

ANALYSIS:

Globex Mining is a true mineral bank representing a perpetual option with no time decay on 249 gold/silver/lithium/iron/talc mining projects and 103 royalties. Globex is basically a diversified bet on the entire periodic table with about 50% precious metals exposure. Globex is run by Jack Stoch, a geologist and old school businessman. Mr. Stoch is aligned with shareholders owning 13.2% of shares outstanding.

I've never seen a more conservatively run business. CEO Stoch spends no money on marketing, which is why the story is relatively unknown. Mr. Stoch would rather put his company's money to work acquiring and exploring assets. Globex is flying under the radar in the shallow quant finance world as all assets are essentially carried off the books valued at zero. Property, Plant & Equipment includes only 100% owned company buildings.

Globex stock trades for only \$43 mil market cap. The company holds \$25 mil cash and shares, so Globex trades for only \$18 mil EV. Globex receives about \$3 mil in option payment revenue per year. The company turns a profit and banks cash nearly every year.

The company has never sold shares with only 55.2 mil shares outstanding. In fact, Globex bought back 98K shares in 1Q24 for \$56K, and announced a buyback of up to 1 mil shares in July. Executive salaries, including CEO, CFO and treasurer, are only \$350K per year in total.

Globex holds a 1% GMR on Mont Sorcier iron project in Quebec. Sorcier is a massive 67% high-grade clean iron project in Quebec. Green Steel revolution could help advance the \$1.6 bil NAV project. Mont Sorcier is owned by GP10X member Cerrado Gold who just greenlighted the project and is working on a full feasibility study. Globex 1% GMR on Mont Sorcier could be worth \$7 mil FCF/year. At average 15X royalty multiple worth \$105 mil EV. That's 5X higher than current value.

Chibougamau Mines (CMAUF) holds a 2% GMR on Mont Sorcier and trades for only \$6 mil market cap. Was spun out from Globex Royalties in 2012. 2% GMR could be worth \$14 mil FCF/year to CMAUF. At 15X royalty multiple worth \$210 mil market cap, 35X higher than current. CMAUF volume has begun to increase as Mont Sorcier begins to move forward.

Globex will be fine without Mont Sorcier, but the iron ore project is one of the main value drivers. Globex is extremely well-run, conservative company who operates every year at a cash surplus. It's just a matter of time before one of Globex's 103 royalties and 249 projects "gets lucky" and creates significant value. GP can wait because Globex doesn't dilute. It's a compelling value we can't pass up.

Garrett Goggin, CFA garrett@goldenportfolio.com Monday, November 25, 2024	
Company Data	
Price	\$0.80
Dividend	—
Yield	—
Shares Out	56.2 mil
Market Cap	\$35 mil
Net Debt	-\$22 mil
Enterprise Value	\$14 mil
Golden Portfolio Estimates	
2025 Production	2,000 GEO oz
2025 Costs	—
2025 FCF	\$5 mil
FCF Multiple	15X
Target Value	\$103 mil
Target Price	\$2.00
Revenue Split	
Gold	73%
Copper	27%
Other	0%

Buy Globex Mining with a \$2 per share price target.

KEY ASSETS

IRONWOOD: Located in Cadillac, Quebec. Globex is drilling 17 holes over 3,000 meters on 100% owned project. Project holds 135K Gold ounces in 243K tonnes with very high 17.26 g/t average grade. Globex sees possible small-scale production at Ironwood. Arsenic is an issue, so Globex is evaluating ore sorting, and tailings disposal. Another option is direct shipping the ore to offshore smelter.

MONT SORCIER: Located in Quebec. High grade 67% clean iron ore project needed for green steel revolution. The project sees \$1.6 bil NAV and 43% IRR from \$574 mil capex in 2022. Project sees \$670 mil revenue year at current iron price worth \$7 mil/year FCF to Globex and \$14 mil/year to Chibougamau Mines.

Project is owned by Cerrado Gold (CRDOF), who was just added to the GP10X last month. Cerrado was nearly insolvent earlier this year, so they sold its Monte Do Carmo (MDC) gold mine in Brazil to Hochschild for \$60 mil which should help reduce \$40 mil debt to help the company get back on track. Cerrado stock has been recovering. GP10X added Cerrado to the GP10X at \$0.12 in May 2024. The stock now trades 125% higher at \$0.27 per share. Cerrado announced in October that they are using funds from the MDC mine to complete a full feasibility study on Mont Sorcier.

Cerrado acquired Mont Sorcier when they bought Voyager metals for \$10 mil in 2023. UK Export Credit agency backstopped the project financing in 2023. Positive metallurgical tests were conducted in 2024. Glencore committed to 100% of the concentrate.

OTHER ACTIVITY: Recent news from just September 2024 includes: Consolidated Lithium reported drill of up to 1.185% Lithium over 4 meters at claims near Sayona's North American Lithium Mine in Quebec in October. Globex holds a 3% GMR. Brunswick Exploration returned results of 1.75 Lithium over 40 meters at Globex's Lac Escale property where Globex owns a 3% GMT in October. Cartier Resources reported 14.78 g/t Gold over 5 meters at property near the Chimo mine in Quebec where Globex holds a 3% GMR in October. Emperor Metals drilled 52 meters of 0.8 g/t Gold at Duquesne West in October. Low grade tonnage could be added to mine plan to add ounces to the resource. Quebec Innovative Material reported high Hydrogen exploration results of 1,000+ ppm at Globex's Guiges Silica property in September. Globex optioned its Bald Hill Antimony project in New Brunswick to Superior Mining in September for \$500K cash, 2.0 mil shares, \$4.0 mil spend, and 3.5% GMT. Trenching saw results of up to 43% Antimony over 2 meters. Scandium Canada announced two drill programs were completed on their adjoining property to Globex's Crater Lake Scandium project in Quebec in August.

PEA Summary Results (Note: All Figures in US\$, unless otherwise noted)

Parameter	Unit	LOM Total / Avg.
General		
Iron Ore Price 62%	US\$/t	\$100.0
Vanadium Credit	US\$/t	\$15.0
Premium Price 65%	US\$/t	\$20.0
Mine Life	Years	21
Production Summary		
LOM Magnetite Payable	kt	104,303
Operating Costs		
Total On-site Operating Costs	US\$/t	\$21.9
Royalties	US\$/t	\$4.1
Total Cash Costs	US\$/t	\$26.0
Sustaining Capital	US\$/t	\$2.2
All-in Sustaining Costs (AISC)	US\$/t	\$28.2
Rail Transport (FOB Port)	US\$/dmt conc	\$18.0
Ocean Freight to China (CFR China)	US\$/dmt conc	\$20.0
CFR China US\$/t sold		\$66.2
Capital Costs		
Initial Capital Costs	kUS\$	\$574,000
Sustaining Capital Costs	kUS\$	\$226,680
Closure Costs	kUS\$	\$50,400
Financials		
Pre-Tax NPV (8%)	MUS\$	\$2,407
Pre-Tax IRR	%	52.3%
Pre-Tax Payback	Years	1.5
Post-Tax NPV (8%)	MUS\$	\$1,607
Post-Tax IRR	%	43.0%
Post-Tax Payback	Years	1.8
per t concentrate		
		21-year LoM
Revenue / t	US\$	135
NSR / t	US\$	97
EBITDA / t	US\$	70
Net Profit / t	US\$	42
Revenue per year	US\$/y	670,518
EBITDA per year	US\$/y	347,778
Free cash Flow Post Tax	US\$/y	234,768