



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

### **NINE MONTHS ENDED SEPTEMBER 30, 2017 (UNAUDITED)**

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#### **STATEMENT CONCERNING THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Management has compiled the unaudited interim condensed consolidated financial statements as of September 30, 2017 and 2016. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered professional accountants.

# Management's Discussion and Analysis

## For the three-month and nine-month periods ended September 30, 2017

This Management's Discussion and Analysis ("MD&A") is intended to supplement the financial information contained in the Globex Mining Enterprises Inc.'s. ("Globex", the "Corporation" and "we") interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2017 and the annual consolidated financial statements for the two years ended December 31, 2016 and December 31, 2015. This document has been prepared as of November 13, 2017.

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### Overview

Globex Mining Enterprises Inc. ("Globex") is a North American focused exploration and development property bank which operates under the project generator model which seeks to create shareholder value by acquiring mineral properties, undertaking limited exploration and preparing the properties for optioning, joint venturing, or outright sale, all within the goal of advancing the projects towards production. As part of the total compensation arrangements, we seek to secure long-term royalty arrangements which will provide continued financial benefits to Globex and its shareholders.

Currently, we are focused on acquiring properties which meet one or more of the following criteria:

- Have historic or qualified mineral resources,
- Have reported past production,
- Have established drill targets or drill intersections of economic merit and,
- Are located on major geological structures.

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

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

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

Our current mineral portfolio consists of approximately 155 early to mid-stage exploration, development and royalty properties which contain **Base Metals** (copper, nickel, zinc, lead), **Precious Metals** (gold, silver, platinum, palladium), **Specialty Metals and Minerals** (manganese, titanium oxide, iron, molybdenum, lithium, rare earths and associated elements) and **Industrial Minerals** (mica, silica, feldspar, pyrophyllite as well as talc and magnesite).

Globex was incorporated in the Province of Quebec and following the approval of shareholders on June 12, 2014, it was continued under the Canada Corporations Act, effective October 28, 2014. The head office is located at 89 Belsize Drive, Toronto, Ontario M4S 1L3 and the principal business office is located at 86, 14<sup>th</sup> Street, Rouyn-Noranda, Quebec, J9X 2J1, Canada.

Globex's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol GMX, in Europe under the symbol G1MN on the Frankfurt, Stuttgart, Berlin, Munich, Tradegate, Lang & Schwartz Stock Exchanges and trades under the symbol GLBXF on the OTCQX International Exchange in the United States.

Globex's common shares have experienced significant volatility in price and trading volume over the last several years. There can be no assurance of adequate liquidity in the future for Globex's common shares.

## **Economic environment and corporate focus**

### **Economic environment**

Early in 2016, we saw both significant volatility in the world financial markets and downward pressures on all commodity prices much of which was a result of the declines in economic growth in a number of important world economies. During the latter part of 2016, there was a recognition of the rebalancing between supply and demand for a number of commodities including copper and zinc which was reflected in increased commodity prices. Following the U.S. election, the stock markets and commodities prices reflected an anticipation of global growth fuelled by solid growth in China and an improved outlook in Europe as well as anticipated tax cuts and infrastructure spending plans in the U.S.

During 2017, we have seen modest economic growth in a number of European economies, China, Canada and the U.S. On the commodities front, at times, we have seen volatility in the nickel and zinc prices reflecting political inputs in producer countries as well as short-term trader activities.

There has been a decline in the LME Zinc stocks. At this time, there appears to be consensus that the commodity prices will increase over the near-term forecast period as a result of both the lack of new production capacity coming on stream. Commodities are priced globally in U.S. currency so their prices typically move in the opposite direction from the U.S. dollar.

While these trends are positive, a number of factors including political risks, potential interest rate hikes in a number of countries and the U.S. President's governing approach and lack of detailed policy direction represent possible uncertainties which could impact growth targets and near-term metal prices.

During property acquisition, exploration, and financial planning, management monitors metal demand and supply balances as well as price trends. In addition to monitoring the metal prices, management also monitors financing activities in the Junior Mining Sector as this represents the sector in which both current and potential partners generate the financing needed to complete option arrangements with GMX.

Table 1 highlights the comparative metal prices which the Corporation monitors.

### Summary of Metal Prices

#### Current Prices with Comparatives (December 31, 2012 - 2016)

Commodities (USD)	Current	December 31,				
	2017	2016	2015	2014	2013	2012
Gold (\$/oz)	Q1 - 1,244.85	1,145.00	1,060.00	1,180.00	1,205.00	1,656.00
	Q2 - 1,241.55					
	<b>Q3 - 1,283.10</b>					
Silver (\$/oz)	Q1 - 18.06	16.24	13.83	15.70	19.44	30.06
	Q2 - 16.61					
	<b>Q3 - 16.86</b>					
Nickel (\$/pound)	Q1 - 4.51	4.53	4.00	6.68	6.31	7.89
	Q2 - 4.26					
	<b>Q3 - 4.72</b>					
Copper (\$/pound)	Q1 - 2.64	2.50	2.13	2.85	3.35	3.61
	Q2 - 2.69					
	<b>Q3 - 2.93</b>					
Zinc (\$/pound)	Q1 - 1.24	1.16	0.73	0.98	0.92	0.92
	Q2 - 1.25					
	<b>Q3 - 1.45</b>					

Table 1

On September 27, 2016, Nyrstar Inc. announced that as a result of recent increases in zinc prices it was restarting its Mid Tennessee mining and processing operations in Q1 2017. This decision is supported by the recent increase in Zinc prices which rose from USD \$0.82 per pound at June 30, 2016 to USD \$1.16 per pound at December 31, 2016 and currently is trading at USD \$1.48 per pound. Production at the facilities began in May 2017 and Globex received Gross Metal Royalty payments from May to September 2017.

## Corporate Focus

The Corporation's strategy is currently focused on:

- Pursuing ongoing business activities including:
  - Sales and optioning of properties;
  - Targeted exploration to broaden our geological understanding of our properties with a view to creating increased value; as well as
  - Selective property acquisitions.

## Highlights for the three-month and nine-month periods ended September 30, 2017

- On June 21, 2017, the Corporation issued 1,119,718 flow-through shares under a private placement at a price of \$0.71 per share for gross proceeds of \$795,000. The fair value of these shares was \$515,070 (\$0.46 per share) based on the TSX closing price on June 21, 2017.
- Revenues for the third quarter of 2017 were \$352,585 as compared to \$452,305 in 2016.
- The revenues for the nine-month period ended September 30, 2017 were \$1,501,126 as compared to \$982,747 in 2016 with the increase of \$518,379 reflecting zinc metal royalties of \$551,393 (2016 - \$Nil) and net option income of \$949,733 in the current year as compared to \$982,747 in 2016. Further details on pages 16 and 17.
- Total operating expenses for the quarter were \$956,743 (2016 - \$615,404). After adjusting for the non-cash items (depreciation, share-based compensation, impairment provisions, and bad debts), the cash operating expenses were \$307,918 (2016 - \$234,705). Total expenses for the nine-month period ended September 30, 2017 were \$1,767,338 (2016 - \$1,190,074). After adjusting for the non-cash items, the cash operating expenses were \$1,014,583 (2016 - \$684,799). The increase in the expenses both in the three-month and nine-month periods ended September 30, 2017 reflect increased in salary costs and professional fees. Further details on pages 19-21.
- During the three-month period ended September 30, 2017, Globex reported a loss of \$459,405 as compared to a loss of \$71,570 in the comparable period in 2016, and the change mainly reflects an increased decline in the fair value of financial assets and an increase in impairment of mineral properties and deferred exploration expenses.
- During the nine-month period ended September 30, 2017, a loss of \$493,368 as compared to a loss of \$143,628 in the comparable period in 2016.
- Exploration expenditures for the three months ended September 30, 2017 totalled \$362,521 (2016 - \$252,156) and during the nine-month period ended September 30, 2017, exploration expenditures totalled \$1,051,219 (2016 - \$937,849) which reflects eligible flow-through expenditures of \$950,694 (2016 - \$833,283) and non-flow through expenditures of \$100,525 (2016 - \$104,566). The most significant expenditures during the first nine months of 2017 were on the following projects:
  - Timmins Talc-Magnesite (Deloro) - \$98,234,
  - Fabie Bay Magusi (Hebecourt, Montbray) - \$155,720,
  - Devil's Pike (New-Brunswick) - \$21,089,
  - Francoeur (Beauchastel) - \$243,190,
  - Lac Ontario (Cote-de-Beaupre) - \$22,075,
  - Lac Savignac (Northern Quebec) - \$127,072,
  - Pyrox (Clairy) - \$84,156.

Further details on pages 6 - 11.

- At September 30, 2017, cash and cash equivalents totalled \$1,700,125 (restricted funds - \$744,306) compared to \$1,412,273 at December 31, 2016 (restricted funds - \$900,000). The increase includes the \$795,000 of restricted funds raised on June 21, 2017.
- During the first nine months of 2017, Globex spent \$85,215 (2016 - \$46,034) on property acquisitions. The acquisitions in the current period includes \$35,000 related to six cells located in Blondeau Township, Quebec. The cells cover the Kelly Lake copper, nickel, platinum, palladium and cobalt zone.

During the comparable period in 2016, the Devil's Pike Gold Property, was acquired by Globex by issuing 350,000 Globex shares at a deemed price of \$0.25 per share. Globex also issued 280,000 shares at a deemed price of \$0.40 per share to acquire 69 mining claims in Duvernay, Township. Other properties were acquired for cash of \$46,034.

- Proceeds from the sale of investments for the nine months ended September 30, 2017 totalled \$372,300 (2016 - \$109,980). The increase reflects the additional shares received under option agreements late in 2016 and the active investment management of the equity portfolio.

### **Forward-looking statements**

Certain information in this MD&A, including any information as to the Corporation'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 Corporation'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.

### **Qualified person**

All scientific and technical information contained in this MD&A was prepared by the Corporation's geological staff under the supervision of Qualified Persons as defined in National Instrument 43-101. The exploration and technical information presented in this MD&A has been reviewed by Jack Stoch, President and CEO of Globex who is a Qualified Person under NI 43-101.

### **Exploration activities and mining properties**

The Corporation conducts exploration activities in compliance with "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIMM) standards with exploration programs planned and managed by "Qualified Persons" who ensure that QA/QC practices are consistent with National Instrument (NI) 43-101 standards. On all drill projects, selected diamond drill core samples are marked by a geologist and subsequently split, with one-half of the core sent for sample preparation and analysis, in the case of gold, by standard fire assay with atomic absorption or gravimetric finish at an independent, registered commercial assay laboratory. The second-half of the core is retained for future reference. Other elements' concentrations are determined in an industry acceptable manner, for geochemical trace signatures and subsequently for high grade content as required.

