



**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS OF
GLOBEX MINING ENTERPRISES INC.
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2018
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

NOTICE TO READER

The accompanying unaudited interim condensed consolidated financial statements of Globex Mining Enterprises Inc. (the "Company") have been prepared by, and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

GLOBEX MINING ENTERPRISES INC.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 (Restated) (note 4)	2018	2017 (Restated) (note 4)
Continuing operations				
Revenues (note 15)	\$ 451,294	\$ 402,585	\$ 2,148,063	\$ 2,121,068
Expenses				
Salaries	81,997	185,350	247,930	421,544
Administration (note 16)	66,952	71,710	264,936	259,999
Professional fees and outside services (note 16)	128,093	69,121	297,380	348,814
Depreciation (note 11)	6,947	5,192	20,114	15,576
Exploration and evaluation expenditures (note 17)	431,095	388,810	1,135,019	1,136,434
Share-based compensation and payments (note 19)	90,400	-	113,146	-
Loss (gain) on foreign exchange	28,044	(18,263)	(58,033)	(15,774)
Bad debt recovery	-	-	(6,138)	-
	833,528	701,920	2,014,354	2,166,593
(Loss) income from operations	(382,234)	(299,335)	133,709	(45,525)
Other income (expenses)				
Interest and dividends	(642)	3,915	5,697	9,827
Joint venture loss (note 10)	-	-	-	(2,214)
Decrease in fair value of financial assets	(204,340)	(10,872)	(532,618)	(178,303)
Gain (loss) on the sale of investments	79,186	(55,883)	80,486	(87,254)
Management services (note 20)	1,070	6,638	11,565	36,865
Other	82	16	134	10,436
	(124,644)	(56,186)	(434,736)	(210,643)
Loss before taxes	(506,878)	(355,521)	(301,027)	(256,168)
Income tax (recovery) expense (note 14)	(49,226)	6,008	73,638	(4,052)
Loss and comprehensive loss for the period	\$ (457,652)	\$ (361,529)	\$ (374,665)	\$ (252,116)
Basic and diluted loss per share (note 18)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares				
outstanding - basic and diluted	51,359,292	50,178,891	51,156,056	49,397,674

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

GLOBEX MINING ENTERPRISES INC.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Nine months ended
September 30,
2018 2017
 (Restated)
 (note 4)

Operating activities:

Loss and comprehensive loss for the period	\$ (374,665)	\$ (252,116)
Adjustments for:		
Disposal of mineral properties for shares (note 21)	(25,000)	(819,675)
Decrease in fair value of financial assets	532,618	178,303
Depreciation (note 11)	20,114	15,576
Foreign exchange rate variation on reclamation bond	(4,749)	10,556
(Gain) loss on sale of investments	(80,486)	87,254
Current tax expense (note 14)	60,103	147,598
Deferred tax recovery (note 14)	(315,880)	(151,650)
Income and mining tax refund	-	175
Share-based compensation and payments (note 19)	113,146	-
	(74,799)	(783,979)
Share of net loss from investment in joint venture (note 10)	-	2,214
Change in non-cash working capital items (note 21)	(7,289)	(99,599)
Net cash and cash equivalents used in operating activities	(82,088)	(881,364)

Financing activities:

Issuance of common shares (note 19)	875,000	795,000
Proceeds from exercised options (note 19)	-	43,475
Proceeds from exercised warrants (note 19)	-	25,000
Share capital issue costs (note 19)	(62,385)	(52,412)
Share repurchased (note 19)	(38,735)	-
Increase (decrease) in related party payable (note 20)	12,133	(14,147)
Net cash and cash equivalents provided by financing activities	786,013	796,916

Investing activities:

Acquisition of properties, plant and equipment (note 11)	(60,415)	-
Proceeds from sale of investment	422,625	372,300
Net cash and cash equivalents provided by investing activities	362,210	372,300

Net change in cash and cash equivalents	1,066,135	287,852
Cash and cash equivalents, beginning of period	2,526,768	1,412,273
Cash and cash equivalents, end of period	\$ 3,592,903	\$ 1,700,125

Cash and cash equivalents	\$ 2,638,284	\$ 955,819
Cash reserved for exploration	954,619	744,306
	\$ 3,592,903	\$ 1,700,125

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

GLOBEX MINING ENTERPRISES INC.

Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at September 30, 2018	As at December 31, 2017	As December 31, 2016 (Restated) (note 4)
ASSETS			
Current assets			
Cash and cash equivalents (note 5)	\$ 2,638,284	\$ 1,572,189	\$ 512,273
Cash reserved for exploration (note 6)	954,619	954,579	900,000
Investments (note 7)	610,024	1,459,781	745,665
Accounts receivable (note 8)	173,264	225,949	104,450
Prepaid expenses and deposits	81,897	41,317	166,798
Total current assets	4,458,088	4,253,815	2,429,186
Non-current assets			
Reclamation bonds (note 9)	781,304	776,555	786,697
Investment in joint venture (note 10)	47,860	47,860	50,074
Properties, plant and equipment (note 11)	425,764	385,463	402,926
Total assets	\$ 5,713,016	\$ 5,463,693	\$ 3,668,883
LIABILITIES AND EQUITY			
Current liabilities			
Payables and accruals (note 12)	\$ 140,948	\$ 160,342	\$ 282,123
Current income tax	121,263	61,160	-
Total current liabilities	262,211	221,502	282,123
Non-current liabilities			
Related party payable (note 20)	69,823	57,690	58,911
Other liabilities (note 13)	304,397	345,277	100,000
Restoration liabilities (note 9)	628,175	628,175	628,175
Total liabilities	1,264,606	1,252,644	1,069,209
Equity			
Share capital (note 19)	56,343,180	55,925,483	55,043,838
Warrants (note 19)	-	-	215,602
Contributed surplus	4,676,969	4,563,823	4,373,377
Deficit	(56,571,739)	(56,278,257)	(57,033,143)
Total equity	4,448,410	4,211,049	2,599,674
Total liabilities and equity	\$ 5,713,016	\$ 5,463,693	\$ 3,668,883

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Approved on behalf of the Board:

"Jack Stoch", Director _____

"Dianne Stoch", Director _____

GLOBEX MINING ENTERPRISES INC.**Interim Condensed Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

Equity attributable to shareholders

	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance, December 31, 2016	\$ 55,043,838	\$ 215,602	\$ 4,373,377	\$(57,033,143)	\$ 2,599,674
Fair value of shares issued under private placements	515,070	-	-	-	515,070
Share issue costs, net of taxes	(38,523)	-	-	-	(38,523)
Issued on exercise of options	66,553	-	(23,078)	-	43,475
Issued on exercise of warrants	27,078	(2,078)	-	-	25,000
Loss and comprehensive loss	-	-	-	(252,116)	(252,116)
Balance, September 30, 2017	\$ 55,614,016	\$ 213,524	\$ 4,350,299	\$(57,285,259)	\$ 2,892,580
Balance, December 31, 2017	\$ 55,925,483	\$ -	\$ 4,563,823	\$(56,278,257)	\$ 4,211,049
Fair value of shares issued under private placements	600,000	-	-	-	600,000
Share repurchase	(119,918)	-	-	81,183	(38,735)
Shares issuance costs	(62,385)	-	-	-	(62,385)
Share-based compensation	-	-	113,146	-	113,146
Loss and comprehensive loss	-	-	-	(374,665)	(374,665)
Balance, September 30, 2018	\$ 56,343,180	\$ -	\$ 4,676,969	\$(56,571,739)	\$ 4,448,410

