

Globex Mining Ent. (GMX-TSX) Company Report – April 21, 2018

Globex Mining Enterprises Inc. is a North American focused exploration and development project generator. The Company has an exceptionally well-diversified portfolio of assets, with exposure to a wide range of commodities.

The Company reported revenues for 2017 of \$3,682,752 compared to revenues of \$1,714,730 in 2016, up a whopping 114%. Moreover, net income in 2017 reached \$754,886 compared to a net loss of \$712,193 in 2016. A more that solid achievement, which is mainly the result of an increase of \$2,262,815 in option and metal royalty income, as well as an offset in expenses.

As zinc prices have been trending higher to achieve multi-year highs, Nyrstar has also been successful in increasing total production output at the mines, and the total royalty payable has been increasing in tandem. Globex reported that it received the highest monthly payment so far in January, amounting to USD \$177,179. While the royalty will vary from month to month, the trend is certainly positive and this cash stream is a solid contribution to the healthy balance sheet for the Company. Globex estimates it will receive net revenues of more than CDN \$2 million just from the Nyrstar royalty in 2018.

Based on these calculations, we reiterate our buy recommendation for Globex Mining Enterprises with a price target of \$1.16, which is 182% above today's stock price.



- Unlike investments in traditional junior resource companies where most investors speculate on the outcome of one or two projects, Globex has a much lower downside as it puts its eggs in multiple baskets, allowing them to significantly reduce the risk of the mineral exploration and development business.

Therefore, an investment in Globex is ideal for investors seeking exposure to the commodities markets and the resource sector without having to bet on the outcome of a single or handful of projects.

- With several positive updates already reported early in 2018, Globex is off to a very good start. As a specialist in securing acquisitions, with its strong balance sheet, the Company should continue to be effective in restocking its property portfolio to build for the future.



THE COMPANY

Globex Mining Enterprises Inc. is a North American focused exploration and development project generator. A project generator's business model is to acquire mineral properties, and to advance them, either to production or to ready them for optioning, joint venturing, or outright sale to a third party resource company.

The properties in a project generator's portfolio are typically optioned out to third parties - termed as Option Partners - in exchange for:

- A series of annual cash and/or share payments;
- An annual exploration work commitment; and
- A Gross Metal Royalty (GMR).

Upon the satisfaction of the above option terms, the property interest is transferred to the Option Partner. However, the option contract will terminate if annual payments and/or work commitments are not met. In that case, the property returns back to Globex.

Outright property sales may include cash and/or share payments and a form of royalty interest payable when projects achieve commercial production or another negotiated milestone.

Unlike investments in traditional junior resource companies where most investors speculate on the outcome of one or two projects, Globex has a much lower downside as it puts its eggs in multiple baskets, allowing them to significantly reduce the inherent risk of the mineral exploration and development business.

Therefore, an investment in Globex is ideal for investors seeking exposure to the commodities markets and the resource sector without having to bet on the outcome of a single or handful of projects.

Moreover, Globex' model offers the potential to generate consistent and recurring revenues from royalties on the projects that eventually advance to production.

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Globex' current mineral portfolio consists of approximately 162 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, vanadium, titanium oxide, iron, molybdenum, lithium, rare earths and associated elements) and **Industrial Minerals** (mica, silica, feldspar, pyrophyllite, kaolin, graphite, antimony as well as talc and magnesite).

A significant majority of Globex' properties are located in Eastern Canada, as the Company's geologists are true experts in the region. In addition, the Company appreciates the strong mining laws in Canada and the low political risk.



The Globex property map clearly shows the strong focus on Eastern Canada.

In September 2017 however, the Company acquired a major historic silver mining district in Saxony, Germany. The property allows Globex to tap into a whole new market, while staying consistent with its strategy regarding operating projects in countries with a stable legislature (Also read Recent Events).

Globex rarely acquires grass roots or very early stage projects. Instead, the Company is focused on acquiring properties which meet one or more of the following criteria:

- ▣ Historical or NI 43-101 resource estimates;
- ▣ Have reported past production;
- ▣ Have established drill targets or drill intersections of economic merit;
- ▣ Are located on major geological structures.

The Company maintains a tight capital structure with a little over 51 million shares outstanding, and no debt. Since its listing in 1987, it has never executed a reverse stock split.

Globex trades on the senior Toronto Stock Exchange under the symbol GMX, in the United States on the OTCQX market with symbol GLBXF and in Europe on the Frankfurt, Berlin, Stuttgart, Munich, Tradegate and Lang & Schwarz stock exchanges with symbol G1MN.

The Company's head office is located in Toronto, Ontario, and its principal business office is located in Rouyn-Noranda, Quebec. In addition to the senior management team, Globex has 13 employees, including six geologists, and three technicians.

Revenue Model

In the past few years, Globex' revenue has been under pressure, varying between a low of \$750,000 (2013) and a high of \$1,356,000 (2016). The reason for these low revenues was the crisis in the resource sector. Very few companies were able to raise money to option or develop projects. Another consequence was that royalty income dropped significantly, as companies closed operating mines.

Now that commodities markets are turning around, Globex' revenue is significantly increasing, as Option Partners are again advancing the Company's assets.

To clarify the Company's business model further, both an example of an option agreement as well as a royalty stream are described in more detail below.