When discussing historical resource calculations (not prepared by a qualified person under NI 43-101) available in the public domain regarding our properties, we will include source, author and date of report as well as appropriate, cautionary language stating:

- A qualified person has not done sufficient work to verify the historical estimate as mineral resources or reserves as defined by the Canadian Institute of Mining, Metallurgy and Petroleum Standards for Mineral Resources and Mineral Reserves;
- The issuer is not treating the historical estimate as current mineral resources or mineral reserves; and
- The historical estimate should not be relied upon.

Exploration expenditures for the three months ended September 30, 2017 totalled \$362,521 (2016 - \$252,156) which reflects eligible flow-through expenditures of \$314,611 (2016 - \$226,288) and non-flow through expenditures of \$47,910 (2016 - \$25,868).

During the nine-month period ended September 30, 2017, exploration expenditures totalled \$1,051,219 (2016 - \$937,849) which reflects eligible flow-through expenditures of \$950,694 (2016 - \$833,283) and non-flow through expenditures of \$100,525 (2016 - \$104,566).

**Project Exploration Expenditures**  
**Nine-month periods ended September 30, 2017 and September 30, 2016.**

Region/Property/Township	2017 \$	2016 \$
<b>Ontario</b>		
• Timmins Talc-Magnesite (Deloro)	98,234	102,583
• Other projects	10,391	14,001
	<b>108,625</b>	<b>116,584</b>
<b>Quebec</b>		
• Blackcliff (Malartic)	416	35,778
• Cameron (Grevet)	3,637	27,105
• Carpentier (Carpentier)	878	10,796
• Certac (Le Tac)	958	11,962
• Chubb, McNeely (Lacorne)	9,857	15,898
• Deane (Cadillac)	394	12,906
• Duvan Copper (Des Meloizes, La Reine)	1,038	11,848
• Eagle Mine, Mine Poirier, Soissons (Joutel / Poirier)	3,647	2,774
• Fabie Bay Magusi (Hebecourt, Montbray)	155,720	37,863
• Feldspar (Johan-Beetz)	1,186	17,341
• Francoeur (Beauchastel)	243,190	48,647
• Great Plains (Clermont)	767	17,137
• Lac Ontario (Cote-de-Beaupre)	22,075	3,828
• Lac Savignac (Northern Quebec)	127,072	10,136
• Lyndhurst (Destor / Poularies)	15,310	23,288
• Montalembert (Montalembert)	732	156,980
• Pandora-Wood & Central Cadillac (Cadillac)	4,858	6,559
• Pyrox (Clairy)	84,156	21,841
• Rousseau (Rousseau)	1,217	19,724
• Sheen Lake (Guillet)	257	9,663
• Silidor (Rouyn)	1,440	12,186
• Tonnancour (Tonnancour, Josselin)	11,794	9,537
• Turner Falls (Atwater)	955	13,210
• Other projects	77,632	104,564

Region/Property/Township	2017 \$	2016 \$
• General exploration	98,415	112,590
<b>Total Quebec exploration</b>	<b>867,601</b>	765,199
<b>Other regions</b>		
• Nova Scotia	6,713	1,219
• New Brunswick	21,089	39,242
• Other regions (Canada)	475	1,843
• Other regions (USA)	15,417	13,762
• Other regions (Europe)	31,299	-
<b>Total other regions</b>	<b>74,993</b>	56,066
<b>Total exploration expenditures</b>	<b>1,051,219</b>	937,849
<b>Q1</b>	<b>364,523</b>	304,627
<b>Q2</b>	<b>324,175</b>	381,066
<b>Q3</b>	<b>362,521</b>	252,156
<b>Total exploration expenditures</b>	<b>1,051,219</b>	937,849

**Table 2**

**Notes:**

1. The Property/Region/Townships are consistent with the groupings as reflected in Schedule A to the December 31, 2016 Audited Consolidated Financial Statements.

The exploration expenditures by type are detailed in note 13 to the Interim Condensed Consolidated Financial Statements. During the nine months ended September 30, 2017, the following major types of expenditures were incurred;

- Labour - \$420,829 (2016 - \$579,697),
- Consulting - \$23,255 (2016 - \$29,564),
- Laboratory analysis and sampling - \$104,126 (2016 - \$77,237),
- Drilling - \$143,969 (2016 - \$nil),
- Geology - \$24,650 (2016 - \$95,072),
- Geophysics - \$39,988 (2016 - \$2,685),
- Mining property tax, permits and prospecting - \$87,940 (2016 - \$44,559),
- Reports, maps and supplies - \$23,178 (2016 - \$42,381),
- Transport and road access - \$153,804 (2016 - \$36,503),
- Other - \$29,480 (2016 - \$30,151).

## **Timmins Talc-Magnesite Project (“TTM”)**

### **Background Information**

Detailed background information related to the TTM project is outlined on Globex’s website (<http://www.globexmining.com/TechReports.htm>) and in the Annual Information Form. Key highlights are as follows:

- Globex has completed; (a) ground-based geophysical surveys (magnetometer, VLF-EM, induced polarization and resistivity survey investigations), (b) laboratory metallurgical tests, (c) a mini pilot plant study, (d) an internal Scoping Study, (e) diamond drilling and assaying, (f) mineralogical studies, and (g) several NI 43-101 compliant reports which are available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Corporation’s web-site.

- On December 18, 2013, the Corporation received a 21-year mining lease covering the site of the proposed talc mine. A mining lease is a registered property title which facilitates financing and permitting related to mining and production operations.

#### Current National Instrument 43-101 Technical Reports

- On March 2, 2010, Globex received Micon's NI 43-101 Technical Report providing a Mineral Resource Estimate for the Timmins Talc-Magnesite Deposit. The following resource tonnages and grades were outlined;

#### Mineral Resource Estimate

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

**Table 3**

#### Preliminary Economic Assessment

- On March 2, 2012, Globex issued a press release announcing a National Instrument ("NI") 43-101-compliant Technical Report for the Preliminary Economic Assessment ("PEA") of the TTM project. The full PEA was filed on SEDAR on April 17, 2012. Based on the 2010 mineral resource estimate and a mining rate of 500,000 tonnes per annum, the proposed mine has an identified 60-year mine life within the A zone investigated by diamond drilling during the period of 1999 - 2008.
- This press release also provided a detailed listing of the key operating assumptions as well as a summary of the projected revenues, operating and capital costs for a 20-year mining period covered by the 2012 PEA. The financial results indicate a positive after-tax NPV of \$258.0 million at a discount rate of 8%, an after-tax internal rate of return (IRR) of approximately 20% and a payback period of 5.8 years on the discounted cash flow. The reported cash operating margin averages were estimated at 61% over the initial 20-year period.

#### Project Activities, 2015 - 2017

- In 2015, Globex spent \$91,687 on the project directed towards developing a range of project values and alternate structures which could allow partners to participate or acquire the project. A dedicated consultant was engaged to explore potential parties with related industry knowledge. At that time, discussions were challenging considering the uncertainties in the financial markets and economic outlooks.
- During 2016, exploration expenses of \$114,405 was incurred on the project reviewing and reinterpreting drilling data and sample analysis acquired during the period 2008 - 2014. This analysis and interpretation was mainly designed to gain additional information which could be used in generating an updated resource estimate for potential mine planning and financial modelling.
- During the first nine months of 2017, \$98,234 was spent on the project completing various analyses, including QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscopy) of infill drilling, all of which is designed to support the completion of the revised resource estimate late in 2017 or in the first half of 2018.
- Globex continues to explore various opportunities for the potential products that could be produced and seek opportunities to realize financial benefits from this project.

## Quebec projects

During the nine months of 2017, exploration expenditures of \$867,601 (2016 - \$765,199) were incurred on Quebec projects. The expenditures include the completion of exploration assessment reports for 2017 work completed in late 2016 on the Francoeur/Arntfield Mines gold project.

Ground geophysics was completed on Lac Savignac, Pyrox, and Tonnancour projects and airborne geophysics was performed on Lac Ontario property.

Drilling was completed on the eastern part of the Fabie Bay - Magusi property overlaying Lac Duparquet. Anomalies from the geophysics on Lac Savignac and Pyrox properties were also drilled.

Environmental studies and follow up activities were undertaken on the Francoeur/Arntfield and Lyndhurst properties.

Projects on which the largest expenditures were incurred in the first nine months of 2017 are described below:

- **Fabie Bay/Magusi** (Hébécourt, Montbray) – Two drill holes were completed late in March on the eastern extension of the Fabie Bay-Magusi stratigraphy. Drilling was performed from the lake ice with helicopter support. The first hole was abandoned after 96 metres when the casing did not encounter the bedrock in the vicinity of the Smokey Creek Fault. The second hole encountered strongly altered rhyolite and was halted at 135 metres due to poor ice conditions. No base metals were intersected and a downhole pulse EM survey did not record any anomalies.
- **Francoeur and Arntfield Mines** (Beauchastel, Dasserat twps.) - A report was completed for drill hole FS-16-35 which returned 1.19 gpt Au over 74.0 m including 4.64 gpt Au over 8 m. Prospecting, surface sampling and structural mapping is being performed and this work will lead to stripping and trenching for the area and different other areas where historical intersections have been compiled and visited on the field. Over 230 samples from historical drilling have been sampled to further support the potential for an open pit target, large tonnage, low grade exploration model target.

Prospecting in different areas of the property including Arntfield, Murphy zone, Francoeur shaft #1, Arntfield shaft #1, led to a trenching program completed over late summer consisting of 9 trenches totalling approximately 302 meters in length and averaging 4 meters in width. Best results came from the South Shear located south of the main Francoeur-Wasa shear between Francoeur shaft #1 and Arntfield shaft #1, returning 9.52 gpt Au over 7.1 m including 15.4 gpt Au over 4.1 m. Also the main structure, the Francoeur-Wasa shear returned 8.07 gpt Au over 2 m (open to the south) east of Francoeur shaft #1 and 5.36 gpt Au over 4.2 m west of Francoeur shaft #1.

A 600 meter drilling program is planned to test the Main and the South shear near surface where gold zones were intersected in the recent trenching.

- **Lac Ontario** (Cote-de-Beaupre) - A 460 linear km high resolution helicopter borne magnetic survey was completed in March and resulted in the definition of a large magnetic anomaly located directly north of ilmenite bearing fragments from glacial debris. The magnetic anomaly could possibly be the source of the ilmenite fragments since the ilmenite within the fragment are associated with some magnetite.
- **Lac Savignac** (Northern Quebec) – A ground magnetic survey on a 50 metre spacing grid was completed over a 700 metres diameter anomalous, circular airborne magnetic feature located on the Lac Savignac property. The geophysical anomaly has been drill tested in the second quarter with a 300 metre drill hole. Kimberlite materials has not been observed in the core.