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

GLOBEX MINING ENTERPRISES INC.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

1. General Business Description

Globex Mining Enterprises Inc. ("Globex" or the "Corporation") is a North American focused exploration and development property bank which operates under the project generator business model. It seeks to create shareholder value by acquiring mineral properties, undertaking limited exploration and therefore readying them for optioning, joint venturing, or outright sale. Our current mineral portfolio consists of approximately 160 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, potash, 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. Its head office is located at 89 Belsize Drive, Toronto, Ontario M4S 1L3 and its principal business office is located at 86, 14th 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.

2. Basis of Presentation and Going Concern

Basis of Presentation

These interim condensed consolidated financial statements were prepared on a going concern basis, under the historical cost basis, except for certain assets that are measured at fair value through profit and loss as indicated in note 4 of the Corporation's audited consolidated financial statements for the year ended December 31, 2017. All financial information is presented in Canadian dollars.

The Corporation's ability to continue as a going concern depends on its ability to continue to generate revenues from royalties and optioning its existing mining properties and to obtain additional financing when needed. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

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

These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

GLOBEX MINING ENTERPRISES INC.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of Presentation and Going Concern (Continued)

Statement of Compliance

These interim condensed consolidated financial statements have been prepared by Management in accordance with IAS 34, Interim Financial Reporting.

The preparation of Interim Condensed Consolidated financial statements in accordance with IAS 34 requires the use of certain critical judgments, estimates and assumptions that effect the applications of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments and estimates 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) in the consolidated financial statements as at and for the year ended December 31, 2017. These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").

Approval of Financial Statements

The Corporation's Board of Directors approved these interim condensed consolidated financial statements on November 13, 2018.

3. Summary of Significant Accounting Policies

These interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual consolidated financial statements (note 4) of the Corporation's audited financial statements for the year ended December 31, 2017 with the exception of the IFRS adopted as described below.

The disclosure contained in these interim condensed consolidated financial statements does not include all the requirements in IAS 1, Presentation of Financial Statements. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017.

(a) IFRS Adopted

IFRS 2, Share Based Payment (amendments published in June 2016):

On June 20, 2016, the IASB published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions.

These amendments deal with variations in the final settlement arrangements including;

- (a) accounting for cash-settled share-based payment transactions that include a performance condition,
- (b) classification of share-based payment transactions with net settlement features, as well as,
- (c) accounting for modifications of share-based payment transactions from cash-settled to equity.

These changes are effective for annual periods beginning on or after January 1, 2018. The Corporation adopted these amendments to IFRS 2 and it has not resulted in any material changes in the interim condensed consolidated financial statements.

GLOBAL MINING ENTERPRISES INC.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

3. Summary of Significant Accounting Policies (Continued)

(a) IFRS Adopted (Continued)

IFRS 9, Financial Instruments (replacement of IAS 39):

Effective January 1, 2018, the Corporation adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Corporation has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Corporation's interim condensed consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance had no impact on the Corporation's interim condensed consolidated financial statements.

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash and cash equivalents	Loans and receivables	FVTPL
Cash reserved for exploration	Loans and receivables	FVTPL
Investments	FVTPL	FVTPL
Accounts receivables (less taxes receivable)	Loans and receivables	FVTPL
Reclamation bonds	Available for sale	Amortized cost
Payable and accruals	Other financial liabilities (amortized cost)	Amortized cost
Related party payable	Other financial liabilities (amortized cost)	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Corporation's December 31, 2017 consolidated financial statements has been updated as follows:

Financial assets:

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Corporation determines the classification of its financial assets at initial recognition.

(a) Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Corporation's cash and cash equivalents, cash reserved for exploration, investments and accounts receivables (less taxes receivable) are classified as financial assets measured at FVTPL.

GLOBAL MINING ENTERPRISES INC.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

3. Summary of Significant Accounting Policies (Continued)

(a) IFRS Adopted (Continued)

IFRS 9, Financial Instruments (replacement of IAS 39) (Continued):

Financial assets (Continued):

(b) Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Corporation's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Corporation's reclamation bonds are classified as financial assets measured at amortized cost.

Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Corporation determines the classification of its financial liabilities at initial recognition.

(a) Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination. The Corporation's payables and accruals and related party payable do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

(b) Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs:

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement:

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

GLOBAL MINING ENTERPRISES INC.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

3. Summary of Significant Accounting Policies (Continued)

(a) IFRS Adopted (Continued)

IFRS 9, Financial Instruments (replacement of IAS 39) (Continued):

Derecognition:

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment Model:

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Corporation's interim condensed consolidated financial statements.

The Corporation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Corporation considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Corporation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

IFRIC 22, Foreign Currency Transactions and Advance Consideration:

Issued by the IASB in December 2016 and provides guidance on the issue of the "date of the transaction" for the purpose of determining the exchange rate at the time of the transaction, to apply to transactions that are within the scope of IAS 21, Effects of Changes in Foreign Exchange Rates, which involve the receipt or payment of an advance consideration in a foreign currency. The interpretation applies for annual reporting periods beginning on or after January 1, 2018.

The Corporation adopted IFRIC 22 and it has not resulted in any material changes in the interim condensed consolidated financial statements due to the limited nature of its foreign currency transactions.

(b) New and Revised IFRS Issued, But Not Yet Effective

At the date of authorization of these interim condensed consolidated financial statements, the IASB and IFRS Interpretations Committee ("IFRIC") have issued the following new and revised Standards and Interpretations which were not yet effective and which the Corporation has not early adopted. However, the Corporation is currently assessing what impact the application of these standards or amendments will have on the interim condensed consolidated financial statements.

GLOBAL MINING ENTERPRISES INC.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

3. Summary of Significant Accounting Policies (Continued)

(b) New and Revised IFRS Issued, But Not Yet Effective (Continued)

IAS 28, Investments in Associates and Joint Ventures:

In October 2017, the IASB issued amendments to IAS 28.

The amendments to the financial instruments Standard, IFRS 9, allow companies to measure particular pre-payable financial assets with so-called negative compensation at amortised cost or at FVTOCI if a specified condition is met instead of at FVTPL.

The amendments to IAS 28, Investments in Associates and Joint Ventures clarify that companies account for long-term interests in an associate or joint venture to which the equity method is not applied using IFRS 9 and does not anticipate any material impact from applying this amendment due to the immaterial nature and lack of achieving of these investments.

These amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

IFRIC 23, Uncertainty Over Income Tax Treatments:

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. Management has not yet considered the impact of adoption of this IFRIC.