Late June 2016, Globex entered into an **Option Agreement** with Manganese X Energy Corp. (TSXV: MN) related to the Houlton Woodstock Manganese Property located in the Province of New Brunswick, Canada.

To earn a 100% interest in the property, subject to a 3% Gross Metal Royalty, Manganese X is required to:

- ▣ Make cash payments to Globex of \$200,000 (fully paid);
- ▣ Issue an aggregate of 4,000,000 common shares of Manganese X (2,000,000 have been issued and 2,000,000 shares are to be issued on April 22, 2018);
- ▣ Incur exploration expenditures of \$1,000,000 on the property; and
- ▣ Deliver a Preliminary Economic Assessment (PEA) to Globex on or before the fourth anniversary of the Option.

Nyrstar's Mid Tennessee mine on the other hand, has been one of Globex' best **Royalty Agreements** so far.

Globex is entitled to a 1.4% royalty when LME zinc prices are at or over US\$1.10 per lb, and a 1% royalty when the zinc price is between US\$0.90 and US\$1.09 per lb. The following table shows Globex's royalties from this project to date.

Year	Metal Royalty Income
2010	\$124,741
2011	\$490,525
2012	\$403,266
2013	\$69,522
2014	\$1,020,232
2015	\$605,282
2016	\$0
2017	\$940,458
Globex' annual royalty income from the Mid Tennessee Zinc Mine owned by Nyrstar.	

The volatility in royalties is primarily due to the changes in zinc prices. Note that Globex only generated \$0.61 million in royalties in 2015 because Nyrstar closed the mine mid-year due to low zinc prices.

On September 27, 2016 however, Nyrstar announced that as a result of increased zinc

prices it would restart its Mid Tennessee mining and processing operations. This decision is supported by the recent increase in the zinc price (also see The Market).

Mill processing operations commenced in May 2017. As a result, in July 2017, Globex received its first royalty since the restart of CDN\$198,808 (US\$150,272) for the production of zinc during the months of May and June. In 2017, the Company received royalty payments of CDN\$940,458 from Nyrstar.

Based on current zinc prices and average production levels prior to the suspension of operations, Globex anticipates receiving monthly metal royalties between CDN \$160,000 and \$200,000 per month for the year 2018 at current zinc price and CDN/USD dollar exchange rate.



The Nyrstar Tennessee Mines complex consists of six mines and two processing plants.

At September 30, 2017, Globex had 35 royalty arrangements in effect at various stages. The total number of royalty arrangements increased by 5 from January 1, 2017, again indicating that markets are improving.

PROPERTY PORTFOLIO

The heart and soul of Globex is obviously its property portfolio. Of the +161 projects that it currently holds, 76 are focused on precious metals (gold, silver, platinum, palladium), 50 on base metals and polymetallic (copper, zinc, lead, nickel), and 35 on specialty metals (talc, iron, lithium, manganese, feldspar). The assets also include more than 52 former

mines and over 50 properties have historic and/or NI 43-101 resources.

As a rule of thumb, the Company only invests in properties that are located in countries with stable governments and mining laws. In addition, the Company's six full time geologists live in the Abitibi region in Northern Quebec. Consequently, they know the geology in the area extremely well. Moreover, they have a very good understanding of the exploration methods and the legal methods of acquiring ground in the region.

Below is an overview of a few assets that Globex has in its portfolio at the moment.

There are many gems between its properties. This is important to understand because there are plenty of resource companies that only own one or two similar properties and that have the same or a higher valuation than Globex. Each of the below projects justifies Globex current market valuation.

Duquesne West Gold Property

The Duquesne West Property is comprised of 60 claims totalling 929 ha located 32 km northwest of the mining City of Rouyn-Noranda and 10 km east of the town of Duparquet, Quebec. The property is also located 4 km east and along strike from the past producing Beattie and Dorchester mines, which produced 8.4Mt @ 3.5 gpt Au and 1.2Mt @ 9.3 gpt Au, respectively, and 3.5 km west of the past producing high grade Duquesne Mine which produced 199,912 t @ 10.3 gpt Au.

The Property is held 100% by Duparquet Assets Ltd, a company owned 50% by Globex and 50% by Jack Stoch, President & CEO of Globex. Mr. Stoch invested in the project several years prior to becoming involved in Globex.

Over the years, the property has been optioned to many companies, including Noranda Exploration, Santa Fe Canadian Mining Ltd., Kinross Gold, Queenston Mining Inc., Diadem Resources Ltd., and Xmet Inc.

These Option Partners have conducted significant work on the property. Almost 110,000 metres of drilling by various parties have resulted in a NI 43-101 Technical Report that outlined an Inferred Resource in 8 distinct gold zones which total 4,171,000 tonnes grading 5.42 g/t Au (cut to 30 g/t Au) or 6.36 g/t Au (uncut) for 727,000 oz of gold (cut to 30 g/t Au) or 853,000 oz of gold (uncut).

Zone	Tonnes	Au g/t (Uncut)	Ounces (Uncut)
Liz	1,343,000	4.64	200,000
Fox	921,000	9.54	282,000
Nip-Nord	361,000	6.13	71,000
Nip-Sud	129,000	21.13	88,000
South Shaft	162,000	6.29	33,000
Shaft	468,000	4.51	68,000
Stinger	365,000	3.90	46,000
20-20	422,000	4.80	65,000
Total	4,171,000	6.36	853,000
The Inferred Resource in 8 distinct gold zones for the Duquesne West Gold Property.			