- **McNeely** (Lacorne, Landrienne) – Three days of prospecting and sampling were completed on the McNeely lithium property. Two grab samples of pegmatite dyke presenting spodumene returned anomalous values of 0.38 % and 0.14 % Li.
- **Pendora-Wood** (Cadillac) – A 25 kg sample from the Amm intrusion was selected and shipped to University of Toronto for geochronology analysis to be compare with similar intrusive found regionally along the Cadillac break.
- **Pyrox** (Clairy) – Ground geophysics consisting in Max-Min and Mag surveys was completed on a 5 km linear grid during this winter. An electromagnetic anomaly has been tested in the second quarters with a 129 metre drill hole. Only weak Ni-Cr mineralisation has been intersected.
- **Tonnancour** (Tonnancour, Josselin, Holmes, Bartouille) – Ground geophysics grids from the 2015 geophysical surveys have been extended, mag and max-min surveys were completed on these grid extensions. Anomalies are ready to drill targets.

### New Brunswick projects

- During 2016, exploration expenses of \$79,054 (net of \$40,000 from the New Brunswick Mineral Assistance Program) were incurred on the Devil’s Pike Gold Property, which had been acquired on January 7, 2016. The exploration activities included conducting a property evaluation, soil sampling, geophysical surveys, drill and survey planning, drilling as well as additional claim staking.
- On September 6, 2016 Globex issued a press release outlining that prospecting work had been completed and subsequently on October 24, 2016, Globex announced it had started a three to four-hole drill program on the property.
- The best results from the Globex drilling undertaken in October 2016, came from drill hole DPA-16-01 returning 0.91 gpt Au over 37.15 m from 71.35 to 108.50 metre including 1.36 gpt Au over 16.65 m from 91.85 to 108.5 metres including 7.95 gpt Au over 1.5 m from 101.65 to 103.15. A high-grade antimony intersection grading 12.5 Sb over 0.5 m was encountered from 76.5 to 77.0 metres.
- The area being drilled by Globex is separate from the area where Roscoe Postle Associates Inc. reported on inferred gold resource as summarised below:

Resource Classification	Zone	Tonnes	Capped Au (gpt)	Au Oz	Uncapped Au (gpt)	Au Oz
Inferred	Main Zone	78,200	11.47	28,800	17.10	43,000
Inferred	Parallel Zone	136,600	8.54	37,500	11.41	50,100
Inferred	Total	214,800	9.60	66,300	13.48	93,100

**Table 4**

NI 43-101 Technical Report on the Golden Pike Project, New Brunswick, Canada for Portage Minerals Inc. (Canadian Issuer) by Paul Chamois, MSc (Applied) P. Geo., Tudorel Ciuculescu, M.Sc., P.Geo. and David A. Ross, M.Sc., P.Geo., Roscoe Postle Associates Inc., August 19, 2011 (Posted on SEDAR; see Globex press release dated January 7, 2016 and the NI 43-101 report on Globex’s website, at [www.globexmining.com](http://www.globexmining.com)). Inferred resources are not mineral reserves and do not have demonstrated economic viability.

- During the first nine months of 2017, Globex has completed prospecting, reconnaissance geological mapping and trenching focused on the eastern extension of the Albright Brook occurrence. where drilling in 2016 encountered significant mineralization within altered quartz porphyry such as 0.91 gpt Au over 37.15 meters or 1.36 gpt Au over 16.65 meters and 12.5% Sb over 0.5 meters in hole DPA-16-01 and 2.38 gpt Au and 4.74% Sb over 0.3 meters in DPA-16-03. Outcrop within this sector is sparse due to a thin but extensive cover of glacial tills. However, the program did successfully identify the host altered quartz porphyry approximately 1.5 kilometres to east of the occurrence.

The trenching program, consisting of six trenches totalling approximately 494 meters, was completed to the northeast of the Devils Pike South Deposit. Anomalous gold values in grab and chip sampling were encountered in five of the six trenches, ranging from 0.40 g/t to 2.87 g/t gold over 0.6 meters. The anomalous gold mineralization is associated with both “north” and “east” trending structures within metasediments and mafic volcanics.

- Currently, linecutting (~25 km), ground magnetics, VLF-EM and soil geochemical surveys are in progress to evaluate another prospective area of the property which has seen only limited historical exploration work. This sector of the property contains two mineral occurrences which have yielded gold values of up to 10.90 g/t and 5.8 g/t, respectively, from previous prospecting. Historical soil geochem sampling, only covering the western edge of this area, has identified anomalous values up to 334 ppm As, 4.5 ppm Mo, 20.9 ppm Sb and 642 ppb Au. Later in the fall, further prospecting efforts are planned for this new grid area.

### **Mineral property acquisitions**

During the first nine months of 2017, Globex spent \$85,215 (2016 - \$46,034) on property acquisitions. The acquisitions in the current year includes \$35,000 related to six cells located in Blondeau Township, Quebec. The cells cover the Kelly Lake copper, nickel, platinum, palladium and cobalt zone. Further details related to this acquisition are outlined in Globex’s press released of April 12, 2017 which is posted on Globex’s web-site.

On May 15, 2017, Globex announced in a press release that it acquired, the claims required to complete the acquisition of the Normetmar zinc deposit located approximately one kilometer west-northwest of the former Normetal Mine, also owned by Globex which was one of the largest polymetallic deposits in Quebec.

The Normetmar zinc deposit was reported to be a 306,000 t orebody grading 11 % Zn by Kerr Addison to a depth of 427 m. In 1988, Exploration minière Normetal Inc. (“Exploration Normetal”) reported 160,748 t of probable and possible ore down to a vertical depth of 145 m (Summary Report, Normetmar Project, January 1988 by L. Boivin). (Note: The resources cited above are historical, are not current mineral resources under National Instrument 43-101 regulations, are not being considered by Globex as current resources or reserves, have not been reviewed by a Globex geologist and should not be relied upon.)

Now that Globex owns the entire Normetmar and Normetal Mine properties, we will compile and study all the available data in order to:

- (1) identify drill targets,
- (2) attempt to expand the Normetmar zinc zone and
- (3) determine if the near surface Normetmar zinc body and/or Normetal mine crown pillar and hanging wall can be economically mined.

On August 22, 2017, Saxony Mining Office granted Globex a mining license for the exploration of mineral resources at the Bräunsdorf Property. The license shall expire on 30 September 2022.

The Corporation acquired a 164 square km (63.3 square mile) land package measuring 36 km long by up to 5 km wide in the State of Saxony in southeast Germany. The project herein called the Bräunsdorf licence includes the western part of the famous Freiberg silver mining district which, over an approximate 850 year history, has produced some 5,700 tonnes of silver as well as zinc and lead. The area forming the Bräunsdorf licence has produced, over a 750 year period, at least 882 tonnes of silver (28.8 million ounces) with a current value of over US\$ 500,000,000 (at US\$ 17.50 per oz). For more details, please refer to our press release of September 12, 2017.

During the first nine months of 2016, the major property acquisitions consisted of:

- Francoeur and Arntfield Mine Gold Project (Beauchastel, Dasserat Twps., Quebec),
- Golden Pike Gold Property (also called Devil's Pike, New Brunswick),
- Cameron Shear Gold Property (Franquet and Grevet Twps., Quebec), as well as,
- Several other mineral properties including the McNeely, Pyrox and Certac properties.

### **Optioned and royalty properties**

The most significant partners' reporting for the period follows:

**Johan Beetz Property (Walmer Capital Corp. (name changed to Enerspar Corp. March 30, 2017))** - On August 22, 2016, Globex announced in a press release that it had optioned its Johan Beetz Feldspar Property located in Johan Beetz/Illes et Ilets de Mingan 03 Township, Quebec, to Enerspar Corp. Subsequently, the agreement was modified and it was agreed that upon TSXV Exchange Enerspar it would pay Globex \$100,000 and 2 million Enerspar shares to earn a 100% interest in the property subject to a 2.5% Gross Metal Royalty payable to Globex.

An initial \$100,000 cash payment was received on April 2, 2017 and 2 million shares were received on April 12, 2017, at a deemed price per share of \$0.05 per share.

Enerspar recently commenced exploration work on the Johan Beetz property, which should result in an NI 43-101 resource estimate in 2018 (an initial 43-101 Technical Report was completed earlier in 2017 and is available on the Company's website). According to the management of the Company, this event should lead to a decision to sell the project or take it into production.

**Fontana Gold Property (Duvernay)** - On May 31, 2017 Tres-Or Resources released assay results from the first two drill holes of their drill program on the Globex's Fontana Gold Property northeast of Amos, Quebec. Drill hole F17-01 returned 46.1 g/t Au over 0.5 metre and 10.4 g/t Au over 1.0 metre. Drill hole F17-02 has returned 2.99 g/t Au over 7 metres including 15.91 g/t Au over 1.0 metre.

**St-Urbain (Silicon Ridge) (Rogue Resources Inc. "Rogue", Quebec)** - In August 2015, Rogue acquired the property. Globex received 1,000,000 shares of Rogue, acquisition costs and retains a 1% Net Smelter Return (NSR) up to \$500,000. The Property is located 100 km northeast of Québec City and approximately 40 km north of the City of Baie-Saint-Paul, on the north shore of the Saint Lawrence River.

On April 4, 2016, Rogue announced a name change for the project to Silicon Ridge and reported results from activities initiated in 2015 including completion of seventy-one (71) drill holes, totalling 11,822 m which defined the "G" quartzite unit intersecting approximately 1,950 m of strike length with true widths between 31 m and 115 m and the "H" quartzite unit intersecting approximately 500 m of strike length with true widths ranging from 35 m to 118 m. These units are located approximately 260 m apart. Rogue highlighted intercepts in its April 4 press release from 20 holes which ranged from 8.5 m to 189 m reporting weighted averages of 97.9% to 98.5% Silica (SiO<sub>2</sub>) from the drilling.

In the second quarter of 2016, Rogue reported that testing by Anzaplan concluded the high-grade silica found at Silicon Ridge is suitable for commercial applications. Anzaplan determined that possible products include silicon-based products, high value applications (glass, ceramics) and a variety of fillers. Rogue also announced that a bulk sample would be extracted at Silicon Ridge and processed by ANZAPLAN into a variety of products to support commercial discussions with potential customers.

On June 7, 2016, Rogue announced by press release a resource estimate completed by Met-Chem Canada which identified Measured and Indicated Resources of 9.7 Mt grading 98.6% SiO<sub>2</sub> and Inferred Mineral Resources estimated at 4.6 Mt grading 98.6% SiO<sub>2</sub>. According to the press release, the resource estimate includes resources from 3 zones referred to as the South West, North East and Centre North zones, all zones are open along strike and down dip and have potential for expansion.