4. Change in Accounting Policy

During the year ended December 31, 2017, the Corporation changed its accounting policy for mineral properties and deferred exploration expenses to recognize these costs in the consolidated statements of income (loss) and comprehensive income (loss) in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources. Management believes that the change in accounting policy will result in clearer and more relevant financial information.

The previous accounting policy was that the mineral properties and the deferred exploration expenses were capitalized in respect of each identifiable area of interest, once the legal right to explore had been acquired, until the technical feasibility and commercial viability of extracting a mineral resource demonstrated.

The impact of this change in the consolidated statement of financial position as at December 31, 2016 is as follows:

	As previously reported	Effect of change in accounting policy	Restated
Statement of Financial Position			
Minerals properties	\$ 3,027,363	\$ (3,027,363)	\$ -
Deferred exploration expenses	12,028,357	(12,028,357)	-
Total assets	18,724,603	(15,055,720)	3,668,883
Deferred tax liability	1,245,100	(1,245,100)	-
Deficit	(43,222,523)	(13,810,620)	(57,033,143)
Total equity	16,410,294	(13,810,620)	2,599,674
Total equity and liabilities	18,724,603	(15,055,720)	3,668,883

GLOBEX MINING ENTERPRISES INC.**Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2018****(Expressed in Canadian Dollars)****(Unaudited)**

4. Change in Accounting Policy (Continued)

The impact of this change in the interim condensed consolidated statement of financial statement as at and for the nine months ended September 30, 2017 is as follows:

	As previously reported	Effect of change in accounting policy	Restated
Statement of Financial Position			
Minerals properties	\$ 2,927,621	\$ (2,927,621)	\$ -
Deferred exploration expenses	11,907,412	(11,907,412)	-
Total assets	18,974,988	(14,835,033)	4,139,955
Deferred tax liability	1,265,665	(1,265,665)	-
Deficit	(43,715,891)	(13,569,368)	(57,285,259)
Total equity	16,461,948	(13,569,368)	2,892,580
Total equity and liabilities	18,974,988	(14,835,033)	4,139,955
Statement of Loss and Comprehensive Loss			
Revenues	1,501,126	619,942	2,121,068
Exploration and evaluation expenses	-	1,136,434	1,136,434
Impairment of mineral properties and deferred exploration expenses	737,179	(737,179)	-
Deferred tax	16,513	(20,565)	(4,052)
Loss and comprehensive loss for the period	(493,368)	241,252	(252,116)
Basic and diluted loss per share	(0.01)	0.00	(0.01)
Statement of Cash Flows			
Loss and comprehensive loss for the period	(493,368)	241,252	(252,116)
Impairment of mineral properties and deferred exploration expenses	737,179	(737,179)	-
Deferred tax recovery	(131,085)	(20,565)	(151,650)
Net cash used by operating activities	(364,872)	(516,492)	(881,364)
Deferred exploration expenses	(1,051,219)	1,051,219	-
Mineral properties acquisitions	(85,215)	85,215	-
Proceeds on mineral properties optioned	619,942	(619,942)	-
Net cash (used in) provided by investing activities	(158,339)	530,639	372,300

LOBEX MINING ENTERPRISES INC.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

4. Change in Accounting Policy (Continued)

The impact of this change in the interim condensed consolidated statement of financial statement as at and for the three months ended September 30, 2017 is as follows:

	As previously reported	Effect of change in accounting policy	Restated
Statement of Loss and Comprehensive Loss			
Revenues	352,585	50,000	402,585
Exploration and evaluation expenses	-	388,810	388,810
Impairment of mineral properties and deferred exploration expenses	643,633	(643,633)	-
Deferred tax	(200,939)	206,947	6,008
Loss and comprehensive loss for the period	(459,405)	97,876	(361,529)
Basic and diluted loss per share	(0.01)	0.00	(0.01)

5. Cash and Cash Equivalents

	As at September 30, 2018	As at December 31, 2017
Bank balances	\$ 1,882,784	\$ 760,776
Short-term deposit	755,500	811,413
	\$ 2,638,284	\$ 1,572,189

6. Cash Reserved for Exploration

	As at September 30, 2018	As at December 31, 2017
Bank balances	\$ 454,619	\$ 54,579
Short-term deposit	500,000	900,000
	\$ 954,619	\$ 954,579

Globex raises flow-through funds for exploration under subscription agreements which require the Corporation to incur prescribed resource expenditures.

The Corporation must use these funds for exploration of mining properties in accordance with restrictions imposed by the financing. If the Corporation does not incur the resource expenditures, then it will be required to indemnify these shareholders for any tax and other costs payable by them.

GLOBAL MINING ENTERPRISES INC.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

7. Investments

Corporation Name	September 30, 2018		December 31, 2017	
	Number of shares	Fair value \$	Number of shares	Fair value \$
Enerspar Corp.	-	\$ -	2,000,000	\$ 130,000
Enforcer Gold Corp.	3,500,000	87,500	3,500,000	297,500
Falco Resources Ltd. ⁽¹⁾	350,000	176,750	350,000	334,250
Galway Metals Inc.	260,000	44,200	260,000	91,000
Great Thunder Gold Corp.	2,075,000	41,500	2,075,000	83,000
Integra Resources Corp. ⁽²⁾	128,000	110,080	128,000	140,800
Knick Exploration Inc.	1,000,000	-	1,000,000	30,000
Laurion Mineral Exploration Inc.	13,600	13,600	1,969,000	88,605
Manganese X Energy Corp.	-	-	662,000	89,370
Opawica Explorations Inc. ⁽³⁾	250,000	16,250	250,000	47,500
Pershimex Resources Corporation ⁽⁴⁾	175,000	6,125	175,000	15,750
Renforth Resources Inc.	1,200,000	36,000	700,000	35,000
RJK Explorations Inc.	50,000	6,250	100,000	6,500
Rogue Resources Inc.	50,000	7,500	50,000	15,000
Sphinx Resources Ltd.	513,000	28,215	513,000	23,085
Other equity investments	-	36,054	-	32,421
		\$ 610,024		\$ 1,459,781

These investments were received under various mining option agreements and all of the shareholdings represent less than 10% of outstanding shares of each individual Issuer.

Note:

(1) On October 5, 2017, Falco Resources Ltd issued to Globex 350,000 shares (fair market value of \$304,500 at December 31, 2017) and 350,000 warrants (fair market value of \$29,750 at December 31, 2017) in connection with the sale of Donalda Property.

(2) On August 25, 2017, Mag Copper Limited changed its name for Integra Resources Corp. The same day the Corporation completed a two and a half for one reverse split.

(3) After receiving 250,000 shares on February 8, 2017 in connection Beauchastel Cadillac Break option agreement, Globex held 750,000 shares of Opawica Explorations Inc. On December 11, 2017, Opawica Explorations Inc. completed a five for one reverse split.

(4) On December 12, 2017, Khalkos Exploration Inc. changed its name for Pershimex Resources Corporation.

