



## **INTERIM FINANCIAL REPORT**

**SIX MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

86, 14<sup>th</sup> Street, Rouyn-Noranda, Quebec J9X 2J1 CANADA  
Telephone: (819) 797-5242 Fax.: (819) 797-1470  
[info@globexmining.com](mailto:info@globexmining.com) [www.globexmining.com](http://www.globexmining.com)

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

Management has compiled the unaudited interim condensed consolidated financial report as of June 30, 2018 and 2017. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered professional accountants.

## GLOBEX MINING ENTERPRISES INC.

### Interim Condensed Consolidated Statement of (Loss) Income and Comprehensive (Loss) Income (Unaudited - In Canadian dollars)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2018 \$	2017 \$	2018 \$	2017 \$
		<i>(Restated, Note 4)</i>		<i>(Restated, Note 4)</i>	
<b>Continuing operations</b>					
<b>Revenues</b>	15	<b>569,065</b>	814,182	<b>1,696,769</b>	1,718,483
<b>Expenses</b>					
Salaries		<b>76,598</b>	110,900	<b>165,933</b>	236,194
Administration	16	<b>99,483</b>	103,084	<b>197,984</b>	188,289
Professional fees and outside services	16	<b>73,700</b>	139,974	<b>169,287</b>	279,693
Depreciation	11	<b>6,583</b>	5,192	<b>13,167</b>	10,384
Exploration and evaluation expenditures	17	<b>456,290</b>	336,962	<b>703,924</b>	747,624
Share-based compensation and payments	19	-	-	<b>22,746</b>	-
(Gain) loss on foreign exchange		<b>(40,424)</b>	970	<b>(86,077)</b>	2,489
Bad debt recovery		-	-	<b>(6,138)</b>	-
		<b>672,230</b>	697,082	<b>1,180,826</b>	1,464,673
<b>(Loss) income from operations</b>		<b>(103,165)</b>	117,100	<b>515,943</b>	253,810
<b>Other income (expenses)</b>					
Interest and dividends		<b>1,066</b>	2,838	<b>6,339</b>	5,912
Joint venture loss	10	-	(1,247)	-	(2,214)
Decrease in fair value of financial assets		<b>(198,026)</b>	(300,463)	<b>(328,278)</b>	(167,431)
(Loss) gain on the sale of investments		-	(33,521)	<b>1,300</b>	(31,371)
Management services	20	<b>2,934</b>	9,965	<b>10,495</b>	30,227
Other		-	1,334	<b>52</b>	10,420
		<b>(194,026)</b>	(321,094)	<b>(310,092)</b>	(154,457)
<b>(Loss) income before taxes</b>		<b>(297,191)</b>	(203,994)	<b>205,851</b>	99,353
<b>Income tax expense (recovery)</b>	14	<b>38,897</b>	27,373	<b>122,864</b>	(10,060)
<b>(Loss) income and comprehensive (loss) income for the period</b>		<b>(336,088)</b>	(231,367)	<b>82,987</b>	109,413
<b>(Loss) income per common share</b>					
Basic	18	<b>(0.01)</b>	(0.00)	<b>0.00</b>	0.00
Diluted	18	<b>(0.01)</b>	(0.00)	<b>0.00</b>	0.00
<b>Basic weighted average number of common shares outstanding</b>		<b>51,051,951</b>	49,130,920	<b>51,052,751</b>	49,000,593
<b>Diluted weighted average number of common shares outstanding</b>		<b>51,051,951</b>	49,130,920	<b>53,541,649</b>	52,643,223
<b>Shares outstanding at end of period</b>		<b>51,048,577</b>	50,172,424	<b>51,048,577</b>	50,172,424

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

## GLOBEX MINING ENTERPRISES INC.

### Interim Condensed Consolidated Statements of Cash Flows

(Unaudited - In Canadian dollars)