On September 14, 2016, Rogue issued a press release announcing a positive Preliminary Economic Assessment for Silicon Ridge Project. The PEA indicates a base case pre-tax NPV (10% discount rate) of \$36.5M and IRR of 40% (after-tax IRR of 33.9% and NPV at 10% of \$23.8M) and pre-production capital requirements of \$10.5M (plus \$2.6M contingency). The preliminary Economic Assessment was filed on SEDAR on October 26, 2016. Subsequently on November 18, 2016, Rogue announced in a press release the results of a survey to quantify the volume of overburden that will be removed and stockpiled and will form a portion of the project optimization process.

On January 5, 2017, Rogue issued a press release providing an update regarding the further analysis to reduce the amount of overburden need to be stripped for open pit mining and the Board of Director's decision in favour of advancing the Silicon Ridge Project in 2017 by beginning to file the necessary application to secure the required permits, certificates and authorizations to initiate development activities. On February 13, 2017, Rogue issued a press release which outlined the major events anticipated for 2017, as the Company drives towards a development decision. On March 26, 2017, Rogue issued a press release providing an update regarding the positive results of public consultation related to the Silicon Ridge Project.

On August 10, 2017, Rogue issued a press release explaining that they were informed by the Ministère des Forêts, de la Faune et des Parcs ("MFFP") that the initial permit will take "additional analysis" and as such these analysis are expected to be completed in the Spring 2018.

**Maude Lake (Ramp Mine)** (Beatty, Carr, Coulson Wilkie Twps) - On February 7, 2017, RJK Explorations Ltd announced assays result from four holes totalling 578 metres of its 5,000 metre drill program to further define the "5 zone." The best result was from drill hole RJK17-04 which intersected 5.37 gpt Au over 14.0 metres from 89.0 to 103.0 metres. On April 19 2017, RJK Exploration announced the beginning of phase 2 drilling targeting down plunge below the 330 metre level where historical drilling had returned high grade gold intersections. On June 19, 2017, RJK reported results for hole RJK-17-06 intersecting 12.6 metres grading 4.50 g/t Au. On July 13, 2017, RJK notified the Corporation that the option was terminated due to a lack of funds to undertake the next phase of exploration.

**Montalembert** (Montalembert twp) - On November 17, 2016, Globex announced that Natan Resources Ltd. (NRL-V) had taken, subject to TSXV approval, an option on Globex's 58 cell, 3,183 hectare Montalembert Gold Property in Montalembert Township, Quebec 10 km northwest of the town of Waswanipi. Under the terms of the agreement, Natan agreed to pay \$2,700,000 and issue 8,500,000 Natan shares to Globex and undertake \$15,000,000 in exploration to earn 100% interest in the property subject to a Gross Metal Royalty (GMR).

On January 20, 2017, Natan Resources announced that the TSXV accepted the filing of the documentation related to this option agreement and Globex received \$300,000 on January 21, 2017.

On February 27, 2017, Natan Resources announced that it had changed its name to Enforcer Gold Corp. On March 1, 2017, Enforcer announced the addition of over 4,000 hectares to the Montalembert property increasing its size to 7,293.6 hectares (all subject to terms of the option agreement). On March 28, 2017, Enforcer began a very high resolution aeromagnetic survey over the entire Montalembert property using Geotech's HeliGrad-VLF EM triaxial gradiometer system.

On March 30, 2017, Enforcer released metallic sieve assay results for the high grade Montalembert gold project. Seven out of nine samples returned higher gold grade (up to a 1835% increase) using metallic sieve compared to the previous analytical method using fire assay and gravimetric finish. 2017 exploration program will consist of data compilation, ground and airborne geophysics, stripping of overburden, mapping, prospecting, channel sampling, RC and diamond drilling.

On June 6, 2017, they announced the start of a 45 line-km IP survey over the main Galena and No 2 vein gold bearing vein systems. Other work including additional stripping to extend the Galena and No2 veins, channel sampling, property-wide prospecting and geochemical sampling, 5,000 m to 8,000 m of core drilling and 1,000 m of RC drilling are planned.

On July 5, 2017, Enforcer announced that it had started an up to 8,000 m drill program on the Montalembert property. Drilling will be focused primarily on the Galena and No.2 gold bearing vein systems where previous surface channel sampling has returned assays in excess of 500 g/t Au. Drilling will be at 25 m centers to a vertical depth of 100 m. HQ sized core will be recovered in order to obtain a larger rock sample that could be gotten using more common and smaller diameter BQ or NQ core. This is being done in order to try to limit the “nugget effect” (the erratic distribution of coarse free gold) which makes it difficult to determine the true average grade of the vein systems. The larger the sample, the more likely it will be representative of the area being drilled. The “nugget effect” is a two-edged sword. It is difficult to establish an average gold grade by drilling but the presence of coarse free gold can potentially result in a significantly higher recoverable gold grade than indicated by drilling, when mining.

On July 26, 2017, Enforcer announced assay results from two channel samples from the recently stripped northern extension of No. 2 Vein on the Montalembert property. Channel sample MCH 225702 which contains coarse visible gold and was reported in Enforcer’s press release dated July 11, 2017 returned the following assay:

Sample #	Gold (g/t)	Gold (oz/T)	Width (m)	Width (ft)
MCH 225702	<b>3,310</b>	<b>96.65</b>	1	3.28
MCH 225703	1.93	0.05	1	3.28
Channel Sample MCH 225703 was collected 20 m north of sample MCH 225702. See Enforcer press release for sampling and assaying details.				

Enforcer stated “We are very encouraged by the early results that demonstrate the continuity of the No. 2 shear zone to the north of the historical exposure limit and to find high-grade pockets of mineralization along the 189 m length of the vein that is currently exposed. Diamond drilling has begun at Montalembert and this structure will be fully tested in the weeks ahead.”

**Nordeau** (Vauquelin, Pershing and Denain twps.) - On March 7, 2017, Chalice Gold Mines Ltd. has provided an updated mineral resource estimate comprising indicated mineral resources of 225,000 tonnes at 4.17 grams per tonne gold for 30,200 ounces Au contained and an inferred mineral resource of approximately 1,112,000 tonnes at 4.09 g/t Au for 146,3000 ounces Au contained within the Nordeau West gold deposit. On March 13, 2017, Chalice announced that they had commenced its 2,000 metre diamond drilling program.

**Houlton Woodstock (Sunset Cove Mining Inc. (named changed to Manganese X Energy Corp., December 1, 2016, (“Manganese X”))** - On April 22, 2016, Globex entered into an Option Agreement with Sunset Cove Mining Inc. related to the Houlton Woodstock Manganese Property located in the Province of New Brunswick.

Under the option terms, Sunset can exercise the option and earn a 100% interest in the property by making cash payments of \$200,000 (\$100,000 on signing the agreement and \$100,000 on or prior to April 22, 2017), issuing an aggregate of 4,000,000 common shares to Globex and incurring aggregate exploration expenditures of \$1,000,000 on the property during the two-year period following the effective date and the completion of a PEA on or before the fourth anniversary date.

On April, 28, 2016, the initial \$100,000 option payment was received and in December 2016, 1,000,000 shares were received. On January 30, 2017, the second payment of \$100,000 was received and an additional 1,000,000 common shares were issued to Globex on April 22, 2017.

During the fourth quarter of 2016 and first quarter of 2017, Manganese X Energy Corp. was very active in completing corporate activities, filing technical reports (November 30, 2016, Press Release), planning and completing a drilling program (December 21, 2016, Press Release), initiating an Electrolytic Manganese Dioxide Concept Study (December 29, 2016, Press Release), Formation of Technical & Marketing Advisory Board (January 16, 2017, Press Release) and completing a private placement financing with a target of \$1,425,000 (January 31, 2017, Press Release).

In a Press Release, on February 3, 2017, Manganese X provided an update on Assay Results and the Globex Option Payments. It stated that the Corporation has recently completed a diamond drill program at its Houlton Woodstock manganese property located in Carleton County, New Brunswick (the "Property"). The drilling program consisted of 16 holes totalling 3,589 metres, and was completed as an initial test of three priority areas on the property: the Iron Ore Hill, Sharpe Farm and Moody Hill manganese occurrences. Drill targets were chosen based upon results derived from gravity and magnetometer surveys completed in October 2016.

On February 14, 2017, Manganese X reported the results of their 16 hole drill program totalling 3,589 metres having intersected core lengths of 87.7 m grading 9.35% MnO and 16.54% Fe<sub>2</sub>O<sub>3</sub> (SF-16-01), 78.9 m grading 11.48% MnO and 19.17% Fe<sub>2</sub>O<sub>3</sub> (SF-16-02), 85.5 m grading 11.47% MnO and 19.31% Fe<sub>2</sub>O<sub>3</sub> (SF-16-04), and 75.6m grading 12.11% MnO and 18.33% Fe<sub>2</sub>O<sub>3</sub> (SF-16-04). In March 2017, Manganese X Energy Corp. entered into its next phase of work consisting of an innovative metallurgical project. It is also their intention to produce an inferred resources NI 43-101 technical report by December 2017.

On March 2, 2017, the Company issued a press release providing an update with Technical Insights which highlighted that the Company has entered into an innovative metallurgical project which is developing a process in order to produce a manganese concentrate to be utilized for production of Electrolytic Manganese Dioxide which is also known as EMD, EMD is a high value manganese product which is utilized within various applications especially for lithium ion battery cathode material for electric vehicles. The press release which is filed on [www.sedar.com](http://www.sedar.com) further highlights the analysis approaches being followed and the involvement of Kingston Process Metallurgy in an initial process and test work review.

On April 11, 2017, the Company announced that it had received preliminary results from SGS-Lakefield of chemical analyses, mineralogical characterizations and assessments of the Company's Sharpe Farm and Moody Hill occurrences at its manganese property near Houlton-Woodstock, New Brunswick.

Based on the initial drill assay results, chemical analyses showed manganese contents of 9.42 and 10.45% Mn in the Red and Grey composites respectively. From the X-ray diffraction and QEMSCAN studies it was determined that the manganese occurs in several mineralogical forms including carbonates and silicates where the concentration across the various manganese-bearing species averaged 23% Mn (grey) and 27% Mn (red) with individual values of up to 45% Mn. In addition to the determination of the mineralogical composition of the samples submitted, PMA or particle map analysis was also carried out which permits measurement of individual mineral grain sizes and liberation characteristics. This information will prove invaluable as the Company moves towards assessing proposals from various research establishments with the goal of upgrading the ore to produce a marketable manganese concentrate.

In addition to a series of outreach proposals to commercial laboratories, the Company has also commenced discussions for a potential collaboration with NRC, the National Research Council Canada, which has expertise in mineral processing within the Energy, Mining and Environment sector and could offer assistance to the Company as it positions itself to be a significant supplier to the North American Li-ion market.