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8. Accounts Receivable

	September 30, 2018	December 31, 2017
Trade receivables	\$ 163,901	\$ 221,173
Bad debt provision	(4,109)	(4,109)
Net trade receivables	159,792	217,064
Taxes receivable	13,472	8,885
	\$ 173,264	\$ 225,949

Net trade receivables of \$159,792 (December 31, 2017 - \$217,064) consist primarily of amounts recoverable under joint venture arrangements and royalties. These items are all current and the Corporation anticipates full recovery of these amounts. The taxes receivable represents harmonized and Quebec sales tax ("GST", "HST", "QST") receivable from Canadian taxation authorities.

9. Reclamation Bonds and Restoration Liabilities

Reclamation Bonds

	September 30, 2018	December 31, 2017
Nova Scotia bond - Department of Natural Resources	\$ 57,974	\$ 57,974
Option reimbursement	(50,000)	(50,000)
Nova Scotia bond	7,974	7,974
Washington State bond - Department of Natural Resources	145,155	140,406
Deposits with Province of Quebec, MERN	628,175	628,175
	\$ 781,304	\$ 776,555

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

On June 30, 2016, Globex acquired the Francoeur Property and related mining infrastructure as well as the Arncoeur and Norex Properties from Richmond Mines Inc. At that time, Globex also assumed the liabilities for the restoration and rehabilitation of the Francoeur Property mining site of \$628,175 which had been included in a 2013 Closure Plan that had been accepted by the Ministère de l'Énergie et des Ressources naturelles ("MERN").

As part of the arrangement with Richmond Inc., the ownership of \$471,132 deposited with the MERN was transferred to Globex. The transfer of the Francoeur closure liabilities and deposit was approved by the MERN on July 13, 2016. On November 24, 2016, Globex issued a letter of credit of \$157,043 to the MERN resulting in the liability being fully funded. The letter of credit is fully secured by a Globex short-term investment which will remain in place until the letter of credit is withdrawn.

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9. Reclamation Bonds and Restoration Liabilities (Continued)**Restoration Liabilities**

	September 30, 2018	December 31, 2017
Francoeur Property restoration and rehabilitation liabilities		
Balance, beginning of the period	\$ 628,175	\$ 628,175
Additions during the period	-	-
Balance, end of the period	\$ 628,175	\$ 628,175

10. Investment in Joint Venture

Balance, January 1, 2017		\$ 50,074
Add:		
Globex's 50% share of DAL's net loss for the year ended December 31, 2017		(2,214)
Balance, December 31, 2017		47,860
Add:		
Globex's 50% share of DAL's net loss for the nine-months period ended September 30, 2018		-
Balance, September 30, 2018		\$ 47,860

On February 18, 2010, a mineral option agreement, related to the Duquesne West Gold Property located in Duparquet and Destor townships, Québec, was signed between Globex and Jack Stoch Geoconsultant Limited ("GJSL", a company owned by Jack Stoch President, Chief Executive Officer ("CEO") and Director of Globex) as vendors, (b) Duparquet Assets Limited ("DAL") and (c) Xmet Inc. as Optionee.

The property was owned 50% by Globex and 50% by GJSL. On February 16, 2010, DAL entered into a joint venture agreement with GJSL and Globex. Globex's investment has been recorded using the equity method. July 3, 2013, Xmet Inc. dropped its interest in the Duquesne West Gold Property and returned it to DAL. The joint venture is currently inactive.

A summary of the financial assets, liabilities and earnings for the respective period-ends follows.

	September 30, 2018	December 31, 2017
Assets		
Mineral property and deferred exploration expenses	\$ 27,206	\$ 27,206
Due from Globex Mining Enterprises Inc.	78,883	78,883
Current loss	\$ -	\$ (4,248)

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11. Property, Plant and Equipment

Cost	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2016	\$ 497,627	\$ 88,210	\$ 146,274	\$ 56,177	\$ 268,241	\$ 1,056,529
Additions	-	-	-	-	3,432	3,432
Balance, December 31, 2017	497,627	88,210	146,274	56,177	271,673	1,059,961
Additions	39,355	-	-	-	21,060	60,415
Balance, September 30, 2018	\$ 536,982	\$ 88,210	\$ 146,274	\$ 56,177	\$ 292,733	\$ 1,120,376

Accumulated depreciation	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2016	\$ 115,852	\$ 88,210	\$ 146,274	\$ 56,177	\$ 247,090	\$ 653,603
Depreciation during the year	13,837	-	-	-	7,058	20,895
Balance, December 31, 2017	129,689	88,210	146,274	56,177	254,148	674,498
Depreciation during the period	10,379	-	-	-	9,735	20,114
Balance, September 30, 2018	\$ 140,068	\$ 88,210	\$ 146,274	\$ 56,177	\$ 263,883	\$ 694,612

Carrying value	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer systems	Total
Balance, December 31, 2017	\$ 367,938	\$ -	\$ -	\$ -	\$ 17,525	\$ 385,463
Balance, September 30, 2018	\$ 396,914	\$ -	\$ -	\$ -	\$ 28,850	\$ 425,764

12. Payable and Accruals

	September 30, 2018	December 31, 2017
Trade payables and accrued liabilities	\$ 110,534	\$ 120,389
Sundry liabilities	30,414	39,953
	\$ 140,948	\$ 160,342

13. Other Liabilities

	September 30, 2018	December 31, 2017
Balance, beginning of period	\$ 345,277	\$ 100,000
Additions during the period	275,000	483,007
Reduction related to qualified exploration expenditures	(315,880)	(237,730)
	\$ 304,397	\$ 345,277

The Other Liabilities represent the excess of the proceeds received from flow-through shares over the fair value of the shares issued. Further details are provided in note 19, Share Capital.

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14. Income Taxes

Income tax expense

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 (Restated) (note 4)	2018	2017 (Restated) (note 4)
Current tax expense	\$ 92,826	\$ 95,179	\$ 389,518	\$ 147,598
Recovery of income and mining duties as a result of the sale of tax benefits (flow-through shares)	(142,052)	(89,171)	(315,880)	(151,650)
	\$ (49,226)	\$ 6,008	\$ 73,638	\$ (4,052)

Deferred tax balances

	December 31 2017	Recognized in income or loss	Recognized in equity	September 30, 2018
Temporary differences				
Deferred tax assets				
Non-capital losses carry forwards	\$ 1,113,185	\$ (135,518)	\$ -	\$ 977,667
Share issue expenses	60,773	16,532	-	77,305
Properties, plant & equipment	30,963	(5,331)	-	25,632
Mining properties, exploration and evaluation expenses	1,677,740	92,443	-	1,770,183
Financial asset at FVTPL	280,649	42,592	-	323,241
	3,163,310	10,718	-	3,174,028
Deferred tax assets not recognized	(3,163,310)	(10,718)	-	(3,174,028)
Deferred tax assets	\$ -	\$ -	\$ -	\$ -

15. Revenues

A summary of the revenues for the respective period follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 (Restated) (note 4)	2018	2017 (Restated) (note 4)
Net option income and advance royalties	\$ 80,000	\$ 50,000	\$ 590,000	\$ 1,569,675
Royalties	371,294	352,585	1,558,063	551,393
	\$ 451,294	\$ 402,585	\$ 2,148,063	\$ 2,121,068

In the three-month and nine-month period ended September 30, 2018, Globex reported option income and advances royalties of \$80,000 and \$590,000, respectively (three-month and nine-month period ended September 30, 2017 – \$50,000 and \$1,569,675, respectively) which consisted of cash receipts of \$80,000 and \$565,000, respectively (three-month and nine-month period ended September 30, 2017 - \$50,000 and \$750,000, respectively) and shares in optionee corporations with a fair market value of \$Nil and \$25,000, respectively (three-month and nine-month period ended September 30, 2017 - \$Nil and \$819,675, respectively).