	Notes	2018 \$	Six months ended June 30, 2017 \$ <i>(Restated, Note 4)</i>
<b>Operating activities</b>			
Income and comprehensive income for the period		<b>82,987</b>	109,413
Adjustments for:			
Disposal of mineral properties for shares	21	<b>(25,000)</b>	(819,675)
Increase in fair value of financial assets		<b>328,278</b>	167,431
Depreciation	11	<b>13,167</b>	10,384
Foreign exchange rate variation on reclamation bond		<b>(7,250)</b>	4,983
(Gain) loss on the sale of investments		<b>(1,300)</b>	31,371
Current tax expense	14	<b>230,699</b>	52,419
Deferred tax recovery	14	<b>(173,828)</b>	(62,479)
Share-based compensation and payments	19	<b>22,746</b>	-
		<b>387,512</b>	(615,566)
Share of net loss from investment in joint venture	10	-	2,214
Changes in non-cash working capital items	21	<b>(82,002)</b>	(84,395)
		<b>388,497</b>	(588,334)
<b>Financing activities</b>			
Issuance of common shares	19	-	795,000
Proceeds from exercised options	19	-	35,250
Proceeds from exercised warrants	19	-	25,000
Share capital issue costs	19	<b>(1,117)</b>	(46,977)
Share repurchase	19	<b>(1,987)</b>	-
Decrease in related party payable	20	<b>(6,542)</b>	(22,695)
		<b>(9,646)</b>	785,578
<b>Investing activities</b>			
Acquisition of properties, plant and equipment	11	<b>(56,055)</b>	-
Proceeds from sale of investment		<b>123,769</b>	333,595
		<b>67,714</b>	333,595
Net increase in cash and cash equivalents		<b>446,565</b>	530,839
Cash and cash equivalents, beginning of period		<b>2,526,768</b>	1,412,273
<b>Cash and cash equivalents, end of period</b>		<b>2,973,333</b>	1,943,112
Cash and cash equivalents		<b>2,508,992</b>	884,195
Cash reserved for exploration		<b>464,341</b>	1,058,917
		<b>2,973,333</b>	1,943,112
Supplementary cash flows information (note 21)			

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

## GLOBEX MINING ENTERPRISES INC.

### Interim Condensed Consolidated Statements of Financial Position

(Unaudited - In Canadian dollars)

	Notes	June 30, 2018 \$	December 31, 2017 \$	December 31, 2016 \$
<i>(Restated, Note 4)</i>				
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	2,508,992	1,572,189	512,273
Cash reserved for exploration	6	464,341	954,579	900,000
Investments	7	1,034,033	1,459,781	745,665
Accounts receivable	8	227,164	225,949	104,450
Prepaid expenses and deposits		96,133	41,317	166,798
		<b>4,330,663</b>	<b>4,253,815</b>	<b>2,429,186</b>
Reclamation bonds	9	783,805	776,555	786,697
Investment in joint venture	10	47,860	47,860	50,074
Properties, plant and equipment	11	428,351	385,463	402,926
		<b>5,590,679</b>	<b>5,463,693</b>	<b>3,668,883</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables and accruals	12	134,371	160,342	282,123
Current income tax		291,859	61,160	-
		<b>426,230</b>	<b>221,502</b>	<b>282,123</b>
Related party payable	20	51,148	57,690	58,911
Other liabilities	13	171,448	345,277	100,000
Restoration liabilities	9	628,175	628,175	628,175
		<b>1,277,001</b>	<b>1,252,644</b>	<b>1,069,209</b>
<b>Owners' equity</b>				
Share capital	19	55,918,889	55,925,483	55,043,838
Warrants	19	-	-	215,602
Contributed surplus - Equity settled reserve		4,586,569	4,563,823	4,373,377
Deficit		(56,191,780)	(56,278,257)	(57,033,143)
		<b>4,313,678</b>	<b>4,211,049</b>	<b>2,599,674</b>
		<b>5,590,679</b>	<b>5,463,693</b>	<b>3,668,883</b>

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

Approved by the board

**"Jack Stoch"**

Jack Stoch, Director

**"Dianne Stoch"**

Dianne Stoch, Director

**GLOBEX MINING ENTERPRISES INC.**

Interim Condensed Consolidated Statements of Equity

(Unaudited - In Canadian dollars)

	<b>2018</b>	<b>Six months ended June 30, 2017</b>	<b>Year-Ended December 31, 2017</b>
	\$	\$	\$
<b>Common shares</b>			
Beginning of period	<b>55,925,483</b>	55,043,838	55,043,838
Issued on exercise of options	-	53,962	66,553
Issued on exercise of warrants	-	27,078	27,078
Fair value of shares issued under private placements	-	515,070	861,993
Share repurchase	<b>(5,477)</b>	-	-
Share issuance costs, net of taxes (December 31, 2017 - \$26,673)	<b>(1,117)</b>	(34,528)	(73,979)
End of period	<b>55,918,889</b>	55,605,420	55,925,483
<b>Warrants</b>			
Beginning of period	-	215,602	215,602
Exercised during the period	-	(2,078)	(2,078)
Expired during the period	-	-	(213,524)
End of period	-	213,524	-
<b>Contributed surplus - Equity settled reserve</b>			
Beginning of period	<b>4,563,823</b>	4,373,377	4,373,377
Share-based compensation	<b>22,746</b>	-	-
Exercised options	-	(18,712)	(23,078)
Expired warrants during the period	-	-	213,524
End of period	<b>4,586,569</b>	4,354,665	4,563,823
<b>Deficit</b>			
Beginning of period	<b>(56,278,257)</b>	(57,033,143)	(57,033,143)
Share repurchase	<b>3,490</b>	-	-
Gain attributable to shareholders	<b>82,987</b>	109,413	754,886
End of period	<b>(56,191,780)</b>	(56,923,730)	(56,278,257)
<b>Total Equity</b>	<b>4,313,678</b>	3,249,879	4,211,049