Duquesne West is also a perfect example of how Globex generates revenue from a project. When the Company first acquired the project, it only had a historical resource of about 100,000 ounces of gold. Since then, it was optioned to seven different companies. And each company that has worked on it, has added ounces to the project.

If a company isn't able to make all the cash and share payments, or if it's not able to do all the work on the property that it is required to do, then the property is returned to Globex. So although many millions of dollars have been invested on Duquesne West by other parties, each time it has come back to Globex because the companies weren't able to raise money to continue the development.

Consequently, Globex gains the ounces in the ground and the next group that the Company options the property to, has to pay a higher price because it contains more ounces.

Duquesne West is clearly a significant exploration project based on the continued growth of its mineral resource and the high-grade nature of the resource. Globex is currently seeking a suitable exploration

partner that can complete exploration of the numerous gold zones and then take the project into production.

Timmins Talc-Magnesite Deposit

Since the 1940s, a number of companies have conducted drilling and completed various economic, engineering and financial studies on the Timmins Talc-Magnesite property. In 2000, Globex was fortunate to purchase 100% of the asset, subsequent to Royal Oak Mines Inc. going into receivership.

TALC & MAGNESIA

Talc is the world's softest mineral. Although all talc ores are soft, platy, water repellent and chemically inert, no two talcs are quite the same. Talc is a vital part of everyday life. The magazines we read, the polymers in our cars and houses, the paints we use and the tiles we walk on are just some of the products that talc enhances.

Magnesia is a term used to describe various products from magnesium-rich sources. Magnesia plays a vital role in environmental protection. It is used to treat industrial wastewater by removing silica and precipitating heavy metals. It is used to reduce air pollution by stripping sulfur dioxide from industrial air emissions. Its absorbent properties are used to clean up hazardous chemical spills.

In construction, the product is used to make cements, which are widely used in the flooring industry. Other industrial applications include use by the oil drilling industry in drilling muds, and by the rubber industry as a vulcanizing agent.

A Preliminary Economic Assessment (PEA) conducted on the property by Micon in 2012 indicated an after-tax Net Present Value (NPV) of \$258 million at a discount rate of 8%, and an after-tax internal rate of return (IRR) of approximately 20% and a payback period of 5.8 years on the discounted cash flow.

Note that Globex has made significant progress since publishing the PEA, which is

projected to significantly reduce the capital cost, shorten the time periods to reach specific goals and eliminate project metallurgical risks.

In 2016, Globex reviewed and reinterpreted drilling data and sample analysis acquired during the period 2008 - 2014. During the first nine months of 2017, the Company completed various analyses, including QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscopy) of infill drilling.



Part of the Timmins Talc-Magnesite Deposit.

This analysis and interpretation will be used to generate an updated resource estimate, which is expected to be completed in the first half of 2018.

Globex continues to explore various opportunities for the potential products that could be produced from this property.

Joutel Mining Camp

The Joutel Quebec mining camp is actually an area with four historical deposits, of which Globex owns three. The Company owns the former Eagle Mine, a gold mine; the Joutel Copper Mine; and the Poirier Mine, a copper, zinc, silver, and gold mine.

Globex drilled several holes at the Eagle project and hit significant amounts of gold. The Company believes that it has the potential to be expanded. That's also the case for the Joutel Mine, which has exploration potential to depth. The Poirier Mine already

has over two million tonnes of copper, zinc, silver, gold mineralization outlined, with many potential areas to add more tonnage. In addition, the property has a shaft, and there are 27 underground levels.

Deposit	Tonnes	Cu (%)	Zn (%)	Au (g/t)
Joutel	242,000	10.37	-	-
Poirier				
West & Q Zones	1,400,863	1.24	9.77	-
East Lens	300,000	-	8.06	-
Main Zone	534,000	2.5	-	-
Eagle Mine	277,710	-	-	5.83
The historical resources for the Joutel, Poirier, and Eagle Mine.				

It has taken Globex several years to acquire three out of the four deposits. As a result, it's looking to vend this to a company that would take it on as a mining camp project rather than a single mine project. This represents a rare opportunity for a company, especially now that zinc and copper prices have gone up significantly.

Francoeur-Arntfield Gold Mines

In March 2016, Globex signed a Binding Letter of Intent with Richmond Mines Inc. to acquire 100% interest in the Francoeur and Arntfield Mines, west of Rouyn-Noranda, Quebec. The purchase includes a modern office building, headframe and hoist, core facility, machine shop and sundry equipment.

A mineral resource (Measured and Indicated 320,000 t @ 6.47 gpt Au (66,600 oz Au) and Inferred 18,000 t @ 7.17 gpt Au (4,150 oz Au)) has been identified by Richmond in the West Zone of the Francoeur mine using a cut-off grade of 4.3 gpt Au and a gold price of USD \$965. The resource remains open at depth and is accessible by shaft and underground ramp and 3 fully developed levels.

Shortly after Globex acquired the properties, it began reviewing the large geological data bank to identify priority target areas for exploration. A few months later, the Company initiated a small drill program on the property with some remarkable results. For example, drill hole FS-16-35 intersected a near-surface

gold zone grading 1.19 gpt Au over a core length of 74 m (242 ft).(Intersection width. True width unknown)

Even more interesting is that 750 m to the southeast of drill hole FS-16-35, Globex' Chief Geologist located an old trench partially exposed over a 20m length which in grab samples returned some amazing assays of 10.18 g/t Au, 10.15 g/t Au, 9.53 g/t Au, 6.79 g/t Au and 1.54 g/t Au. It is surprising that surface material with such high gold values was deemed not worth following up upon and mining at the time.