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15. Revenues (Continued)

On January 16, 2018, Globex received a cash payment of \$125,000 and 500,000 common shares with a fair market value of \$25,000 from Renforth Resources Inc. in connection with the option on Parbec Property, Malartic Twp., Quebec.

On February 26, 2018, Globex sold Certac Property to Osisko Mining Inc. ("Osisko"). In consideration for the sale is a cash payment of \$250,000 and a Gross Metal Royalty (GMR) payable to Globex on all metal production based upon the gold price upon the date of delivery of the metals by a smelter or royalty.

During the three-month and nine-month period ended September 30, 2018, Globex recorded metal royalty income of \$371,294 and \$1,558,063, respectively (three-month and nine-month period ended September 30, 2017 - \$352,585 and \$551,393, respectively) from Nyrstar Mid-Tennessee Mines.

16. Expenses by Nature

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Administration				
Office expenses	\$ 44,159	\$ 41,237	\$ 167,549	\$ 163,651
Conventions and meetings	16,487	22,249	55,442	46,764
Advertising and shareholder information	8,819	8,993	29,397	22,203
Transfer agent	(300)	4,633	11,982	19,081
Other administration	(2,213)	(5,402)	566	8,300
	\$ 66,952	\$ 71,710	\$ 264,936	\$ 259,999

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Professional fees and outside services				
Investor relations	\$ 34,271	\$ 17,768	\$ 84,717	\$ 167,652
Legal fees	7,871	10,885	17,974	26,750
Audit and accounting fees	31,534	22,075	69,414	85,518
Filing fees	3,847	3,879	20,128	21,833
Management consulting	15,842	-	46,622	-
Other professional fees	34,728	14,514	58,525	47,061
	\$ 128,093	\$ 69,121	\$ 297,380	\$ 348,814

17. Exploration and Evaluation Expenditures

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 (Restated) (note 4)	2018	2017 (Restated) (note 4)
Ontario				
Timmins Talc-Magnesite (Deloro)	\$ 1,573	\$ 66,244	\$ 15,084	\$ 98,234
Other projects	3,610	360	10,534	10,391
	\$ 5,183	\$ 66,604	\$ 25,618	\$ 108,625

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17. Exploration and Evaluation Expenditures (Continued)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 (Restated) (note 4)	2018	2017 (Restated) (note 4)
Quebec				
Black Dog South (Stuart)	\$ 84	\$ -	\$ 4,509	\$ 1,927
Chubb, McNeely (Lacorne)	64	3,156	5,439	9,857
Dalhousie (Bourbaux)	79,300	-	88,321	-
Fabie Bay / Magusi (Hebecourt, Montbray)	2,292	18,977	28,156	156,874
Francoeur (Beauchastel)	98,647	152,321	214,541	242,984
Fontbonne (Preissac)	6,343	1,509	11,935	10,623
Gagné (Joutel)	7,236	-	9,077	-
Great Plains (Clermont)	1,541	-	15,658	767
Hunter East (Duparquet)	1,499	577	15,334	577
Kelly Lake (Blondeau)	185	276	7,599	36,764
Lac Anctil (Guercheville)	271	171	6,997	235
Lac Mina (Guercheville)	334	-	10,351	-
Lac Ontario (St-Urbain)	22,329	1,622	23,799	22,075
Lac Savignac (Northern Quebec)	6,637	737	6,893	127,072
Lyndhurst (Destor/Pouларies)	5,212	9,976	11,470	15,802
Moly Hill (La Motte)	9,725	-	9,921	-
Napping Dwarf (Glandelet)	311	-	11,971	2,951
New Richmond (New Richmond)	20,094	482	43,878	482
Pandora-Wood & Central Cadillac (Cadillac)	160	2,023	102,209	4,858
Pyrox (Clairy)	4,074	992	65,336	84,156
Rosario (Lac Troilus)	98	-	8,608	-
Shortt Lake Mine	9,527	1,757	29,741	2,399
Silidor Mine	118	134	9,941	1,440
Tavernier Tiblemont (Tavernier)	-	1,112	3,168	5,457
Tonnancour (Tonnancour, Josselin)	25	3,887	25	14,467
Trinity (Lamonrandiere)	2,846	-	11,765	-
Viking Lake (Lapeyrere)	98	2,669	4,565	2,669
Washibagau (Lesperance)	4,922	5,424	9,152	5,424
Windfall East (Bressami)	-	8,132	7,397	17,325
Other projects	66,231	31,446	107,085	85,899
Quebec general exploration	51,137	26,076	143,207	98,415
	\$ 401,340	\$ 273,456	\$ 1,028,048	\$ 951,499
Other regions				
Nova Scotia	\$ 7	\$ 183	\$ 221	\$ 6,713
New Brunswick	25	16,233	8,410	22,406
Canada (others)	200	-	325	475
Europe	12,298	21,268	50,887	31,299
Other including Bell Mountain (USA)	12,042	11,066	21,510	15,417
	\$ 24,572	\$ 48,750	\$ 81,353	\$ 76,310
Exploration and evaluation expenditures	\$ 431,095	\$ 388,810	\$ 1,135,019	\$ 1,136,434

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17. Exploration and Evaluation Expenditures (Continued)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 (Restated) (note 4)	2018	2017 (Restated) (note 4)
Exploration and evaluation expenditures				
Consulting	\$ 39,640	\$ 17,620	\$ 114,750	\$ 23,255
Core shack, storage and equipment rental	-	6,993	-	7,543
Drilling	-	-	-	143,969
Environmental	1,870	-	34,573	-
Geology	41,948	21,400	53,048	24,650
Geophysics	2,949	4,950	44,495	39,988
Laboratory analysis and sampling	20,245	68,317	32,861	104,126
Labour	220,135	166,628	555,795	420,829
Line cutting	11,819	13,470	11,819	21,937
Mineral property acquisitions	8,935	26,289	132,264	85,215
Mining property tax, permits and prospecting	29,364	29,847	74,234	87,940
Reports, maps and supplies	20,442	12,476	31,820	23,178
Transport and road access	33,748	20,820	49,360	153,804
	\$ 431,095	\$ 388,810	\$ 1,135,019	\$ 1,136,434

18. Loss Per Common Share

Basic loss per common share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding during the period, plus the effects of dilutive common share equivalents such as warrants and stock options.