On May 25, 2017, Manganese X Energy Corp. announced that it had started a 1,600 metre drill program targeting the Sharpe and Moody Hill areas where wide space drill holes in 2016 intersected manganese oxide grades such as 16.73 % MnO over 32.85 m and 13.87 % MnO over 52.6 m. (See Manganese X press release dated May 25, 2017).

Overall, Globex is pleased with the progress that has been made in such a short period.

**Beauchastel Properties (Opawica Explorations Inc.)** - On July 27, 2016, Globex entered into a property option agreement with Opawica Exploration Inc. ("Opawica") related to 24 claims in Beauchastel Township, Quebec for a cash payment of \$30,000 and 500,000 Opawica common shares.

On or before January 31, 2017, Opawica as optionor, was scheduled to pay an additional \$30,000 and 500,000 Opawica common shares. The property will be subject to a 3% Gross Metal Royalty payable to Globex. These claims adjoin Opawica's Bazooka Gold Property.

On October 27, 2016, Opawica announced in a press release the initialization of drill mobilization in November 2016. On January 30, 2017, Opawica announced that a delay in obtaining the access permit had required it to amend mobilization arrangements with the drill contractor. Drilling at Opawica's 100% owned Bazooka Property commenced in mid-February 2017.

This press release reported that it had also obtained a three-month extension on its Option to acquire 100% interest in Globex's claims. The final option payment of \$30,000 and 500,000 Opawica common shares was extended to April 30, 2017, for consideration of \$5,000 and 250,000 common shares payable upon receipt of the TSXV acceptance of the extension which was received on February 8, 2017. The \$30,000 cash payment and the issuance of 500,000 Opawica common shares were made effective April 21, 2017.

## Sales and net option income

During the three-month period ended September 30, 2017, no net option income (2016 - \$452,305) was reported. The net option income consisted of cash - \$50,000 (2016 - cash of \$530,000 and shares with a fair market value of \$87,500) which was offset by the recovery of deferred exploration expenses of \$50,000 (2016 - property acquisition costs of \$8,374 and deferred exploration expenses of \$156,821).

During the nine-month period ended September 30, 2017, net option income of \$949,733 (2016 - \$982,747) was reported. The net option income consisted of cash - \$750,000 (2016 - \$896,500) and shares with a fair market value on receipt of \$819,675 (2016 - \$424,000) which was reduced by the recovery of property acquisition costs and deferred exploration expenses of \$619,942 (2016 - \$337,753).

### Sales and net option income for the nine-month period ended September 30, 2017

Property, Agreements Summary <sup>1</sup>	Net Option Income	Recovery of Property Acquisition	Recovery of Exploration Expenses
	\$	\$	\$
<b>Sales and Options</b>			
<ul style="list-style-type: none"> <li>• Khalkos Exploration Inc., Deane property, Cadillac, Quebec, cash of \$10,000 and 175,000 common shares with a fair market value of \$25,375, April 20, 2017 agreement.</li> </ul>	<b>22,136</b>	-	<b>13,239</b>
<ul style="list-style-type: none"> <li>• Other, Fabie Bay, Magusi, Hébecourt &amp; Montbray Twps, Quebec, cash payment of \$25,000.</li> </ul>	-	-	<b>25,000</b>

Property, Agreements Summary <sup>1</sup>	Net Option Income \$	Recovery of Property Acquisition \$	Recovery of Exploration Expenses \$
<b>Option and sale payments under Agreements from prior years</b>			
<ul style="list-style-type: none"> <li>Enforcer Gold, Montalembert Property, Quebec, cash payment of \$300,000 and 1.5 M. common shares with a fair market value of \$315,000.</li> </ul>	<b>218,722</b>	<b>6,749</b>	<b>389,529</b>
<ul style="list-style-type: none"> <li>Enerspar Corp. (Walmer Capital), Feldspar Property, Johan Beetz, Quebec, cash payment of \$100,000 and 2.0 M. common shares with a fair market value of \$100,000.</li> </ul>	<b>181,392</b>	<b>120</b>	<b>18,488</b>
<ul style="list-style-type: none"> <li>Galway Metals, Tower Hill Property, Quebec, acquired for 260,000 common shares with a fair market value of \$79,300.</li> </ul>	<b>78,640</b>	<b>660</b>	-
<ul style="list-style-type: none"> <li>Great Thunder Gold Corp., Chubb and Bouvier properties, Quebec, cash payments of \$20,000.</li> </ul>	<b>18,167</b>	-	<b>1,833</b>
<ul style="list-style-type: none"> <li>Manganese X Energy Corp., Houlton Woodstock Property, New Brunswick, cash payments of \$100,000 and 1.0 M shares with a fair market value of \$185,000.</li> </ul>	<b>283,933</b>	-	<b>1,067</b>
<ul style="list-style-type: none"> <li>Opawica Explorations Inc., Beauchastel claims, Quebec, cash payments of \$35,000 and 750,000 common shares with a fair market value of \$62,500.</li> </ul>	<b>97,500</b>	-	-
<ul style="list-style-type: none"> <li>Renforth Resources, Parbec Property, Quebec, cash payments of \$125,000 and 500,000 common shares with a fair market value of \$37,500.</li> </ul>	-	-	<b>162,500</b>
<ul style="list-style-type: none"> <li>RJK Explorations Ltd, Ramp Property, Ontario, 100,000 common shares with a fair market value of \$15,000.</li> </ul>	<b>14,243</b>	-	<b>757</b>
<b>Advance royalties</b>			
<ul style="list-style-type: none"> <li>Tres-Or Resources, Duvay (5 claims), Quebec, cash payment of \$35,000.</li> </ul>	<b>35,000</b>	-	-
<b>Net option income and advance royalties for the period</b>	<b>949,733</b>	<b>7,529</b>	<b>612,413</b>
<b>Quarter-ended</b>			
<ul style="list-style-type: none"> <li><b>March 31, 2017</b></li> </ul>	<b>480,394</b>	<b>7,409</b>	<b>416,497</b>
<ul style="list-style-type: none"> <li>March 31, 2016</li> </ul>	55,000	-	37,500
<b>Quarter-ended</b>			
<ul style="list-style-type: none"> <li><b>June 30, 2017</b></li> </ul>	<b>469,339</b>	<b>120</b>	<b>145,916</b>
<ul style="list-style-type: none"> <li>June 30, 2016</li> </ul>	475,442	113,958	21,100
<b>Quarter-ended</b>			
<ul style="list-style-type: none"> <li><b>September 30, 2017</b></li> </ul>	-	-	<b>50,000</b>
<ul style="list-style-type: none"> <li>September 30, 2016</li> </ul>	452,305	8,374	156,821
<b>Nine months ended</b>			
<ul style="list-style-type: none"> <li><b>September 30, 2017</b></li> </ul>	<b>949,733</b>	<b>7,529</b>	<b>612,413</b>
<ul style="list-style-type: none"> <li>September 30, 2016</li> </ul>	982,747	122,332	215,421

**Table 5**

**Note**

1. Details of the original option agreements negotiated in prior years are detailed in the Corporation's 2016 Annual Information Form.

### **First Quarter 2017 Option Agreements**

#### **Galway Metals Inc., Tower Hill Property**

On December 14, 2016, Globex entered into an agreement with Galway Metals Inc. and 252780 Ontario Inc. for them to acquire the Tower Hill Property located in New Brunswick. The purchase price of the property consisted of; (a) the issuance of 260,000 common shares of Galway Metals Inc. and the grant of a 2.5% gross metal royalty. The shares were received on January 3, 2017.

### **Second Quarter 2017 Option Agreements**

#### **Khalkos Exploration Inc., Deane Property**

On April 20, 2017, Globex entered into a purchase agreement whereby Khalkos Exploration Inc. agreed to acquire a 100% legal and beneficial interest in the Deane Property located in Cadillac Township, Quebec comprised of 3 mining claims. Under the agreement, Khalkos agreed to; make a cash payment of \$10,000, issue 175,000 Khalkos common shares and reserve a 2% GMR for Globex.

#### **RJK Explorations Ltd., Maude Lake (Ramp Mine)**

On April 21, 2017, Globex entered into an agreement providing for the deferral of the payment date of the annual property payment of \$250,000 due on May 16, 2017 to July 16, 2017 in return for the issuance of 100,000 RJK Exploration Class A subordinate voting share to Globex. The 100,000 shares were issued on May 8, 2017 at a deemed price of \$0.15 per share. On July 13, 2017, RJK notified the Corporation that it would not be making its payment and therefore terminating its option agreement.

### **Third Quarter 2017 Option Agreements**

No new option agreement was closed during the three-month period ended September 30, 2017.

### **Fourth Quarter 2017 Option Agreements**

On September 27, 2017, Globex announced that it had been signed a letter of intent for the sale of Donalda Gold Mine Property to Falco Resources Ltd. The final agreement was signed on October 5, 2017.

In consideration for the acquisition of the Donalda Gold Mine Property, Falco has agreed to pay \$300,000 in cash and issue 350,000 units to Globex. Each unit consists of one (1) common share of Falco and one (1) common share purchase warrant of Falco. Each warrant will entitle the holder thereof to purchase one (1) common share of the Company at a price of C\$1.15 per common share, for a period of 5 years following the closing date. Additionally, Falco has agreed to grant Globex a 2.5% Gross Metal Royalty on all mineral production from the Donalda Gold Mine property and to transfer a 100% ownership of Falco's Dickenson gold property located on the east side and adjoining Globex's Francoeur/Arntfield gold property. The Dickenson property consists of three claims totally 211.38 ha. Historical drilling on the Dickenson property returned numerous gold intersections.

### **Royalties**

At September 30, 2017, thirty-five royalty arrangements were in effect at various stages. During the nine-month period ended September 30, 2017, Globex acquired five new royalty arrangements.

<b>Property, Township, Province</b>	<b>Royalty Interests</b>	<b>Optionee</b>
Deane, Cadillac, Quebec	2% GMR	Khalkos Explorations Inc.
Matchi-Manitou, Pershing, Quebec	2% GMR	Renforth Resources Inc.
Penaroya, Carheil & Lapeltrie, Quebec	1% GMR	Midland Explorations Inc.
Silica Properties, Fortune Bay, Gros Morne, Newfoundland	1% GMR	MidAtlantic Minerals Inc.
Silica Properties, Villejoie & Robineau, Quebec	1% GMR	MidAtlantic Minerals Inc.

The Corporation's Annual Information Form and website [www.globexmining.com](http://www.globexmining.com) provides Property Descriptions, a list of Royalty Interests, as well as the Optionees of the various properties.