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

## **GLOBEX MINING ENTERPRISES INC.**

### **Notes to the Interim Condensed Consolidated Financial Statements**

**Periods ending June 30, 2018 and 2017**

**(Unaudited - In Canadian dollars)**

#### **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 161 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 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.

## 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 August 7, 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.

### 3. Summary of significant accounting policies (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 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).

<u>Classification</u>	<u>IAS 39</u>	<u>IFRS 9</u>
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
Payables 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.



### 3. Summary of significant accounting policies (continued)

#### 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.

#### 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 liability 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.

### 3. Summary of significant accounting policies (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.

#### *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.

### 3. Summary of significant accounting policies (continued)

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 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
	\$	\$	\$
<b>STATEMENT OF FINANCIAL POSITION</b>			
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

#### 4. Change in accounting policy (continued)

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

	As previously reported	Effect of change in accounting policy	Restated
	\$	\$	\$
<b>STATEMENT OF FINANCIAL POSITION</b>			
Minerals properties	3,078,760	(3,078,760)	-
Deferred exploration expenses	12,061,096	(12,061,096)	-
Total assets	19,574,731	(15,139,856)	4,434,875
Deferred tax liability	1,472,612	(1,472,612)	-
Deficit	(43,256,486)	(13,667,244)	(56,923,730)
Total equity	16,917,123	(13,667,244)	3,249,879
Total equity and liabilities	19,574,731	(15,139,856)	4,434,875
<b>STATEMENT OF (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME</b>			
Revenues	1,148,541	569,942	1,718,483
Exploration and evaluation expenses	-	747,624	747,624
Impairment of mineral properties and deferred exploration expenses	93,546	(93,546)	-
Deferred tax	217,452	(227,512)	(10,060)
(Loss) income and comprehensive (loss) income for the period	(33,963)	143,376	109,413
Basic and diluted (loss) income per share	(0.00)	0.00	0.00
<b>STATEMENT OF CASH FLOWS</b>			
(Loss) income and comprehensive (loss) income for the period	(33,963)	143,376	109,413
Impairment of mineral properties and deferred exploration expenses	93,546	(93,546)	-
Deferred tax recovery	165,033	(227,512)	(62,479)
Net cash used by operating activities	(410,652)	(177,682)	(588,334)
Deferred exploration expenses	(688,698)	688,698	-
Mineral properties acquisitions	(58,926)	58,926	-
Proceed on mineral properties optioned	569,942	(569,942)	-
Net cash generated by investing activities	155,913	177,682	333,595

#### 4. Change in accounting policy (continued)

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

	As previously reported	Effect of change in accounting policy	Restated
	\$	\$	\$
<b>STATEMENT OF (LOSS) INCOME AND COMPREHENSIVE INCOME (LOSS)</b>			
Revenues	668,147	146,036	814,183
Exploration and evaluation expenses	-	336,962	336,962
Impairment of mineral properties and deferred exploration expenses	40,466	(40,466)	-
Deferred tax	124,074	(96,701)	27,373
Loss and comprehensive loss for the period	(177,607)	(53,759)	(231,366)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)

#### 5. Cash and cash equivalents

	June 30, 2018	December 31, 2017
	\$	\$
Bank balances	1,916,255	760,776
Short-term deposit	592,737	811,413
	2,508,992	1,572,189

#### 6. Cash reserved for exploration

	June 30, 2018	December 31, 2017
	\$	\$
Bank balances	64,341	54,579
Short-term deposit	400,000	900,000
	464,341	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.