Prospecting in different areas of the property including Arncoeur, Murphy zone, Francoeur shaft #1, Arntfield shaft #1, led to a trenching program completed over late summer consisting of 9 trenches totalling approximately 302 meters in length and averaging 4 meters in width.

Results showed that the Francoeur-Wasa Shear is the dominant structural feature extending through the property and is associated with no fewer than six historic gold mines in the district. A secondary "South Shear" has been identified at the property, running south and parallel to the Main Shear.

Assay results from sampling of the South Shear indicated an intriguing high-grade area at the southern-eastern most section of the channel sampling program, with an interval of 15.33 g/t gold encountered over 1.1 meters part of channel sampling results averaging 9.52 g/t gold over 7.1 meters, among several other highlight intervals.

The most recent drilling work reported in December 2017, was a follow up to the September trenching work. Shallow drilling extended down to a maximum depth of about 40 meters. Several of the drill holes encountered gold values within 10 meters of the surface, including a 3.25 metre interval of 6.25 g/t, and a 7.34 section grading 4.04 g/t gold from the South Shear.

Drilling continued through to the Main Shear zone, with one of the drill holes encountering 11.57 g/t gold across an interval of 2.2 meters. (Note: all widths are true widths)

Trenching was also completed on the Main Shear, above where several drill holes traversed the shear. Best channel sampling results included 8.07 g/t gold over a 2m section and 5.36 g/t gold along 4.2m of channel sampling. Grab samples taken from old trenches approximately halfway between the intersections on the Main Shear returned gold assays of 9.53 g/t, 10.18 g/t, 10.15 g/t, and 6.73 g/t.



Part of the Francoeur Mine surface infrastructure.

While the two combined rounds of work from the Fall Program have been successful to outline excellent gold showings and increase the footprint of the deposit area, the results also serve to demonstrate the complex geology of the region. The same intense geological processes that created the ideal conditions for emplacement of gold have also contributed to displacement and deformation of the host rock. For geologists, the difficulty lies with interpreting the geometry of the productive structural zones, and intersecting these target areas as work proceeds further to depth.

It is notable that these positive results were generated from a very small portion of the property area. The new zones remain open with expansion potential to depth and laterally, while numerous other gold zones and mineralized areas remain to be tested elsewhere on the property.

In addition, Globex has acquired data assembled from work completed by previous operators of the project that will be useful as the Company moves ahead with further exploration work. This includes drill core data from where numerous gold showings were encountered.

Taken in context with the overall exploration results from the Francoeur/Arntfield property, this affords Globex a head start to create an advanced exploration model for the entire ownership block, and plan a comprehensive strategy to move the project further along the value curve.

Chibougamau Mining Camp

The Chibougamau mining camp, owned by Chibougamau Independent Mines Inc., consists of several distinct project sites, which are located within the Abitibi, all within approximately 20 kilometers of the town of Chibougamau, in Quebec, Canada.

In 2012, Globex spun out 100% of the Chibougamau assets to Globex shareholders in return for a 3% Gross Metal Royalty reserved for Globex.

The Chibougamau camp, which totals 10,349 hectares, includes five former mines, two unmined deposits (one copper-gold, one zinc-gold-silver), the down dip of three former sizable producers, and a large exploration position, which includes numerous under explored drill intersections of copper and/or gold.

This large land position is considered to be at an "advanced stage" of exploration, being located for the most part on the inferred lateral and depth extensions of the better copper-gold producers of the mining camp as well entirely encompassing over 50% of the camp's former copper/gold producers as well as a large vanadium, iron, titanium deposit (optioned to Vanadium One Energy Corp.).

The past few months Chibougamau has been advancing work on some of its assets. The focus has been on compiling historical data and prioritizing work so as to develop a better understanding of complex mineralization controls on several properties. In particular, work was directed toward the Berrigan zinc, gold, silver property, the C-3 copper zone on the Bateman Bay property and the newly acquired Nepton copper-gold property.

Globex geologists identified at least three different emplacements and directions of

mineralization on the Berrigan property. This explains the difficulties in the past to correlate numerous mineralized intersections into definitive bodies. With the new understanding of the Berrigan property, Chibougamau is in a better position to define individual mineralized bodies.

Thirty five channel samples of various mineralized structures were recently taken. Assays showed that gold occurred in many samples (up to 19.71 g/t Au) as did silver (up to 289.20 g/t Ag). In several assays, values of over 5% Pb and Zn were also reported.

Now that they have a better understanding of some of the directional controls of the mineralization in the Berrigan area, the Company hopes to be able to recompile the historical and recent drilling in order to define the mineralization in three dimensions along the principal structural controls.