Globex is entitled to a Gross Metal Royalty ("GMR") for zinc production from the Nyrstar Gordonsville facility. Under this agreement, if the LME zinc sale price is at or above USD\$ 0.90 per pound, but below USD \$1.10 per pound then the royalty is 1% and if the LME zinc sale price is equal to or above USD \$1.10 per pound then the royalty is 1.4%.

## Summary of quarterly results

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

	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenues	352,585	668,147	480,394	374,242	452,305	475,442	55,000	20,000
Total expenses	956,743	400,586	410,009	813,314	615,404	268,245	306,425	2,074,489
Other income (expenses)	(56,186)	(321,094)	166,637	(118,188)	114,703	(79,664)	97,379	(7,299)
Income (loss) <sup>(1)</sup>	(459,405)	(177,607)	143,644	(240,128)	(71,570)	58,611	(130,669)	(1,610,973)
Income (loss) per common share								
- Basic and diluted	(0.01)	0.00	0.00	(0.01)	(0.00)	0.00	(0.00)	(0.04)

**Table 6**

Note:

1. Attributable to common shareholders of the Corporation.

During the last eight quarters, the following trends are reflected in the financial results:

- Globex generates revenue from sale/option arrangements and gross metal royalty income from Nyrstar Inc. if the zinc price is above USD \$0.90 per pound. In the third quarter of 2015, Zinc prices fell below USD. \$0.90 per pound and the facilities were put on a "care and maintenance" basis on December 7, 2015. In May 2017, the Nyrstar facilities restarted and the average LME zinc prices were greater than USD \$1.16 per pound and as a result, during the second and third quarter of 2017, gross metal royalty income of \$551,393 (USD \$431,750) was recorded.
- During the second, third and fourth quarters of 2016, as well as the first three quarters of 2017, the revenues reflect the successful completion of a number of option arrangements as a result of the renewed level of financings in the Junior Mining Sector which represents Globex customers.
- The total quarterly expenses as reported above reflect, salaries, administration, professional fees and outside services, share based compensation, impairment provisions, loss (gain) on foreign exchange and bad debt expenses. In accordance with GMX's accounting policy, general exploration expenses are expensed as incurred; however, in these respective periods as outlined below, additional impairment provisions have been recorded:
  - 2017 – Q3 - \$643,633
  - 2016 - Q4 - \$526,339
  - 2016 - Q3 - \$233,887
  - 2015 - Q4 - \$1,636,913
- During the first three quarters of 2017, the quarterly expenses have increased by approximately \$55,000 over the fourth quarter 2016 expenses after excluding impairment provisions. The increase mainly represents additional administration and investor relations expenses.

The expenses for the third quarter of 2016 and the fourth quarter of 2015 also include \$141,620 and \$38,448 respectively for stock based compensation related to stock options that were issued in the period and immediately vested.

- The variations in other income or expenses mainly reflect an increase or decrease in the fair value of equity investments. During the nine-month period ended September 30, 2017, the Corporation recorded a decline in the fair value of investments of \$178,303 (2016 – increase of \$66,290) . These changes are mainly related to equity investments received as compensation under sale/option agreements negotiated in 2016. Part of the decline in the fair value is a result of the “four-month” hold period imposed on these shares.

## **Results of operations for the three-month and nine-month periods ended September 30, 2017**

### **Revenues**

Revenues for the third quarter of 2017 were \$352,585 as compared to \$452,305 in 2016. No net option income were recorded as compared to \$452,305 in 2016. Zinc metal royalties of \$352,585 were recorded as compared to \$nil in 2016.

The revenues for the nine-month period ended September 30, 2017 were \$1,501,126 as compared to \$982,747 in 2016 with the increase of \$518,379 reflecting zinc metal royalties of \$551,393 (2016 - \$nil) and net option income of \$949,733 in the current year as compared to \$982,747 in 2016.

### **Total expenses**

In the third quarter of 2017, the total expenses were \$956,743 compared to \$615,404 in 2016. The net increase of \$341,339 represents an increase in salaries, professional fees and impairment of mineral properties and deferred exploration expenses as well as it has been offset by a decrease in share-based compensation and payments.

During the nine-month period ended September 30, 2017, total expenses were \$1,767,338 as compared to \$1,190,074 in the comparable period ended September 30, 2016. The increase of \$577,264 reflects increased:

- salary costs of \$157,265,
- administration expenses of \$49,387 representing increased facilities and security, translation, transfer agent and investment costs,
- professional fees of \$152,674 representing additional investor relations and project finder’s fees,
- impairment of mineral properties and deferred exploration expenses of \$412,132 and

An offsetting net decrease of \$194,194 representing differences in depreciation, share-based compensation and payments, loss (gain) on foreign exchange and bad debt expense.

### **Salaries**

- The increase in salaries from \$92,001 in the third quarter of 2016 to \$185,350 in the period ended September 30, 2017 reflects a partial reinstatement of the President and CEO and Executive Vice-President salary reductions which had been instituted in 2014 and limited salary increases implemented in the fourth quarter of 2016 as well as the departure allowance of the former Chief Financial Officer who resigned from the organization effective September 20, 2017
- During the nine-month period ended September 30, 2017, the total salaries increased from \$264,279 to \$421,544 with the increase of \$157,265 mainly representing a partial reinstatement of executive salaries and the departure allowance of the former Chief Financial Officer.

## **Administration**

- Administration expenses represent a combination of office expenses, conventions and meetings, advertising and shareholder information, transfer agent as well as other administrative expenses as detailed in note 18 to the Interim Condensed Consolidated financial statements.
- During the three-month period ended September 30, 2017, the administration expenses totalled \$71,710 as compared to \$80,176 in the comparable period in 2016. The decrease of \$8,466 mainly reflects higher building maintenance costs in the same period of 2016 due to the acquisition of Francoeur mine site infrastructures.
- During the nine-month period ended September 30, 2017, the administration expenses totalled \$259,999 as compared to \$210,612 with the increase of \$49,387 attributable to the various items as detailed above.

## **Professional fees and outside services**

- The professional fees and outside services represent a combination of services as detailed in note 18 to the Interim Condensed Consolidated financial statements.
- During the three-month period ended September 30, 2017, the Professional fees and outside service costs totalled \$69,121 as compared to \$66,043 in 2016. The increase of \$3,078 is mainly related to the additional investor relations efforts reflected in additional expense of \$3,979. This item is offset by variations in other items.
- During the nine-month period ended September 30, 2017, professional fees and outside services totalled \$348,814 as compared to \$196,140 in 2016. The increase of \$152,674 mainly represents an increase in investor relations expenses of \$127,363 and additional audit and accounting fees of \$25,250 with the remaining \$61 related to other professional fees.

## **Depreciation**

- The depreciation expense was \$5,192 in the three-month periods ended September 30, 2017 and September 30, 2016.
- The decrease in the depreciation expense in the nine-month period ended September 30, 2016 from \$25,047 to \$15,576 in the current year is due to some fixed assets being fully amortized in 2016.

## **Share-based compensation and payments**

- For the three-month period ended September 30, 2017, no share-based compensation and payments totalled was recorded (2016 - \$141,620). During the nine-month period ended September 30, 2017, no share-based compensation was recorded as compared to \$149,416 in the same period in 2016.
- No stock options were granted during the nine-month period ended September 30, 2017.
- On July 25, 2016, the Corporation issued 720,000 stock options to Directors which vested immediately. The options had a fair market value of \$0.20 per share.

## **Loss (gain) on foreign exchange**

- During the three-month period ended September 30, 2017, a gain on foreign exchange of \$18,263 (September 30, 2016 - \$3,515) was recorded which mainly represents the net adjustment of the values of assets and liabilities at the end of the period. The change in the current period reflects the reduction in the Corporation's US dollar net assets.

- During the nine-month period ended September 30, 2017, a gain on foreign exchange of \$15,774 was recorded as compared to a loss of \$13,768 in 2016. The change in the current period reflects the reduction in the Corporation's US dollar net assets as it was not in receipt of U.S. dollar metal receipts from Nyrstar Inc. in the current year.

#### Bad debt

- During the nine-month period ended September 30, 2017, no bad debt expense was recorded (September 30, 2016 – \$5,765).

#### Impairment of mineral properties and deferred exploration expenses

- During the quarter ended September 30, 2017, an impairment provision of \$643,633 (2016 - \$233,887) was recorded. During the nine-month period ended September 30, 2017, an impairment provision of \$737,179 (2016 - \$325,047) was recorded against the various properties and deferred exploration expenses as detailed below. These provisions reflect management's current plans and budgets for the various properties.

Region/Property/Township	Three-months ended		Nine- months ended	
	September 30,	September 30,	September 30,	September 30,
	2017	2016	2017	2016
Quebec				
Blackcliff (Malartic)	\$ -	\$ 35,023	\$ -	\$ 35,023
Certac (Letac)	23,448	-	23,448	-
Deane (Cadillac)	201	12,906	201	12,906
Duvan Copper (Desmeloizes)	1,745	73,605	1,745	73,605
Geoffroy (Pascalis)	11,815	-	11,815	-
Guyenne (Guyenne)	577	3,679	577	3,679
Joutel Mine (including Joubel)	-	1,401	-	1,401
Lac Cameron (Grevet)	32,818	27,614	32,818	27,614
McNeely (Lacorne)	27,582	-	27,582	-
New Richmond (New Richmond)	-	14,409	-	14,409
Smith-Zulapa (Tiblemont / Tiblemont)	1,416	141	1,416	141
Rousseau (Rousseau)	23,347	-	23,347	-
Rich Lake (Montbray)	207,949	-	207,949	-
Santa Anna (La Reine)	182,643	-	182,643	-
Silidor (Rouyn)	11,374	-	11,374	-
Turner Falls (Villedieu / Atwater)	2,011	12,343	2,011	12,343
Other projects	52,988	10,102	52,988	10,102
Project provisions	579,914	191,223	579,914	191,223
General exploration	63,719	42,664	157,265	133,824
Total impairment provisions	\$ 643,633	\$ 233,887	\$ 737,179	\$ 325,047

- While impairment provisions have been made against these properties, management believes that a recovery will take place in the future representing a substantial portion, if not all of the costs. The exact recovery will be subject to a number of factors including the successful negotiation of option or sale arrangements.

#### Other income (expenses)

- Other income (expenses) reflects interest income, joint venture loss, decrease in fair value of financial assets, gain (loss) on the sale of investments and management services including administrative, compliance, corporate secretarial, risk management support and advisory services provided to Chibougamau Independent Mines Inc. ("CIM").

- During the three-month period ended September 30, 2017, the Corporation recorded other expenses of \$56,186 as compared to other income of \$114,703 in 2016.
- In the nine-month period ended September 30, 2017, the Corporation recorded other expenses of \$210,643 as compared to other income of \$132,418 in 2016.
- In both periods, the expense mainly reflects the decrease in fair value of financial assets.