## 7. Investments

Corporation Name	June 30, 2018		December 31, 2017	
	Number of Shares	Fair Value \$	Number of Shares	Fair Value \$
Enerspar Corp.	2,000,000	130,000	2,000,000	130,000
Enforcer Gold Corp.	3,500,000	175,000	3,500,000	297,500
Falco Resources Ltd <sup>(1)</sup>	350,000	185,500	350,000	334,250
Galway Metals Inc.	260,000	50,700	260,000	91,000
Great Thunder Gold Corp.	2,075,000	41,500	2,075,000	83,000
Integra Resources Corp. <sup>(2)</sup>	128,000	107,520	128,000	140,800
Knick Exploration Inc.	1,000,000	10,000	1,000,000	30,000
Laurion Mineral Exploration Inc.	1,969,000	147,675	1,969,000	88,605
Manganese X Energy Corp.	-	-	662,000	89,370
Opawica Explorations Inc. <sup>(3)</sup>	250,000	13,750	250,000	47,500
Pershimex Resources Corporation <sup>(4)</sup>	175,000	8,750	175,000	15,750
Renforth Resources Inc.	1,200,000	48,000	700,000	35,000
RJK Explorations Inc.	100,000	5,000	100,000	6,500
Rogue Resources Inc.	50,000	10,500	50,000	15,000
Sphinx Resources Ltd.	513,000	20,520	513,000	23,085
Other equity investments		79,818		32,421
		<b>1,034,233</b>		<b>1,459,781</b>

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.

## 8. Accounts receivable

	June 30, 2018 \$	December 31, 2017 \$
Trade receivables	208,593	221,173
Bad debt provisions	(4,109)	(4,109)
Net trade receivables	204,484	217,063
Taxes receivable	22,680	8,885
	<b>227,164</b>	<b>225,949</b>

Net trade receivables of \$204,484 (December 31, 2017 - \$217,063) 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

	June 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	147,656	140,406
Deposits with Province of Quebec, MERN	628,175	628,175
	<b>783,805</b>	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.

### Restoration Liabilities

	June 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	<b>628,175</b>	628,175

## 10. Investment in joint venture

	\$
Balance, January 1, 2017	50,074
Add:	
Globex's 50% share of DAL's net income for the year ended December 31, 2017	(2,214)
<b>Balance, December 31, 2017</b>	<b>47,860</b>
Add:	
Globex's 50% share of DAL's net loss for the six-month period ended June 30, 2018	-
<b>Balance, June 30, 2018</b>	<b>47,860</b>

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.

	June 30, 2018 \$	December 31, 2017 \$
<b>Assets</b>		
Mineral property and deferred exploration expenses	<b>27,206</b>	27,206
Due from Globex Mining Enterprises Inc.	<b>78,883</b>	78,883
<b>Current earnings</b>	-	(4,428)



## 11. Properties, plant and equipment

	Land and buildings	Mining equipment	Office equipment	Vehicles	Computer Systems	Total
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
<b>2017</b>						
January 1,	497,627	88,210	146,274	56,177	268,241	1,056,529
Additions	-	-	-	-	3,432	3,432
December 31,	497,627	88,210	146,274	56,177	271,673	1,059,961
<b>2018</b>						
Additions	39,355	-	-	-	16,700	56,055
June 30,	536,982	88,210	146,274	56,177	288,373	1,116,016
<b>Accumulated depreciation</b>						
<b>2017</b>						
January 1,	(115,852)	(88,210)	(146,274)	(56,177)	(247,090)	(653,603)
Additions	(13,837)	-	-	-	(7,058)	(20,895)
December 31,	(129,689)	(88,210)	(146,274)	(56,177)	(254,148)	(674,498)
<b>2018</b>						
Additions	(6,919)	-	-	-	(6,248)	(13,167)
June 30,	(136,608)	(88,210)	(146,274)	(56,177)	(260,396)	(687,665)
<b>Carrying value</b>						
<b>2017</b>						
January 1,	381,775	-	-	-	21,151	402,926
December 31,	367,938	-	-	-	17,525	385,463
<b>2018</b>						
June 30,	400,374	-	-	-	27,977	428,351

## 12. Payables and accruals

	June 30, 2018	December 31, 2017
	\$	\$
Trade payables and accrued liabilities	85,918	120,389
Sundry liabilities	48,453	39,953
	134,371	160,342

### 13. Other liabilities

	June 30, 2018 \$	December 31, 2017 \$
Balance, beginning of period	345,277	100,000
Additions during the period	-	483,007
Reduction related to qualified exploration expenditures	(173,829)	(237,730)
	<b>171,448</b>	<b>345,277</b>

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.

### 14. Income taxes

#### Income tax expense

	Three months ended		Six months ended	
	June 30, 2018 \$	June 30, 2017 \$ <i>(Restated, Note 4)</i>	June 30, 2018 \$	June 30, 2017 \$ <i>(Restated, Note 4)</i>
Current tax expense	142,266	52,419	296,692	52,419
Recovery of income and mining duties as a result of the sale of tax benefits (flow-through shares)	(103,369)	(25,046)	(173,828)	(62,479)
	<b>38,897</b>	<b>27,373</b>	<b>122,864</b>	<b>(10,060)</b>

#### Deferred tax balances

	January 1, 2018 \$	Recognized in income or loss \$	Recognized in equity \$	June 30, 2018 \$
Temporary differences				
Deferred tax assets				
Non-capital losses carry forward	1,113,185	(135,518)	-	977,667
Share issue expenses	60,773	-	-	60,773
Properties, plant & equipment	30,963	(4,426)	-	26,537
Mining properties, exploration and evaluation expenses	1,677,740	57,006	-	1,734,746
Financial asset at FVTPL	280,649	42,592	-	323,241
	3,163,310	(40,346)	-	3,122,964
Deferred tax assets not recognized	(3,163,310)	40,346	-	(3,122,964)
Deferred tax assets	-	-	-	-

## 15. Revenues

A summary of the revenues for the respective period follows.