Diluted net loss per share is calculated using the treasury method, where the exercise of warrants and options is assumed to be at the beginning of the period and the proceeds from the exercise of warrants and options and the amount of compensation expense measured, but not yet recognized in loss are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

Basic and diluted loss per common share

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

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 (Restated) (note 4)	2018	2017 (Restated) (note 4)
Numerator				
Loss for the period	\$ (457,652)	\$ (361,529)	\$ (374,665)	\$ (252,116)
Denominator				
Weighted average number of common shares - basic and diluted	51,359,292	50,178,891	51,156,056	49,397,674
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

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19. Share Capital

In accordance with the Certificate of Continuance, under the Canada Business Corporations Act, effective October 28, 2014, the Corporation was authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

Changes in capital stock

	September 30, 2018		December 31, 2017	
Fully paid common shares	Number of shares	Capital stock	Number of shares	Capital stock
Balance, beginning of period	51,053,577	\$ 55,925,483	48,852,706	\$ 55,043,838
Issued on exercise of warrants (i)	-	-	50,000	27,078
Issued on exercise of options (ii)	-	-	185,000	66,553
Private placements - Flow-through shares (iii)(iv)(vi)(vii)	1,750,000	600,000	1,965,871	861,993
Share issuance costs (v)(viii)	-	(62,385)	-	(73,979)
Share repurchase (ix)	(110,000)	(119,918)	-	-
Balance, end of period	52,693,577	\$ 56,343,180	51,053,577	\$ 55,925,483

2017 issuances

Issued on exercise of warrants

(i) 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 for gross proceeds of \$25,000.

Issued on exercise of options

(ii) 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 placements

(iii) 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.

(iv) On December 5, 2017, the Corporation issued 846,153 flow-through shares under a private placement at a price of \$0.65 per share for gross proceeds of \$550,000. The fair value of these shares was \$346,923 (\$0.41 per share) based on the TSX closing price on December 5, 2017. The \$203,077 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in Other Liabilities.

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19. Share Capital (Continued)

2017 issuances (Continued)

Share issuance costs

(v) \$73,979 (Net of deferred taxes of \$26,673).

In 2017, the share issuance costs totalled \$100,652, in connection with private placements (June 21, 2017 and December 5, 2017), consisted of sales commissions of \$68,775, listing fees of \$14,542, and legal fees of \$16,435 and other disbursements of \$900. A recovery of deferred taxes of \$26,673 was recorded.

In connection with the June 21, 2017 private placement, Globex paid sales commissions of \$35,775, listing fees of \$7,502, legal fees of \$8,935 and other disbursements of \$200.

In connection with the December 5, 2017 private placement, Globex paid sales commissions of \$33,000, listing fees of \$7,040, and legal fees of \$7,500 and other disbursements of \$700.

2018 issuances

Private placements

(vi) On August 30, 2018, the Corporation issued 1,000,000 flow-through shares under a private placement at a price of \$0.60 per share for gross proceeds of \$500,000. The fair value of these shares was \$345,000 (\$0.345 per share) based on the TSX closing price on August 29, 2018. The \$155,000 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in Other Liabilities.

(vii) On September 28, 2018, the Corporation issued 750,000 flow-through shares under a private placement at a price of \$0.34 per share for gross proceeds of \$375,000. The fair value of these shares was \$255,000 (\$0.34 per share) based on the TSX closing price on September 27, 2018. The \$120,000 difference between the gross proceeds and the fair value of the shares at issuance has been reflected as an increase in Other Liabilities.

Share issuance costs

(viii) In 2018, the share issuance costs totalled \$62,385, in connection with private placements (August 30, 2018 and September 28, 2018), consisted of sales commissions of \$40,875, listing fees of \$14,740, and legal fees of \$5,648 and other disbursements of \$1,122.

Normal course issuer bid

(ix) During the nine months ended September, 30, 2018, 110,000 common shares were purchased for cash consideration of \$38,735 in accordance with the Normal course issuer bid ("NCIB"). The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

Escrow shares

At September 30, 2018, 36,100 (December 31, 2017 - 36,100) common share are held in escrow. These shares were issued as consideration for a property, which has since been abandoned, thus the shares will remain in escrow.

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19. Share Capital (Continued)

Warrants

	September 30, 2018		December 31, 2017	
	Number of warrants	Fair value	Number of warrants	Fair value
Balance, beginning of period	-	\$ -	3,121,975	\$ 215,602
Exercised				
March 2, 2017 (i)	-	-	(50,000)	(2,078)
Expired				
November 26, 2017 (ii)	-	-	(1,551,975)	(64,491)
December 14, 2017 (iii)	-	-	(1,320,000)	(137,833)
December 15, 2017 (iv)	-	-	(200,000)	(11,200)
Balance, end of period	-	\$ -	-	\$ -

Private placements

Exercised

(i) 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 for gross proceeds of \$25,000.

Expired

(ii) On November 26, 2015, 1,601,975 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.50 per share for a period of twenty-four months. 50,000 warrants were exercised on March 2, 2017. The rest of 1,551,975 warrants expired on November 26, 2017.

(iii) On June 14, 2016, 1,320,000 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.55 per share for a period of eighteen months. These warrants expired on December 14, 2017.

(iv) On December 15, 2016, 200,000 share purchase warrants were issued in connection with a private placement. Each warrant entitled the holder to acquire one additional Globex common share at \$0.60 per share for a period of twelve months. These warrants expired on December 15, 2017.

Stock options

Under the Corporation's stock option plan (the "Plan"), the Board of Directors may, from time to time, grant stock options to directors, officers, employees of and service providers to, the Corporation and its subsidiaries. Stock options granted under the Plan may have a term of up to ten years, as determined by the Board of Directors at the time of granting the stock options.

On April 21, 2016, the Board of Directors amended the 2006 Stock Option Plan so as to increase the number of shares that can be issued thereunder from 2,500,000 to 4,500,000. The amendment to the Plan was approved by the shareholders on May 31, 2016 and on June 20, 2016, the TSX approved the listing and reservation of an additional 2,000,000 common shares for issuance upon exercise of stock options granted.

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19. Share Capital (Continued)

Stock options (Continued)

At September 30, 2018, 1,587,500 (December 31, 2017 – 1,965,000) options were available for grant under 2003 and 2006 Option Plans in addition to the common share purchase options currently outstanding.

The following is a summary of option transactions under the Plan for the relevant periods:

	September 30, 2018		December 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	2,997,500	\$ 0.29	3,242,500	\$ 0.29
Exercised (i)	-	-	(185,000)	0.24
Expired/cancelled	(570,000)	0.31	(60,000)	0.54
Granted to employees (ii)	485,000	0.35	-	-
Balance - end of period	2,912,500	\$ 0.30	2,997,500	\$ 0.29
Options exercisable	2,912,500	\$ 0.30	2,997,500	\$ 0.29

(i) 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.