#### **Increase (decrease) in fair value of financial assets**

- In the first quarter of 2017, the Corporation recorded an increase in fair value of financial assets of \$133,032 (2016 - \$72,087), in the second quarter of 2017, a decrease in the fair value of financial assets of \$300,463 (2016 - \$115,815) and in the third quarter of 2017, a decrease in the fair value of financial assets of \$10,872 (2016 – increase of \$110,018) was reported.
- For the nine-month period ended September 30, 2017, a decrease in the fair value of financial assets of \$178,303 (2016 – increase of \$66,290) was reported. The fair value of equity investments is detailed in note 6 to the September 30, 2017 Interim Condensed Consolidated financial statements.

#### **Gain (loss) on the sale of investments**

- In the first quarter of 2017, the Corporation recorded a gain of \$2,150 on the sale of one million Secova Metals Corp. and 300,000 Great Thunder Gold Corp common shares which had been received under property option agreements. In the first quarter of 2016, the Corporation sold 250,000 Integra Gold Corporation shares at \$0.40 per share for net proceeds of \$99,980 and a gain on sale of investments of \$17,480.
- During the second quarter of 2017, shares in the following Corporations were sold, which resulted in a loss on sale of investments of \$33,521 (2016 - \$Nil):

Number of Shares	Issuer
200,000	Canadian Metals Inc.
25,000	Great Thunder Gold Corp.
1,031,000	Laurion Mineral Exploration Inc.
1,000,000	Manganese X Energy Corp.
1,000,000	Plato Gold Inc.
500,000	Renforth Resources Inc.
50,000	Rogue Resources Inc.
587,000	Sphinx Resources Ltd.
30,000	Vantex Resources Ltd.

- During the third quarter of 2017, the Corporation recorded a loss of \$55,883 on the sale of 50,000 Renforth Resources Inc. shares, 17,572 Mag Copper shares and 338,000 Manganese X Energy Corp. shares which had been received under property option agreements. In the third quarter of 2016, the Corporation sold 100,000 Sphinx Resources Ltd shares at \$0.10 per share for net proceeds of \$10,000 and a gain on sale of investments of \$7,000.
- For the nine-month period ended September 30, 2017, a loss on the sale of investments of \$87,254 (2016 - gain of \$24,480) was recorded.

#### **Management services**

- During the three-month period ended September 30, 2017, the Corporation recorded management services income of \$6,638 (September 30, 2016 - \$11,060) which was lower than the previous year, as in 2016, CIM completed a share consolidation and a financing which required additional management efforts in that quarter.

- During the nine-month period ended September 30, 2017, the management fees earned totalled \$36,865 as compared to \$31,780 and the increase reflects additional time involved with completing the year-end and annual filings.

### **Income and mining tax expense (recovery)**

- An income and mining tax recovery of \$200,939 was reported in the third quarter of 2017 as compared to an expense of \$23,174 in the comparable period in 2016. In the three-month period ended September 30, 2017, the greater impairment provision is the major cause of the increased recovery.
- During the nine-month period ended September 30, 2017, a provision of \$16,513 has been made as compared to \$68,719 in 2016. The decrease in the provision reflects loss before taxes of \$476,855 as compared to a loss of \$74,909 in the comparable period in 2016 and a higher recovery of income and duties as a result of the sale of tax benefits as the premium on flow-through shares issued in 2017 was higher than the previous year.

## **Financial position**

### **Total assets**

The \$250,385 increase in total assets from \$18,724,603 at December 31, 2016 to \$18,974,988 at September 30, 2017 mainly represents an increase in cash and cash equivalents of \$443,546, investments of \$181,818 as well as a decreases in cash reserved for exploration of \$155,694, and mineral properties of \$99,742, deferred exploration expenses of \$120,945 and a net increase in other assets of \$1,402.

### **Total liabilities**

At September 30, 2017, the current liabilities were \$360,045 as compared to \$282,123 at December 31, 2016 which represents an increase of \$77,922. The increase in the accounts payables and accruals mainly reflects the increase in the US tax provision related to Nyrstar Mid-Tennessee royalties.

The related party payable of \$44,764 represents a liability to Duparquet Assets Limited (“DAL”) of \$78,883 (December 31, 2016 - \$83,179) and offsetting other related party receivables of \$34,119 (December 31, 2016 - \$24,268). The liability to DAL represents option payments received directly by Globex for the Duquesne West Gold Property which had been optioned to Xmet Inc. The property is held under a joint venture arrangement between Globex and Jack Stoch Geoconsultant Services Limited.

The Other Liabilities represent the excess of the proceeds received from flow-through share issuances as compared to the fair value at the share issuance date. At September 30, 2017, the liability was \$214,391 (December 31, 2016 - \$100,000) which reflects the impact of qualified flow-through exploration expenditures during the first nine months of 2017 as well as the impact of the June 21, 2017, private placement.

### **Deferred tax liabilities**

The deferred tax liabilities were \$1,265,665 at September 30, 2017 as compared to \$1,245,100 at December 31, 2016. The net increase of \$20,565 reflects the net impact of income generated in the quarter, the renunciation of tax benefits to subscribers under flow-through share arrangements as well as changes in the valuation allowance.

The liability represents management’s best estimate of future taxes that will be payable if income is earned, based on substantially enacted legislation as well as current operating plans and tax strategies. The liability mainly is a result of Canadian eligible exploration expenditures which have been renounced to shareholders under flow-through arrangements and therefore not available as a reduction in future taxable income.

## **Owners' equity**

At September 30, 2017, owners' equity, consisting of share capital, warrants, deficit, and contributed surplus - equity settled reserve totalled \$16,461,948 (December 31, 2016 - \$16,410,294). Details of the changes are provided in the Interim Condensed Consolidated Statement of Equity.

## **Share capital**

At September 30, 2017, the share capital of the Corporation totalled \$55,614,016 which represented an increase of \$570,178 from \$55,043,838 at December 31, 2016 and reflected 50,207,424 common shares outstanding.

## **Liquidity, working capital, cash flow and capital resources**

At September 30, 2017, the Corporation had cash and cash equivalents of \$955,819 (December 31, 2016 - \$512,273) and cash reserved for exploration of \$744,306 (December 31, 2016 - \$900,000). In addition, it had Investments with a fair market value of \$927,483 (December 31, 2016 - \$745,665) which represents shares received under mining option agreements.

The Corporation's working capital (based on current assets minus current liabilities) was \$2,568,559 at September 30, 2017 (December 31, 2016 - \$2,147,063).

As a result of the restart of the Nyrstar Gordonsville facility in May 2017, Globex earned Gross Metal Royalties from May to September 2017 and based on current zinc prices and average production levels prior to the suspension of operations, Globex anticipates receiving monthly metal royalties of between \$CDN \$120,000 and \$CDN \$140,000 per month for the remainder of the year.

In addition to this potential source of liquidity, Globex has a number of sale/option agreements in place which are estimated to generate gross option payments of in excess of \$0.9 M at September 30, 2017. These payments are subject to the Optionee having sufficient funds available to meet the obligations. Globex monitors the outstanding amounts on an ongoing basis. The Corporation continues to negotiate option and royalty agreements and the potential sale of major properties.

In order to retain its existing portfolio of properties, management has estimated that the claims renewal costs for 2018 would be approximately \$50,000 and the exploration work commitments necessary to retain the existing portfolio of properties would be approximately \$200,000 in 2018.

The Corporation believes that based on the current cash and working capital position and its access to liquidity sources, it has sufficient resources readily available to meet its current exploration spending commitments and corporate and administrative requirements for the next twelve months.

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

## **Cash Flow**

During the nine-month period ended September 30, 2017, the operating activities used \$364,872 (September 30, 2016 - \$216,298), the financing activities generated \$811,063 (2016 - \$492,457) and the Investing activities used \$158,339 (2016 - \$504,744). The operating, financing, and investing activities during the nine-month period ended September 30, 2017, resulted in a net increase in cash and cash equivalents of \$287,852 (2016 - decrease of \$228,585).

## **Financial instruments**

### **Capital risk management**

The Corporation manages its common shares, stock options and deficit as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objective of enhancing projects, properties or the development of properties to the benefit of all stakeholders. As a Canadian exploration corporation, its principal sources of funds consist of; (a) option income on properties; (b) metal royalty income; (c) investment income; (d) proceeds from the issuance of common and flow-through shares and (e) other working capital items. The Corporation manages the capital structure and makes adjustments to it in light of operating results in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation issues shares, enters into joint venture property arrangements or disposes of properties.

The Corporation's investment policy is to invest its cash in low risk, highly-liquid short-term interest-bearing investments, selected with a duration which matches with the Corporation's planned expenditures.

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

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

The Corporation is not subject to any externally imposed capital requirement. The Corporation's overall strategy remains unchanged from 2016.

The Corporation may need additional capital resources to complete or carry out its exploration and development plans beyond the next twelve months. The Corporation continually considers a number of options including the optioning and sale of properties as well as other financing activities.

The fair values of the Corporation's cash and cash equivalents, cash reserved for exploration, accounts receivable, accounts payable and accruals 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 Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, equity market risk, currency risk, and fair value measurements recognized in the statement of financial position.

#### **(a) Credit risk**

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totalled \$1,700,125 as at September 30, 2017 (December 31, 2016 - \$1,412,273). 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"), a federal Crown Corporation as well as a guarantee of \$1,000,000 provided by the Canadian Investors Protection Fund ("CIPF").

The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and cash equivalents are in place with major Canadian financial institutions. The maximum exposure to credit risk was:

	<b>September 30, 2017</b>	December 31, 2016
	\$	\$
Cash and cash equivalents	<b>955,819</b>	512,273
Cash reserved for exploration	<b>744,306</b>	900,000
Investments	<b>927,483</b>	745,665
Accounts receivable	<b>225,166</b>	104,450
	<b>2,852,774</b>	2,262,388

**Table 7**

**(b) Liquidity risk**

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

The Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as any material transactions outside of the ordinary course of business.

Contractual maturities of financial liabilities are as follows; payables and accruals less than one year; restoration liabilities prior to September 2019; and related party liabilities from future free cash flow.

**(c) Equity market risk**

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in a number of Optionee companies which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets with a current fair market value of \$927,483 (December 31, 2016- \$745,665). Based on the balance outstanding at September 30, 2017, a 10% increase or decrease would impact income and loss by \$92,748 (December 31, 2016 - \$74,566).

**(d) Currency risk**

Globex receives US dollar gross metal royalty payments from Nyrstar's Zinc operations in Tennessee if the Zinc price is greater than USD \$0.90 per pound. It is required to pay U.S. tax on these receipts. Globex's practice is to convert the U.S. dollars to Canadian dollars as the funds are received after retaining sufficient funds to meet its U.S. dollar tax obligations.