	Three months ended		Six months ended	
	June 30, 2018 \$	June 30, 2017 \$	June 30, 2018 \$	June 30, 2017 \$
		<i>(Restated, Note 4)</i>		<i>(Restated, Note 4)</i>
Net option income and advance royalties	-	615,374	<b>510,000</b>	1,519,675
Royalties	<b>569,065</b>	198,808	<b>1,186,769</b>	198,808
	<b>569,065</b>	814,182	<b>1,696,769</b>	1,718,483

In the three-month and six-month period ended June 30, 2018, Globex reported option income and advances royalties of \$Nil and \$510,000, respectively (three-month and six-month period ended June 30, 2017 – \$615,374 and \$1,519,675, respectively) which consisted of cash receipts of \$Nil and \$485,000, respectively (three-month and six-month period ended June 30, 2017 - \$215,000 and \$700,000, respectively) and shares in optionee corporations with a fair market value of \$Nil and \$25,000, respectively (three-month and six-month period ended June 30, 2017 - \$400,374 and \$819,675, respectively).

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 six-month period ended June 30, 2018, Globex recorded metal royalty income of \$569,065 and \$1,186,769, respectively from Nyrstar Mid-Tennessee Mines.

## 16. Expenses by nature

The nature of administration expenses as well as professional fees and outside services:

	Three months ended		Six months ended	
	June 30, 2018 \$	June 30, 2017 \$	June 30, 2018 \$	June 30, 2017 \$
Administration				
Office expenses	<b>68,075</b>	69,464	<b>123,390</b>	122,414
Conventions and meetings	<b>14,623</b>	5,192	<b>38,955</b>	24,515
Advertising and meetings	<b>7,563</b>	8,243	<b>20,578</b>	13,210
Transfer agent	<b>9,854</b>	12,687	<b>12,282</b>	14,448
Other administration	<b>(632)</b>	7,498	<b>2,779</b>	13,702
	<b>99,483</b>	103,084	<b>197,984</b>	188,289

## 16. Expenses by nature (continued)

	Three months ended		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	\$	\$	\$	\$
Professional fees and outside services				
Investor relations	23,500	62,355	50,446	149,884
Legal fees	7,841	13,482	10,103	15,865
Audit and accounting fees	15,000	42,943	37,880	63,443
Filing fees	3,628	3,647	16,281	17,954
Management consulting	19,366	-	30,780	-
Other professional fees	4,365	17,547	23,797	32,547
	<b>73,700</b>	<b>139,974</b>	<b>169,287</b>	<b>279,693</b>

## 17. Exploration and evaluation expenditures

Region/Property/Township	Three months ended		Six months ended	
	2018 \$	June 30, 2017 \$ (Restated, Note 4)	2018 \$	June 30, 2017 \$ (Restated, Note 4)
<b>Ontario</b>				
• Timmins Talc-Magnesite (Deloro)	7,082	23,708	13,511	31,990
• Other projects	3,548	9,963	6,924	10,031
	<b>10,630</b>	<b>33,671</b>	<b>20,435</b>	<b>42,021</b>
<b>Quebec</b>				
• Black Dog South (Stuart)	491	1,927	4,425	1,927
• Blackcliff (Malartic)	-	416	-	416
• Cameron (Grevet)	-	665	75	3,637
• Carpentier (Carpentier)	1,939	878	1,939	878
• Certac (Le Tac)	1,645	1,231	1,645	1,231
• Chubb, McNeely (Lacorne)	518	4,986	5,375	6,701
• Courville (Courville)	-	674	4,349	1,643
• Dalhousie (Bourbaux)	9,021	-	9,021	-
• Deane (Cadillac)	-	394	-	394
• Duvan Copper (Des Meloizes, La Reine)	833	1,745	833	1,745
• Fabie Bay / Magusi (Hebecourt, Montbray)	17,165	6,505	25,864	137,897
• Feldspar (Johan-Beetz)	177	1,663	494	1,663
• Francoeur (Beauchastel)	49,207	42,768	115,894	90,663
• Great Plains (Clermont)	8,623	-	14,117	767
• Hunter East (Duparquet)	13,835	-	13,835	-
• Kelly Lake (Blondeau)	7,284	1,050	7,414	36,488
• Lac Anctil (Guercheville)	2,515	64	6,726	64
• Lac Mina (Guercheville)	7,441	-	10,017	-
• Lac Ontario (St-Urbain)	394	402	1,470	20,453
• Lac Savignac (Northern Quebec)	256	98,246	256	126,335
• Lyndhurst (Destor/Pouliaries)	3,823	5,826	6,258	5,826
• Napping Dwarf (Glandelet)	2,985	651	11,660	2,951
• New Richmond (New Richmond)	23,784	-	23,784	-
• Pandora-Wood & Central Cadillac (Cadillac)	100,052	1,434	102,049	2,835
• Pyrox (Clairy)	53,286	67,330	61,262	83,164