(ii) On January 31, 2018, 85,000 stock options with a fair value per share of \$0.2676 were granted at an exercise price of \$0.44 per share. Globex's shares closed at \$0.44 per share on the day before. On July 3, 2018, 400,000 stock options with a fair value per share of \$0.226 were granted at an exercise price of \$0.38 per share. Globex's shares closed at \$0.38 per share on the day before.

The following table summarizes information regarding the stock options outstanding and exercisable as at September 30, 2018:

Range of prices	Number of options outstanding	Number of options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
\$0.18 - \$0.21	192,500	192,500	0.96	\$ 0.21
\$0.22 - \$0.24	1,260,000	1,260,000	0.71	0.24
\$0.25 - \$0.29	255,000	255,000	2.15	0.29
\$0.30 - \$0.38	400,000	400,000	4.76	0.38
\$0.39 - \$0.42	720,000	720,000	2.82	0.39
\$0.44 - \$0.50	85,000	85,000	4.34	0.44
	2,912,500	2,912,500	2.04	\$ 0.30

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19. Share Capital (Continued)

Stock options (Continued)

Stock-based compensation and payments

The Corporation uses the fair value method for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is charged to operations, with an offsetting credit to contributed surplus, over vesting periods (which can vary from immediate vesting to 5 years).

Globex uses the Black-Scholes model to estimate fair value using the following weighted average assumptions:

	September 30, 2018	December 31, 2017
Expected dividend yield	Nil	Nil
Expected stock price volatility	71.43%	Nil
Risk free interest rate	2.05%	Nil
Expected life	5 years	Nil
Weighted average fair value of granted options	\$0.24	Nil

During the three-month and nine-month period ended September 30, 2018, an expense of \$90,400 and \$113,146, respectively (September 30, 2017 - \$Nil) related to stock-based compensation costs and payments has been recorded and presented separately in the interim condensed consolidated statements of loss and comprehensive loss.

Restricted Share Unit Plan

On April 11, 2012, the Board of Directors adopted a Restricted Share Unit Plan (the "RSU Plan") for the Corporation's executives and key employees, subject to regulatory approval.

The RSU Plan is designed to attract and retain qualified individuals, to serve as executives and key employees of the Corporation and its subsidiaries and to promote the alignment of interests of such executives and key employees, on the one hand, and the shareholders of the Corporation, on the other hand. A maximum of 600,000 common shares may be issued from treasury under the RSU Plan.

Under the RSU Plan, from time-to-time, the Board of Directors may, in its sole discretion, upon the recommendation of the Compensation Committee after consultation with the CEO of the Corporation, may grant RSUs to executives and key employees in lieu of a bonus or other similar arrangements.

The RSU Plan was approved by the Shareholders on June 1, 2012 and subsequently on June 19, 2012, the TSX confirmed that it had listed and reserved 600,000 common shares of the Corporation for issuance under the Plan.

To date, no shares have been issued under the RSU Plan.

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19. Share Capital (Continued)

Shareholders' Rights Plan

On May 31, 2017, the Shareholders of the Corporation approved an amended and restated Shareholder Rights Plan (the "Rights Plan"). On April 20, 2017, the TSX accepted notice for filing the Rights Plan and on July 13, 2017, they confirmed that they were in receipt of all necessary documents needed to confirm their approval.

The Rights Plan was adopted to: (i) provide shareholders and the Board of Directors time to consider and evaluate any takeover bid made for the outstanding shares of the Corporation; (ii) provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives to any such take-over bid made for the outstanding shares of the Corporation; (iii) encourage the fair treatment of shareholders in connection with any takeover bid for the outstanding shares of the Corporation; and (iv) generally prevent any person from acquiring beneficial ownership of or the right to vote more than 20% of the outstanding Common shares of the Corporation (or where such person already owns more than 20% of the shares, from acquiring ownership of or right to vote any additional shares) while this process is ongoing or entering into arrangements or relationships that have a similar effect.

The Amended Rights Plan is designed to prevent the use of coercive and/or abusive take-over techniques and to encourage any potential acquirer to negotiate directly with the Board of Directors for the benefit of all of the Corporation's shareholders. In addition, the Amended Rights Plan is intended to provide increased assurance that a potential acquirer would pay an appropriate control premium in connection with any acquisition of the Corporation.

The Amended Rights Plan will provide the Board of Directors with time to review any unsolicited takeover bid that may be made and to take action, if appropriate, to enhance shareholder value. The Amended Rights Plan attempts to protect the Corporation's shareholders by requiring that all potential bidders comply with the conditions specified in the Permitted Bid provisions, failing which such bidders are subject to the dilutive features of the Amended Rights Plan. By creating the potential for substantial dilution of a bidder's position, the Amended Rights Plan encourages an offeror to proceed by way of a Permitted Bid or to approach the Board of Directors with a view to negotiation.

The Amended Rights Plan will require reconfirmation by the Corporation's shareholders at the annual meeting of shareholders to be held in 2020.

NCIB

On March 8, 2018, the Corporation announced that it will conduct a NCIB.

Under the NCIB, Globex will be entitled to repurchase for cancellation up to 1,000,000 common shares, representing 2.15% of Globex's "public float" as of March 7, 2018, over a twelve-month period starting on March 12, 2018 and ending on March 11, 2019. The purchases by Globex will be effected through the facilities of the TSX and on other alternative trading systems in Canada, and will be made at the market price of the shares at the time of the purchase.

Any purchases made pursuant to the NCIB will be made in accordance with the requirements of the TSX. Except for exempt offers, Globex will make no purchases of common shares other than open market purchases during the period of the NCIB.

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19. Share Capital (Continued)

NCIB (Continued)

In connection with the NCIB, Globex has entered into an automatic share purchase plan with a Canadian securities dealer pursuant to which the securities dealer, acting as Globex's agent, may acquire at its discretion shares on Globex's behalf during "black-out" or "closed" periods under Globex's stock trading policy, subject to certain parameters as to price and number of shares.

During the three-month and nine-month period ended September 30, 2018, 100,000 and 105,000 common shares, respectively were purchased for cash consideration of \$36,747 and \$38,735, respectively in accordance with the NCIB. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

20. Related Party Information

Related party payables (receivables)	September 30, 2018	December 31, 2017
Jack Stoch Geoconsultant Limited	\$ (6,717)	\$ (6,717)
Chibougamau Independent Mines Inc.	(2,343)	(14,476)
Duparquet Assets Limited	78,883	78,883
	\$ 69,823	\$ 57,690

The loan dues (receivables) from the related parties bear no interest, are without specific terms of repayment and are not secured.

As reflected in the interim condensed consolidated statement of cash flows there was a net cash increase of \$12,133 (September 30, 2017 - decrease of \$14,147) in the related party net payables during the nine-month period ended September 30, 2018.

Chibougamau Independent Mines Inc. ("CIM")

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 \$1,070 and \$11,565, respectively for the three-month and nine-month period ended September 30, 2018 (September 30, 2017 - \$6,638 and \$36,865, respectively) represents Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement.