During the nine-month periods ended September 30, 2017, Globex recorded a royalty income of USD \$431,750 (CDN \$551,393) and a current tax expense of USD \$118,268 (CDN \$147,598). During the nine-month period ended September 30, 2016, no royalty income and no current tax expense were recorded.

At September 30, 2017, no USD advance royalty liability was outstanding (December 31, 2016 – USD \$56,450; CDN - \$75,796).

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

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

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

<b>September 30, 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Financial Assets at fair Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Financial assets				
Cash and cash equivalents	-	955,819	-	955,819
Cash reserved for exploration	-	744,306	-	744,306
Equity investments	805,883	121,600	-	927,483
Accounts receivable	-	-	225,166	225,166
Reclamation bonds	-	776,141	-	776,141
	805,883	2,597,866	225,166	3,628,915

**Table 8**

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

The level 2 equity investments have been measured using the quoted price of the shares on the market which has been determined to be non-active. For all other financial assets and liabilities, the fair value is equal to the carrying value.

<b>December 31, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Financial Assets at fair Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Financial assets				
Cash and cash equivalents	-	512,273	-	512,273
Cash reserved for exploration	-	900,000	-	900,000
Equity investments	737,225	8,440	-	745,665
Accounts receivable	-	-	104,450	104,450
Reclamation bonds	-	786,697	-	786,697
	737,225	2,207,410	104,450	3,049,085

**Table 9**

## Outstanding share data

At December 31, 2016, the Corporation had 48,852,706 common shares, 3,121,975 warrants, as well as 3,242,500 stock options outstanding which resulted in fully diluted common shares of 55,217,181.

### Exercise of warrants

- On March 2, 2017, 50,000 warrants with a fair market value per share of \$0.04156 were exercised at an exercise price of \$0.50 per share.

### Exercise of options

- On April 4, 2017, 110,000 stock options with a fair value per share of \$0.124 were exercised at an exercise price of \$0.235 per share. Globex's shares closed at \$0.54 per share on that date. On June 2, 2017, 40,000 stock options with a fair value per share of \$0.124 were exercised at an exercise price of \$0.235 per share. Globex's shares closed at \$0.60 per share on that date.
- On September 13, 2017, 35,000 stock options with a fair value per share of \$0.124 were exercised at an exercise price of \$0.235 per share. Globex's shares closed at \$0.54 per share that date.

### Private placement

- On June 21, 2017, the Corporation issued 1,119,718 flow-through shares under a private placement at a price of \$0.71 per share for gross proceeds of \$795,000. The fair value of these shares was \$515,070 (\$0.46 per share) based on the TSX closing price on June 21, 2017. The \$279,930 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in Other Liabilities.

### Warrants

At December 31, 2016, 3,121,975 warrants were outstanding and following the exercise on March 2, 2017 of 50,000 warrants, 3,071,975 were outstanding at September 30, 2017 and at November 14, 2017.

#### Warrants Outstanding, September 30, 2017

	Issue Date	Expiry Date	Number of Warrants	Exercise Price
1.	November 26, 2015	November 26, 2017	1,551,975	\$0.50 per share
2.	June 14, 2016	December 14, 2017	1,320,000	\$0.55 per share
3.	December 15, 2016	December 15, 2017	200,000	\$0.60 per share
			<b>3,071,975</b>	

Table 10

### Stock Options

At December 31, 2016, the Corporation had 3,242,500 stock options outstanding and 1,720,000 options were available for future grants. During the nine-month period ended September 30, 2017, 185,000 stock options were exercised and 5,000 options expired which resulted in 3,052,500 options outstanding and 1,725,000 were available for grant under all option plans at September 30, 2017 and at November 14, 2017.

### Fully Diluted Shares

At September 30, 2017, the Corporation had 50,207,424 common shares issued, 3,071,975 warrants outstanding and 3,052,500 options outstanding for fully diluted common shares of 56,331,899. On October 31, 2017, 5,000 options expired, therefore making fully diluted common shares at 56,326,899 on November 14, 2017.

## Risks and uncertainties

The Corporation, like all other mining exploration companies, is exposed to a variety of financial and environmental risks as well as operational and safety risks. It is also subject to risks related to other factors, such as metal prices and financial market conditions. Further details with respect to the following risks are outlined in the Corporation's December 31, 2016 Annual Information Form:

- Financing Risk
- Financial Market Risk
- Volatility of Stock Price and Limited Liquidity
- Permits and licences
- Government Laws and Regulations
- Aboriginal rights and duty to consult
- Environmental Risks
- Title Matters
- Metal Prices
- Key Personnel

## Related party information

	September 30, 2017 \$	December 31, 2016 \$
<b>Related party payable (receivable)</b>		
Jack Stoch Geoconsultant Limited	(6,717)	(6,717)
Chibougamau Independent Mines Inc.	(27,402)	(17,551)
Duparquet Assets Limited	78,883	83,179
	<b>44,764</b>	<b>58,911</b>

**Table 11**

As reflected in the statement of cash flows there was a net cash decrease of \$14,147 (2016 – Increase of \$31,406) in the related party net payables during the period.

### Chibougamau Independent Mines Inc.

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

### Management services

On December 29, 2012, Globex entered into a Management Services Agreement with CIM under which the Corporation agreed to provide management services including administrative, compliance, corporate secretarial, risk management support and advisory services to CIM.

Management services income of \$6,638 (September 30, 2016 - \$11,060) was earned during the three-month period ended September 30, 2017 and \$36,865 (2016 - \$31,780) was earned during the nine-month period ended September 30, 2017. These charges represent Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement.

### Management compensation

The total compensation for the respective periods paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation (Management personnel includes President and CEO, Executive Vice-President, Vice-President Operations as well as current and former Chief Financial Officer, Treasurer and Corporate Secretary) are as follows:

	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2017	2016	2017	2016
	\$	\$	\$	\$
Management compensation				
Salaries and other benefits <sup>(i)</sup>	141,108	50,637	276,535	146,640
Professional fees and outside services <sup>(ii)</sup>	4,045	-	4,045	17,124
Deferred exploration expenses - consulting and geology fees <sup>(ii)</sup>	-	-	-	37,213
Fair value of share-based compensation	-	141,620	-	149,416
	145,153	192,257	280,580	350,393

**Table 12**

(i) In the three-month period ended September 30, 2017, it includes the departure allowance of the former Chief Financial Officer who resigned from the organization effective September 20, 2017.

(ii) Professional fees of \$4,045 were paid to the new Chief Financial Officer.

The Vice-President Operations was an independent contractor with a portion of his compensation included in Other Professional fees in the Statement of Loss and Comprehensive Loss and the remainder is reported as Deferred exploration expenses – consulting and geologist fees. The Vice-President Operations resigned from the organization effective July 4, 2016.

## Significant assumptions, judgments, and estimates

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied (Note 5) to the consolidated financial statements as at and for the year ended December 31, 2016.

## Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate disclosure controls and procedures (“DCP”) as well as internal controls over financial reporting (“ICFR”) as described in our 2016 annual MD&A.

The Corporation’s Chief Executive Officer and Chief Financial Officer, with the participation of management last completed an evaluation of the design and operating effectiveness of the Corporation’s DCP’s and ICFR’s as at December 31, 2016. Based on that assessment, management concluded that the Corporation’s ICFR were operating effectively at December 31, 2016 which was based on the 2013 COSO Model.

During the three-month and nine-month periods ended September 30, 2017, the CEO and CFO have evaluated whether there were changes to the ICFR that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation which was based on the 2013 COSO Model.

## Outlook

The Economic Environment and Strategy sections of this MD&A (pages 2 and 3), highlight that management monitors the changes in demand/supply balance and metal price trends. Recently, we have seen a revival in global markets in general and commodity markets in particular. As we outlined in our December 31, 2016 MD&A, we recognized the challenges that junior exploration optionee companies were facing in raising the financing needed to enter into Option Agreements on our properties. During 2016, we successfully negotiated ten property sale/option agreements with net option income and advance royalties of \$1,301,989. However, at that time, we indicated that we were hopeful that our marketing efforts would generate option agreements in 2017.

At December 31, 2016, we had also negotiated option/sale agreements which required regulatory approval or the completion of related financings which have generated cash option payments of \$750,000 and also resulted in the receipt of common shares in the optionee companies with a fair market value of \$819,675. Further details related to each of the option arrangements are detailed under the Sales and net option income section of this MD&A on pages 12 - 18.

During the second quarter, we worked with Renforth Resources and RJK Explorations to provide accommodations under their option agreements so that they could meet their obligations under the contracts. Unfortunately, RJK Explorations provided their notice of termination on July 13, 2017 and did not make their \$250,000 option payment.

Even though no new option agreements were closed during the third quarter of 2017, we face the fourth quarter with optimism considering the sale of Donalda Property (Rouyn-Noranda, Quebec) to Falco Resources Ltd. on October 5, 2017. Further details of this transaction are on page 18. We are continuing our marketing efforts; however, based on existing option/sale agreements, we are expecting to generate a gross option income of \$900,000 during the fourth quarter of 2017.

As described under the capital resources section of this MD&A, page 25, as a result of the restart of the Nyrstar Gordonsville facility in May 2017, Globex earned Gross Metal Royalties from May to September 2017 and based on current zinc prices and average production levels prior to the suspension of operations, Globex anticipates receiving monthly metal royalties of between CDN \$120,000 and CDN \$140,000 per month for the remainder of the year.

At December 31, 2016, we developed budgets and plans to spend our Quebec flow-through funds and "Hard Dollars" on various projects with a view towards gaining additional project knowledge and leveraging this into sale/option agreements as we did in 2016. The additional \$795,000 of Quebec flow-through funds raised in the June 21, 2017 private placement provides the Corporation with additional flexibility to develop exploration programs for the remainder of the year.

While we are currently optimistic, however, we recognize the potential volatility in the economic outlook due to the lack of predictability related to the U.S. administration's governing style and political tensions throughout the world. Despite the potential risks and uncertainties, Globex believes it is well positioned with a combination of first class assets as well as the human and corporate resources necessary to achieve our strategic objectives.

## Additional information

This analysis should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2016 and December 31, 2015 and additional information, including the Annual Information Form (AIF), which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Further, the Corporation posts all publicly filed documents, including the AIF and this MD&A, on its website [www.globexmining.com](http://www.globexmining.com) in a timely manner.

If you would like to obtain, at no cost to you, a copy of the 2017 and/or 2016 MD&A, then please send your request to:

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### **Authorization**

The contents and the dissemination of this Management's Discussion and Analysis have been approved by the Board of Directors of the Corporation on November 13, 2017.