Region/Property/Township	Three months ended		Six months ended	
	2018	June 30,	2018	June 30,
	\$	2017 \$ (Restated, Note 4)	\$	2017 \$ (Restated, Note 4)
• Rosario (Lac Troilus)	1,777	-	8,510	-
• Sheen Lake (Guillet)	-	337	-	337
• Shortt Lake Mine	15,687	-	20,214	642
• Silidor Mine	3,178	315	9,823	1,306
• Tavernier Tiblemont (Tavernier)	218	3,472	3,168	4,345
• Tonnancour (Tonnancour, Josselin)	-	10,580	-	10,580
• Trinity (Lamorandiere)	8,919	-	8,919	-
• Windfall East (Bressami)	3,654	5,493	7,397	9,193
• Other projects	28,822	9,892	47,845	51,623
• Quebec general exploration	40,539	28,823	92,070	72,339
<b>Total Quebec exploration</b>	<b>408,068</b>	<b>297,767</b>	<b>626,708</b>	<b>678,043</b>
<b>Other regions</b>				
• Nova Scotia	6	6,030	214	6,530
• New Brunswick	7,995	(6,299)	8,385	6,173
• Canada (others)	125	-	125	475
• Europe	21,673	2,598	38,589	10,031
• Other including Bell Mountain (USA)	7,793	3,195	9,468	4,351
<b>Total exploration expenditures</b>	<b>456,290</b>	<b>336,962</b>	<b>703,924</b>	<b>747,624</b>

	Three months ended		Six months ended	
	2018	June 30,	2018	June 30,
	\$	2017 \$ (Restated, Note 4)	\$	2017 \$ (Restated, Note 4)
Exploration and evaluation expenditures				
Consulting	42,559	(329)	75,110	5,635
Core shack, storage and equipment rental	-	550	-	550
Drilling	-	53,969	-	143,969
Environmental	9,975	(7,041)	32,703	-
Geology	10,450	-	11,100	3,250
Geophysics	41,546	12,708	41,546	35,038
Laboratory analysis and sampling	8,638	18,022	12,616	35,809
Labour	186,835	122,432	335,660	254,201
Line cutting	-	4,705	-	8,467
Mineral property acquisitions	113,444	12,787	123,329	58,926
Mining property tax, permits and prospecting	25,497	31,027	44,870	58,093
Reports, maps and supplies	5,128	3,630	11,378	10,702
Transport and road access	12,218	84,502	15,612	132,984
<b>Total exploration and evaluation expenditures</b>	<b>456,290</b>	<b>336,962</b>	<b>703,924</b>	<b>747,624</b>

## 18. (Loss) income per common share

Basic (loss) income per common share is calculated by dividing the net (loss) income by the weighted average number of common shares outstanding during the period. Diluted (loss) income per common share is calculated by dividing the net income 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) income 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) income are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

### Basic and diluted (loss) income per common share

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

	Three months ended		Six months ended	
	2018	June 30, 2017	2018	June 30, 2017
	\$	\$	\$	\$
	<i>(Restated, Note 4)</i>		<i>(Restated, Note 4)</i>	
<b>Numerator</b>				
(Loss) income for the period	<b>(336,088)</b>	(231,366)	<b>82,987</b>	109,413
<b>Denominator</b>				
Weighted average number of common shares - basic	<b>51,051,951</b>	49,130,920	<b>51,052,751</b>	49,000,593
Effect of dilutive shares				
Stock options ("in the money")	-	-	<b>2,827,500</b>	2,927,500
Warrants ("in the money")	-	-	-	1,551,975
Shares assumed to be repurchased	-	-	<b>(338,602)</b>	(836,845)
Weighted average number of common shares - diluted	<b>51,051,951</b>	49,130,920	<b>53,541,649</b>	52,643,223
<b>(Loss) income per share</b>				
Basic	<b>(0.01)</b>	(0.00)	<b>0.00</b>	0.00
Diluted	<b>(0.01)</b>	(0.00)	<b>0.00</b>	0.00