All related party transactions disclosed above were at the exchange amount.

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20. Related Party Information (Continued)

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 and Chief Financial Officer, Treasurer and Corporate Secretary) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Management compensation				
Salaries and other benefits	\$ 63,773	\$ 141,008	\$ 128,017	\$ 276,435
Professional fees and outside services (i)	17,717	4,045	48,497	4,045
Fair value of share-based compensation	36,160	-	36,160	-
	\$ 117,650	\$ 145,053	\$ 212,674	\$ 280,480

(i) In the three-month and nine-month period ended September 30, 2018, Management consulting fees of \$17,717 and \$48,497, respectively (comparative period - \$4,045) were paid to the Chief Financial Officer and the Corporate Secretary. They were appointed on September 20, 2017.

21. Supplementary Cash Flows Information

Changes in non-cash working capital items

	September 30, 2018	September 30, 2017
Accounts receivable	\$ 52,685	\$ (120,716)
Prepaid expenses and deposits	(40,580)	90,968
Payables and accruals	(19,394)	(69,851)
	\$ (7,289)	\$ (99,599)

Non-cash financing and investing activities

	September 30, 2018	September 30, 2017
Disposal of mineral properties for shares	\$ 25,000	\$ 819,675

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22. Financial Instruments

Capital risk management

The Corporation manages its share capital, warrants, contributed surplus 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 instruments selected with a duration which is expected to align 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's overall strategy remains unchanged from 2017.

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, payables 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 interim condensed consolidated statement of financial position.

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Notes to Interim Condensed Consolidated Financial Statements

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22. Financial Instruments (Continued)

Financial risk management objectives (Continued)

(a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totalled \$3,592,903 as at September 30, 2018, (December 31, 2017 - \$2,526,768). These funds are subject to a combination of the \$100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"): CDIC, a federal Crown Corporation as well as a guarantee of \$1,000,000 provided by the Canadian Investors Protection Fund ("CIPF").

The 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:

	Notes	September 30, 2018	December 31, 2017
Cash and cash equivalents	5	\$ 2,638,284	\$ 1,572,189
Cash reserved for exploration	6	954,619	954,579
Investments	7	610,024	1,459,781
Accounts receivable	8	173,264	225,949
		\$ 4,376,191	\$ 4,212,498

(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 out 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.

Commodity price risk

Commodity price risk arises from the possible adverse effect on current and future earnings due to fluctuations in commodity prices. The ability of the Corporation to develop its properties and the future profitability of the Corporation is directly related to these prices.

Globex is entitled to a Gross Metal Royalty ("GMR") for zinc production from the Nyrstar Tennessee 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% GMR. If the LME zinc sale price is equal to or above USD \$1.10 per pound, then the royalty is 1.4% GMR. With a Zinc price at USD \$1.18 per pound at September 30, 2018, the Corporation believes that Zinc price should drop dramatically before having a significant impact on the profitability.

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22. Financial Instruments (Continued)

(b) Liquidity risk (Continued)

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 \$610,024 (December 31, 2017 - \$1,459,781). Based on the balance outstanding at September 30, 2018, a 10% increase or decrease would impact income and loss by \$61,002 (December 31, 2017 - \$145,978).

(c) Currency risk

Globex receives US dollar GMR payments from to 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. The Corporation has not entered into any foreign currency contracts to hedge its exposure to the currency risk.

Assets and liabilities in foreign currency are as follows:

	September 30, 2018 USD	December 31, 2017 USD
Cash and cash equivalents	\$ 1,213,277	\$ 541,814
Accounts receivable	100,000	77,210
Reclamation bonds	112,132	112,132
	\$ 1,425,409	\$ 731,156

During the nine-month period ended September 30, 2018, Globex received royalty payments of \$1,558,063 (USD \$1,210,052) (2017 USD \$431,750; CDN - \$551,393) and recorded a current tax expense of \$389,518 (USD - \$302,515) (2017 USD \$118,268; CDN - \$147,598).

The following table shows the estimated sensitivity of the Corporation's financial instruments for the nine-month period ended September 30, 2018 from a change in U.S. dollars with all other variables held constant as at September 30, 2018:

Percentage of change in closing exchange rate	Impact on financial instruments from % increase in exchange rate	Impact on financial instruments from % decrease in exchange rate
2%	\$ 28,508	\$ (28,508)
4%	57,016	(57,016)
6%	85,525	(85,525)
8%	114,033	(114,033)
10%	142,541	(142,541)

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22. Financial Instruments (Continued)

(c) Currency risk (Continued)

The following table shows the estimated sensitivity of the Corporation's net after tax income for the nine-month period ended September 30, 2018 from a change in U.S. dollars with all other variables held constant as at September 30, 2018 (in connection with metal royalties paid in U.S. dollars):

Percentage of change in closing exchange rate	Change in net pre-tax loss from % increase in exchange rate	Change in net pre-tax loss from % increase in exchange rate
2%	\$ 24,201	\$ (24,201)
4%	48,402	(48,402)
6%	72,603	(72,603)
8%	96,804	(96,804)
10%	121,005	(121,005)

(d) Fair value measurements recognized in the statement of interim condensed 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 market data (unobservable inputs)

September 30, 2018	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	\$ -	\$ 2,638,284	\$ -	\$ 2,638,284
Cash reserved for exploration	-	954,619	-	954,619
Investments	610,024	-	-	610,024
Accounts receivable	-	-	173,264	173,264
Reclamation bonds	-	781,304	-	781,304
	\$ 610,024	\$ 4,374,207	\$ 173,264	\$ 5,157,495

GLOBEX MINING ENTERPRISES INC.**Notes to Interim Condensed Consolidated Financial Statements****September 30, 2018****(Expressed in Canadian Dollars)****(Unaudited)**

22. Financial Instruments (Continued)**(d) Fair value measurements recognized in the statement of interim condensed consolidated financial position (Continued)**

There were no transfers between level 1, level 2 and level 3 during the period.

December 31, 2017	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	\$ -	\$ 1,572,189	\$ -	\$ 1,572,189
Cash reserved for exploration	-	954,579	-	954,579
Investments	1,459,781	-	-	1,459,781
Accounts receivable	-	-	225,949	225,949
Reclamation bonds	-	776,555	-	776,555
	\$ 1,459,781	\$ 3,303,323	\$ 225,949	\$ 4,989,053

There were no transfers between level 1, level 2 and level 3 during the period.

For all other financial assets and liabilities, the fair value is equal to the carrying value.

23. Commitments and Contingencies

At the period-end, the Corporation had no outstanding commitments other than in the normal course of business other than its commitment to incur qualified exploration expenditures to meet its flow-through obligations as described in notes 6 and 13. At this time, Management anticipates meeting that obligation and as a result, no additional disclosures are required.

24. Subsequent Event

Subsequent to September 30, 2018, 591,500 common shares of Globex were purchased for cash consideration of \$168,264 in accordance with the NCIB.