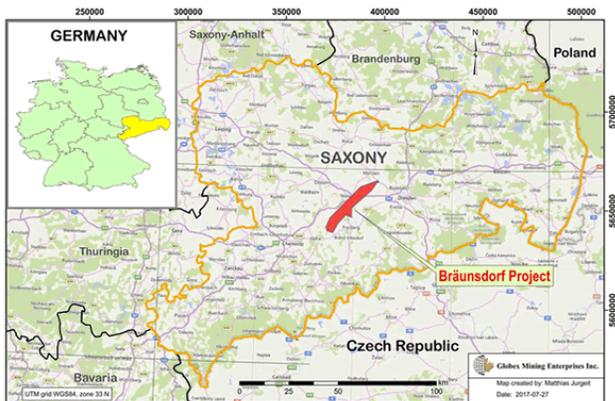
Freiberg Silver Mining District In Germany

When investors think about mining in Europe, they will most likely end up with an image of gold or silver mines in the Middle Ages when those particular commodities were used as currency. Globex Mining on other hand sees a 21st century investment opportunity.

In September 2017, the Company acquired a 5-year exploratory license for a major silver mining district in the state of Saxony in Germany. The area, part of the well-known Freiberg Mining Field, is roughly 164 square kilometres (~63 square mile) large and consists of numerous previously active mining projects, with some dating back to the 12th century. Throughout its history, one area of the Freiburg silver camp which Globex has termed the Bräunsdorf Property(see image below), has yielded at least 882 tonnes of silver (worth more than US \$500 million at current prices) from high-grade veins and relatively shallow levels.

Even though the area was alternately active or inactive for around 750 years, Globex sees a clear opportunity. The main reason for this is that the Bräunsdorf Property was never thoroughly nor modernly explored. Be it for

obvious point in time technological limitations or economic reasons, some of the mines and overburden covered areas along mineralized trends were never revisited with modern technology and know-how. Given the quality of the previous deposits, this makes the area very attractive.



The Bräunsdorf Property in Saxony, Germany.

By compiling the historical data, the Company has already identified perspective areas where silver deposits may be found. On top of that, it is possible that the area may also be rich in other metals or minerals, such as graphite, zinc, lead, barite, tin and fluorite some of which were mined in the past.

While Globex’s property contains several interesting areas, the Company has already identified one zone which deserves plenty of attention. It is a roughly 7 km (4.35 miles) stretch of land between two of the historical mining projects (Bräunsdorf and Großvoigtsberg) as highlighted on the map below in red.

The underlying mining operations of both mines suggest that the silver veins continue in the area between each other which could mean that there is a connection between the two properties and a potential deposit. The Bräunsdorf mine yielded almost 113 tonnes of silver in the past with a grade around 1kg/t Ag and the Großvoigtsberg mine yielded roughly 31 tonnes at a high grade of up to 3.5kg/t Ag, which could mean that a significant amount of higher grade silver might be in between.

An in-depth exploration study was never undertaken likely due to the presence of overburden on the 7 km stretch of land.

Another area of interest is around the Munzig mining camp, which was never a fully operational mine due to the water issues, which are not likely to be a challenge anymore. While the grades of the deposits that were found in the 19th century were lower than in the rest of the area, the width of the vein was significant (up to 15 meters) and likely suggests further deposits.

While for now, these two zones might be attractive ones, given the scant exploration activity in the whole licensed area, Globex could have a good chance of discovering previously unknown deposits.

In the coming months, the Company will perform several initial research steps on top of the compilation work already done, which could lead to airborne and ground geophysical surveys or even a core drilling program next year.

All in all, this German project significantly strengthens Globex’ already attractive massive property portfolio.

RECENT EVENTS

Enforcer Gold Continues to Advance Globex’ Montalembert Gold Project

Enforcer Gold (TSX-V: VEIN), which is earning a 100% stake in the Montalembert project from Globex, has made a potentially significant new discovery at the property.

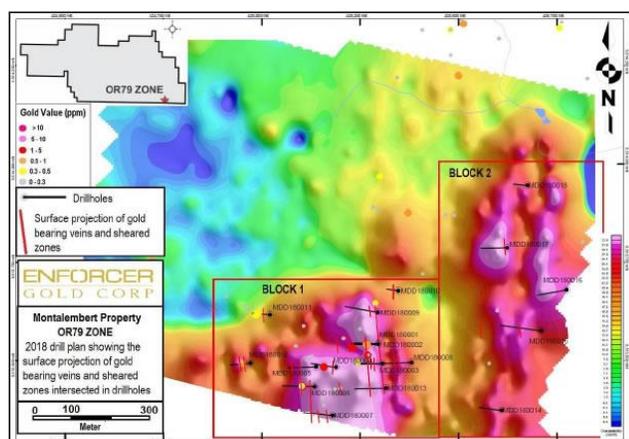
The new area of mineralization, named the OR79 zone, is located approximately 1.5 km (1 mile) west-southwest of the Galena-No.2 vein. It was discovered in a previously forested area with very low outcrop exposure, which may explain why it was missed by previous explorers.

Assay results from 22 grab samples of isolated outcrops within the area range from 0.50 g/t Au to 9.19 g/t Au. In addition, nine saw-cut channels returned up to 3.72 g/t Au over 0.4 m width.

OR79 appears to be a new style of mineralization at Montalembert in that there is a clear association of gold mineralization with sulphides in the quartz veining. This is

contrary to the Galena-No.2 area. Consequently, Enforcer's management felt it was worth to follow-up this target with an induced polarization ("IP") geophysical survey and a first pass drilling program.

The IP survey showed a prominent high chargeability and resistivity anomaly over the discovery area and a second IP anomaly further to the east.



The IP survey clearly showed anomalies in Block 1 and Block 2.