## 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.

## 19. Share capital (continued)

### Changes in capital stock

	June 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 <sup>(i)</sup>	-	-	50,000	27,078
Issued on exercise of options <sup>(ii)</sup>	-	-	185,000	66,553
Private placements				
Flow-through shares <sup>(iii, iv)</sup>	-	-	1,965,871	861,993
Share issuance costs <sup>(v)(vi)</sup>	-	(1,117)	-	(73,979)
Share repurchase <sup>(vii)</sup>	(5,000)	(5,477)	-	-
Balance, end of period	51,048,577	55,918,889	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.

#### 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.

## 19. Share capital (continued)

### 2018 issuances

#### Share issuance costs

(vi) In 2018 share issuance costs totalled \$1,117 and consisted of other disbursements.

#### Normal course issuer bid

(vii) On May 18, 2018, 5,000 common shares were purchased for cash consideration of \$1,987 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 June 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.

#### Warrants

	June 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 <sup>(i)</sup>	-	-	(50,000)	(2,078)
Expired November 26, 2017 <sup>(ii)</sup>	-	-	(1,551,975)	(64,491)
December 14, 2017 <sup>(iii)</sup>	-	-	(1,320,000)	(137,833)
December 15, 2017 <sup>(iv)</sup>	-	-	(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.



## 19. Share capital (continued)

### 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 Toronto Stock Exchange approved the listing and reservation of an additional 2,000,000 common shares for issuance upon exercise of stock options granted.

At June 30, 2018, 1,477,500 (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:

	June 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 <sup>(i)</sup>	-	-	(185,000)	0.24
Expired/cancelled	(60,000)	0.40	(60,000)	0.54
Granted to employees	85,000	0.44	-	-
Balance - end of period	3,022,500	0.29	2,997,500	0.29
Options exercisable	3,022,500	0.29	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.

## 19. Share capital (continued)

The following table summarizes information regarding the stock options outstanding and exercisable as at June 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	1.22	0.21
0.22 - 0.24	1,660,000	1,660,000	0.96	0.24
0.25 - 0.29	255,000	255,000	2.41	0.29
0.39 - 0.42	720,000	720,000	3.07	0.39
0.44 - 0.50	85,000	85,000	4.59	0.44
0.51 - 0.54	110,000	110,000	0.18	0.54
	3,022,500	3,022,500	1.68	0.29

### 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:

	June 30, 2018	December 31, 2017
Expected dividend yield	Nil	Nil
Expected stock price volatility	73.19%	Nil
Risk free interest rate	2.08%	Nil
Expected life	5 years	Nil
Weighted average fair value of granted options	\$0.27	Nil

During the three-month and six-month period ended June 30, 2018, an expense of \$Nil and \$22,746, respectively (June 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) income and comprehensive (loss) income.

## **19. Share capital (continued)**

### **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.

### **Shareholders' Rights Plan**

On June 12, 2014, the Shareholders approved the adoption of a new Shareholder Rights Plan (the “Rights Plan”). The Rights Plan was adopted to: (i) provide shareholders and the Board of Directors with adequate time to consider and evaluate any take-over 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; (iii) encourage the fair treatment of shareholders.

In connection with any take-over bid made 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 shares of the Corporation (or where such person already owns more than 20% of the shares, from acquiring ownership of or the right to vote any additional shares) while this process is ongoing or entering into arrangements or relationships that have a similar effect.

The Rights Plan will be in effect until the close of business on the date of the first annual meeting of the shareholders of the Corporation following the third anniversary of the date of the Rights Plan (June 12, 2014).

The objective of the Rights Plan is to ensure, to the extent possible, that all of the Corporation’s shareholders will be treated equally and fairly in connection with any take-over bid for the Corporation.

The 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 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.

## 19. Share capital (continued)

The Rights Plan utilizes the mechanism of a “Permitted Bid” (as defined therein) to attempt to ensure that a person seeking to acquire beneficial ownership of 20% or more of the Corporation’s shares gives shareholders and the Board of Directors sufficient time to evaluate the transaction, negotiate with the proposed acquirer, encourage competing bids to emerge, and ensure that all alternatives to the transaction designed to maximize shareholder value have been considered.

The Rights Plan will provide the Board of Directors with time to review any unsolicited take-over bid that may be made and to take action, if appropriate, to enhance shareholder value.

