0.365% Co from 253.86 m from 253.86 in WL 18-09.
- 1.26 m @ 0.299% Co from 279.23 in WL 18-12.
- 3.90 m @ 0.214% Co from 346.00 m, including 2.00 m @ 0.339% Co in WL 18-13.
- Marquee has now completed 18 holes for 4,800 m at the Werner Lake Project with assays for drill holes WL 18-14 through WL 18-16 anticipated shortly.
- Five metallurgical drill holes for 452m have also been completed with met-test work underway.