In February-March 2018, Enforcer completed 18 diamond drill holes on the OR79 zone totalling 1,749 m. Drilling has confirmed two NS-trending mineralized corridors (Blocks 1 and 2) delineated by the presence of multiple 0.3-1.0 m wide mineralized intersections grading up to 5.09 g/t Au over 0.65 m.

Block 1 is denoted by the highest number of anomalous surface samples and the greatest number of mineralized intersections in drill core and is coincident with a strong IP chargeability and resistivity anomaly covering a +300 m wide and minimum 400 m long area. Block 2 was tested by five widely-spaced drill holes, two of which intersected gold mineralization. The mineralized trend is at least 200 m long and is also coincident with a 200 m wide and minimum 700 m long high chargeability and resistivity anomaly.

The 2018 drill program at OR79 has provided valuable information on a new area of mineralization at Montalembert. A follow-up program is under consideration and may include drill testing at depth below the current vertical reach of 75 m.

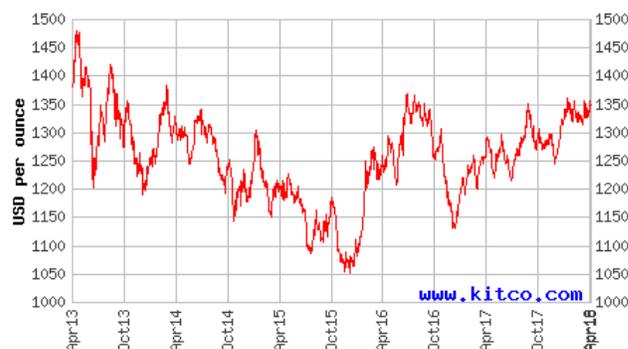
In order for Enforcer to earn a 100% interest in Montalembert, it is required to:

- Pay Globex \$2.6 million over a four year period;
- Issue Globex 8.5 million shares of Enforcer's common stock; and
- Undertake \$10 million in work.

Moreover, if Enforcer is successful and it earns a 100% interest in the property, Globex retains a 3.5% gross metal royalty, except for the first 150,000 ounces of gold production, where it retains a 6.0% gross metal royalty.

THE MARKET

Although, as noted above, Globex's number of properties typically grows during down years for commodities, its revenue significantly increases when metal prices point upwards. Therefore, it's important to look at the overall market expectations for a wide number of major commodities.



5-year gold chart. Source: Kitco.com

International tensions, a somewhat weaker USD and volatility in equities have taken gold as high as \$1,365/oz last week. But, the yellow metal has yet to emerge from a tight trading range, said Bart Melek, head of global commodity strategy at TD Securities.

While the lack of follow-through buying has been demoralizing for some gold investors, many analysts continue to point out that the gold prices are still in a solid uptrend, creating higher lows along the way.

As forecast towards the end of Q3 last year, three interest hikes were proposed for 2018, the first of which took place on March 21. Like gold, silver faced a fall before the Fed

implemented the hike, but then experienced gains on the back of the announcement.



5-year silver chart. Source: Kitco.com

Kitco’s Jim Wyckoff said, “selling pressure in gold and silver occurred because traders reckoned a US rate hike would be bearish for the metals. And when the rate hike actually occurred, the metals moved higher because the sellers were already exhausted and had played out their rate-hike hand.”

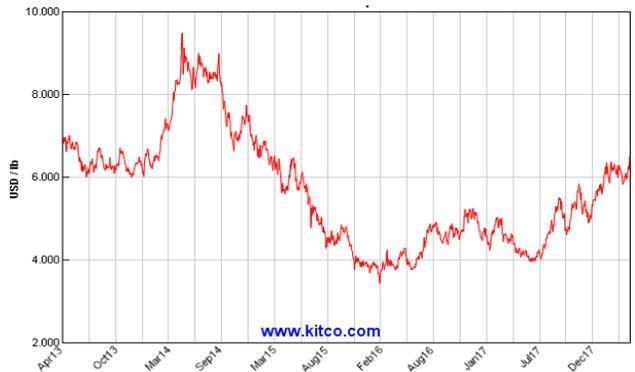
With two more hikes forecast for 2018 and a steeper outline for hikes in 2019 and 2020, there will be many opportunities for investors to turn their attention to bullion, forcing prices upward. Shifting away from its comparison to gold, demand for silver from industrial applications continues to grow, lifting the price of the metal up.



5-year copper chart. Source: Kitco.com

In the first quarter of the year, copper prices performed in a downtrend, declining more than 6 percent to end March at US\$6,683 per tonne. As the chart shows, the copper price reached its quarterly peak at the beginning of January when it traded at US\$7,202 a tonne, supported by a weaker US dollar and a strong demand outlook from China.

Despite this, analysts remain optimistic about the future of the red metal, as demand for electric cars continues to surge, and these vehicles use a substantial amount of copper in their batteries and in the windings and copper rotors used in electric motors. In fact, a single car can have up to six kilometres of copper wiring.



5-year nickel chart. Source: Kitco.com

Nickel recently surged to a more than three-year high amid growing fears that Russia's Norilsk Nickel, top producer of the metal, could be the next victim of US sanctions against Russia that has already caused chaos on aluminum markets.