The Rights Plan attempts to protect the Corporation’s shareholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions, failing which such bidders are subject to the dilutive features of the Rights Plan. By creating the potential for substantial dilution of a bidder’s position, the Rights Plan encourages an offer or to proceed by way of a Permitted Bid or to approach the Board of Directors with a view to negotiation.

### **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.

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 six-month period ended June 30, 2018, 5,000 common shares were purchased for cash consideration of \$1,988 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

	June 30, 2018	December 31, 2017
<b>Related party payables (receivables)</b>	<b>\$</b>	<b>\$</b>
Jack Stoch Geoconsultant Limited	<b>(6,717)</b>	(6,717)
Chibougamau Independent Mines Inc.	<b>(21,018)</b>	(14,476)
Duparquet Assets Limited	<b>78,883</b>	78,883
	<b>51,148</b>	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 decrease of \$6,542 (June 30, 2017 - \$22,695) in the related party net payables during the six-month period ended June 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 \$2,934 and \$10,495, respectively for the three-month and six-month period ended June 30, 2018 (June 30, 2017 - \$9,965 and \$30,227, 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.

#### 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		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	\$	\$	\$	\$
Management compensation				
Salaries and other benefits	<b>32,122</b>	67,799	<b>64,244</b>	135,427
Professional fees and outside services <sup>(i)</sup>	<b>19,366</b>	-	<b>30,780</b>	-
	<b>51,488</b>	67,799	<b>95,024</b>	135,427

## 20. Related party information (continued)

- (i) In the three-month and six-month period ended June 30, 2018, Management consulting fees of \$19,366 and \$30,780, respectively 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

	June 30, 2018 \$	June 30, 2017 \$
Accounts receivable	(1,215)	(73,575)
Prepaid expenses and deposits	(54,816)	108,119
Payables and accruals	(25,971)	(118,939)
	(82,002)	(84,395)

### Non-cash financing and investing activities

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

## 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.

## 22. Financial instruments (continued)

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, 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 interim condensed consolidated statement of financial position.

#### (a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totalled \$2,973,333 as at June 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	June 30, 2018 \$	December 31, 2017 \$
Cash and cash equivalents	5	2,508,992	1,572,189
Cash reserved for exploration	6	464,341	954,579
Investments	7	1,034,033	1,459,781
Accounts receivable	8	227,164	225,949
		4,234,530	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.

## 22. Financial instruments (continued)

### 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 \$1.31 per pound at June 30, 2018, the Corporation believes that Zinc price should drop dramatically before having a significant impact on the profitability.

### 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 \$1,034,033 (December 31, 2017 - \$1,459,781). Based on the balance outstanding at June 30, 2018, a 10% increase or decrease would impact income and loss by \$103,403 (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:

	June 30, 2018	December 31, 2017
<b>Assets</b>	<b>\$USD</b>	<b>\$USD</b>
Cash and cash equivalents	1,351,553	541,814
Accounts receivable	136,594	77,210
Reclamation Bonds	112,132	112,132
	<b>1,600,279</b>	<b>731,156</b>

During the six-month period ended June 30, 2018, Globex received royalty payments of \$1,186,769 (USD \$928,541) (2017 USD \$150,272; CDN - \$198,808) and recorded a current tax expense of \$296,692 (USD - \$232,135) (2017 USD \$Nil; CDN - \$Nil).



## 22. Financial instruments (continued)

The following table shows the estimated sensitivity of the Corporation's financial instruments for the six-month period ended June 30, 2018 from a change in U.S. dollars with all other variables held constant as at June 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%	32,005	(32,005)
4%	64,011	(64,011)
6%	96,017	(96,017)
8%	128,022	(128,022)
10%	160,028	(160,028)

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

Percentage of change in closing exchange rate	Change in net pre-tax income (loss) from % increase in exchange rate	Change in net pre-tax income (loss) from % decrease in exchange rate
	\$	\$
2%	18,571	(18,571)
4%	37,142	(37,142)
6%	55,713	(55,713)
8%	74,283	(74,283)
10%	92,854	(92,854)

### (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).

## 22. Financial instruments (continued)

June 30, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at fair Value \$
Financial assets				
Cash and cash equivalents	-	2,508,992	-	2,508,992
Cash reserved for exploration	-	464,341	-	464,341
Equity investments	1,034,033	-	-	1,034,033
Accounts receivable	-	-	227,164	227,164
Reclamation bonds	-	783,805	-	783,805
	1,034,033	3,757,138	227,164	5,018,335

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
Equity 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 note 6 and 13. At this time, Management anticipates meeting that obligation and as a result, no additional disclosures are required.

## 24. Subsequent events

- (a) Subsequent to June 30, 2018, 54,500 common shares of Globex were purchased for cash consideration of \$20,491 in accordance with the NCIB.