Nickel, used primarily in steelmaking, jumped as much as 4.6% to \$14,870 a ton on the London Metal Exchange, the highest level since February 2015. Bullish sentiment was also boosted after production slumped 18% at Brazil's Vale, world number two producer. Year to date nickel is the top performing major metal enjoying a 21% rise. Measured from the bottom of the mining cycle early 2016 nickel has nearly doubled in price.



5-year zinc chart. Source: Kitco.com

Among the base metals, zinc has outperformed its peers during 2016 and 2017.

A growing demand from China and expected shortages of zinc due to closures of major zinc mines, such as Century in Australia and Lisheen in Ireland, supported the steepest climb for the metal since 2009.

Given zinc's healthy fundamentals, and a backdrop of stronger global economic growth and a weaker U.S. dollar, the market once again expects that zinc will be the "star performer" in base metals in 2018.

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

FINANCIALS

During the year ended December 31, 2017, revenues totalled \$3,963,315 which was \$2,262,815 higher than the \$1,700,500 reported in the comparable period in 2016. The current year revenues consist of:

- ▣ option income and advance royalties of \$3,022,857 (2016 - \$1,700,500), and
- ▣ metal royalties of \$940,458 (2016 - \$Nil).

In 2017, Globex completed three new option agreement as a result of the renewed level of financings in the Junior Mining Sector. Also, in May 2017, Nyrstar restarted the Tennessee mine and mill and the royalties were reinstated shortly after. In 2017, Globex received USD \$737,731 (CDN \$940,458) from Nyrstar Inc. (2016 - \$Nil).

In 2017, the total expenses were \$2,887,317 (2016 - \$2,645,121). After adjusting for the non-cash items (depreciation, share-based compensation, and bad debts), the cash operating expenses were \$2,866,422 (2016 - \$2,462,040).

In 2017, Globex reported a net income of \$754,886 as compared to a net loss of \$712,193 in 2016. The increase in the net

income is mainly the result of an increase in the option income and metal royalties.

	12/31/17	12/31/16
Revenues	1,842,248	380,000
Operating Expenses	723,724	596,711
Profit (Loss) From Operations	1,118,524	(216,711)
Other Income (Loss)	(69,920)	(118,188)
Net Income (Loss)	1,024,567	(47,982)
Selected income statement data for the quarters ending December 31, 2017 and December 31, 2016. Source: Company Filing		

Balance Sheet as of December 31, 2017

At December 31, 2017, the Corporation had cash and cash equivalents of \$1,572,189 (December 31, 2016 - \$512,273) and cash reserved for exploration of \$954,579 (December 31, 2016 - \$900,000). In addition, it had investments with a fair market value of \$1,459,781 (December 31, 2016- \$745,665) which represents shares received under mining option agreements.

	12/31/17	12/31/16
Cash and Cash Eq.	1,572,189	512,273
Cash Reserved for Exploration	954,579	900,000
Investments	1,459,781	745,665
Total Current Assets	4,253,815	2,429,186
Reclamation Bonds	776,555	786,697
Total Assets	5,463,693	3,668,883
Total Current Liabilities	221,502	282,123
Total Stockholder Equity	4,211,049	2,599,674
Selected balance sheet data for December 31, 2017 and December 31, 2016. Source: Company Filing		

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.

In addition, 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 Corporation's working capital was \$4,032,313 at December 31, 2017 (December 31, 2016 - \$2,147,063).

It's also important to note that Globex doesn't have any long-term debt or similar contractual commitments.

OUTLOOK & VALUATION

Globex Mining Enterprises may be considered to be a hybrid junior resource company. Like most junior explorers, the Company controls attractive properties with the potential for exploration and discovery.

The success that it has been able to achieve at high priority property holdings, such as at Francoeur/Arntfield, is a catalyst to support a higher market value for the stock as the project is advanced with further work.

However, exploration work is costly and carries the risk of an uncertain outcome. Offsetting this, Globex also operates as a project generator. The large suite of property interests, located in safe mining-friendly jurisdictions, may be offered to other resource companies. Property transactions granting control of specific properties are arranged in exchange for cash and/or share payments, plus certain work commitments. These deals provide shareholders with leverage to potential discovery success paid for by other companies, and therefore serve to lower the risk profile.

In addition, the Company offers a measure of stability through the generation of revenues from an ongoing royalty stream, and occasional property transactions. Pure royalty companies tend to trade for premium market value due to this recurring revenue potential and lower overall risk level.

As zinc prices have been trending higher to achieve multi-year highs, Nyrstar has also

been successful in increasing total production output at the mines, and the total royalty payable has been increasing in tandem. Globex reported that it received the highest monthly payment so far in January, amounting to USD \$177,179.

While the royalty will vary from month to month, the trend is certainly positive and this cash stream is a solid contribution to the healthy balance sheet for the Company. Globex estimates it will receive net revenues of more than CDN \$2 million just from the Nyrstar royalty in 2018.

With several positive updates already reported at this early stage of 2018 Globex is off to a very good start. As a specialist in securing acquisitions, with its strong balance sheet, the Company should continue to be effective in restocking its property portfolio to build for the future.

Valuation

As Globex has so many assets, it's sometimes hard for investors and brokers to understand its true value, in contrast to a resource company that is developing one or two properties. This situation has led to an undervaluation of Globex.

The Company currently has a market capitalization of around \$21 million for all its assets combined. For comparison's sake, take the Company's Francoeur-Arntfield Property. Any other company that has a single asset with the same characteristics as Francoeur-Arntfield, would easily trade at Globex' valuation. The Francoeur-Arntfield asset is just one of so many properties in its portfolio.

Because project generators hold and advance several properties in their portfolio through option partnerships, the most appropriate method to evaluate such a company is through peer comparison.

Based on 51.1 million shares outstanding, the intrinsic value of Globex' shares derived from our model is \$1.16. This is about equal from our previous report.

Based on these calculations, we reiterate our buy recommendation for Globex

Mining Enterprises with a price target of \$1.16, which is 182% above today's stock price.

SHARE DATA & OWNERSHIP

As of December, 2017 Globex had a little over 51 million common shares outstanding. Jack Stoch and his spouse, Dianne Stoch (Executive Vice-President, Director of Globex) own 4.19 million shares, or approximately 8.2% of the total outstanding shares plus stock options.

One of the primary risks of traditional resource companies is share dilution. That is absolutely not the case with Globex. The Company has been in business for over 30 years, and it still has only 50 million shares outstanding without a single reverse stock split.

Finally, Globex also has close to 3 million stock options outstanding with an average exercise price of \$0.29. Each stock option entitles its holder to purchase one common share of the Company.

MANAGEMENT

▣ JACK STOCH – PRESIDENT AND CEO

Following a stint with Noranda Exploration Ltd., Mr. Stoch, in 1976, started acquiring and vending exploration projects, through his own consulting businesses, Jack Stoch Geoconsultant Services Ltd. and Geosol Inc. In 1983, he gained control of Globex, listed it in 1987, and has since amassed a mature exploration portfolio. He has attracted a knowledgeable and well-connected Board of Directors and has expanded the Company's exploration, evaluation and mining team. In 1972, Mr. Stoch earned a B.Sc. in Geology from Sir George Williams University in Montreal, with additional graduate courses at McGill University. He was awarded the designation Acc. Dir., Accredited Director in 2007 by the Chartered Secretaries Canada and is a registered Professional Geologist in both Quebec and Saskatchewan, Canada.

▣ DIANNE STOCH – EXECUTIVE VICE-PRESIDENT

Prior to joining Globex over 20 years ago, Dianne Stoch was employed by Noranda Inc. for more than 18 years, in a variety of accounting/financial positions including Head Office Corporate Planner and Senior Accountant Analyst, revenue planner for the Horne smelter in Rouyn-Noranda. In 2007, Mrs. Stoch was awarded the designation Acc. Dir., Accredited Director, from the Chartered Secretaries Canada.

▣ JOHANNES H. C. VAN HOOF – DIRECTOR

Mr. van Hoof has held senior positions at various European financial institutions, including PVF Pension Funds, Paribas Capital Markets and Bankers Trust. His roles during the past 22 years include senior Portfolio Manager, senior Risk Manager, Deputy Head of global equity derivatives, Managing Director responsible for M&A arbitrage, derivatives arbitrage and venture capital investments as well as Chairman and Senior Executive Officer of Soros Funds Limited in London. In 2002, Mr. van Hoof founded VHC Partners alternative investment management group, active in hedge fund management, corporate and project finance advisory services, private equity investments and charitable projects.

▣ IAN ATKINSON – DIRECTOR

Ian Atkinson, M.Sc, A.K.C., D.I.C., a geologist, is currently a Director of Kinross following his appointment in February 2016. Mr. Atkinson was previously President and CEO, and a Director, of Centerra Gold. He has more than 40 years of experience in the mining industry with extensive background in exploration, project development and mergers and acquisitions. Prior to his ten-year tenure at Centerra, Mr. Atkinson held various senior leadership positions with Hecla Mining Company, Battle Mountain Gold, Hemlo Gold Mines and the Noranda Group. Mr. Atkinson holds a Bachelor of Science degree in geology from King's College, University of London and a Master degree in geophysics from the Royal School of Mines, University of London.

▣ CHRIS BRYAN – DIRECTOR

Chris Bryan is a retired geologist, previously President of CBIM, a private OSC-registered investment counsel. From 1994 to 1995 Chris was President of Ophir Capital Inc., an

investment management company. Prior to that, Mr. Bryan was Vice-President, Director and Portfolio Manager of Bolton-Tremblay Inc. Chris received his B.Sc. (Geology) from Sir

George Williams University, a graduate diploma in Geological Sciences from McGill University and in 1978, a B. Comm. from Concordia University, Montreal.

ANNUAL INCOME STATEMENT FY 2014 – FY 2017

PERIOD ENDING	FY 2015	FY 2016	FY 2017
Revenue	1,160,338	1,700,500	3,963,315
Operating Expenses			
Salaries	430,136	376,001	506,617
Administration	323,989	291,096	345,030
Exploration & Evaluation Expenditures	2,754,258	1,493,119	1,564,867
Total Operating Expenses	3,985,032	2,645,121	2,887,317
Operating Income or (Loss)	(2,824,694)	(944,621)	1,075,998
Income from Continuing Operations			
Increase (decrease) in Fair Value of Financial Assets	(88,478)	(65,039)	(143,282)
Income (Loss) Before Tax	(2,869,188)	(930,391)	795,435
Income and Mining Tax Expense (Recovery)	(452,155)	(218,198)	40,549
Net (Loss)	(2,417,033)	(712,193)	754,886

Annual Income Statement FY 2014 – FY 2017. Source: Company Filings

* 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.



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