

NI 43-101 Technical Report
on the
Woodstock Manganese Occurrence
Exploration Licences 5816 and 5745
Near Jacksonville and Irish Settlement, Carlton County
New Brunswick

Effective Date: November 1st, 2016

NTS: 21 J04

Prepared For
Sunset Cove Mining and
Globex Mining Enterprises Inc.

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North Sydney, NS, Canada

CERTIFICATE OF AUTHOR

I, R. Perry MacKinnon, P. Geo., do hereby certify that:

1. I reside at 82 Queen St., North Sydney, Nova Scotia, B2A1A5, Canada
2. I am the qualified person responsible for preparation of the technical report titled:
"NI 43-101 Technical Report on the Woodstock Manganese Occurrence Exploration Licence 5816 and 5745 Near Jacksonville and Irish Settlement, Carlton County New Brunswick, Effective Date: November 1, 2016.
3. I received a Bachelor of Science degree from Acadia University of Wolfville, Nova Scotia, Canada in 1982. I am currently self-employed as a consulting geologist and employed part time with NSGold Corporation of Bedford Nova Scotia as Chief Geologist of that company. I have worked as exploration and project geologist in Canada since 1979, as well as in Alaska and Mexico.
4. I am a registered member in good standing of the Association of Professional Engineers and Geoscientists of New Brunswick, registration number L4749.
5. I have managed two exploration programs on Globex's Woodstock properties, the subject of this Technical Report, and have visited the site at least 5 times from 2009 and most recently from October 27th 2016 to present.
6. I have written all sections of the Technical Report for which I am responsible and they have been prepared in compliance with NI 43-101 guidelines.
7. I am independent of Globex Mining Enterprises Inc. and Sunset Cove Mining Inc. in applying all of the tests in Section 1.5 of NI 43-101. I have no interest or possible benefit from the properties.
8. I have had no prior involvement with the Property, prior to 2009, that is the subject of the technical report.
9. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. I have read the entirety of NI 43-101 and NI 43-101F and understand their contents.
10. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, all sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 1st day of November, 2016 (Original signed and sealed by)

R. Perry MacKinnon, BSc., P. Geo.

Geologist, Perry MacKinnon Consulting.



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Glossary

centimetre	cm
metre	m
percent	%
Buchans Minerals Corporation	BMC
Canadian Manganese Company Inc.	CMC
Geological Survey of Canada	GSC
Global Positioning System	GPS
Globex Mining Enterprises Ltd.	Globex
Iron	Fe
Manganese Carbonate (rhodochrosite)	MgCO ₃
Manganese	Mn
Mercator Geological Services Limited	Mercator
Mineral Resource Research Limited	MRR
National Instrument NI 43-101	NI 43-101
North American Datum	NAD
North American Topographic System	NTS
Preliminary Economic Assessment	PEA
Qualified Person	QP
Quality Assurance	QA
Quality Control	QC
Stratmat Limited	Stratmat
Globex Claim Unit 5816	the Property
Thibault and Associates	Thibault
Universal Transverse Mercator	UTM

Conversions

1 foot = 0.3048 metres

1 metre = 3.2808 feet

MnO = 77.446% Mn (mass percent)

MnCO₃ = 47.794% Mn (mass percent)

1. SUMMARY

Perry MacKinnon, P.Geo, of Perry MacKinnon Consulting, North Sydney, Nova Scotia was commissioned by Globex Mining Enterprises Inc. and Sunset Cove Mining Inc. to complete a National Instrument 43-101 Technical Report on its manganese-iron (Mn-Fe) occurrence properties near Woodstock, New Brunswick.

In 2010 Globex Mining Enterprises Inc. (Globex) acquired by staking 28 claims covering a significant portion of the historic manganese bearing horizon(s) in an area approximately 6.3 kilometres northwest of the town of Woodstock, New Brunswick (Figure 1.0). All of the claims remain in good standing to the present, and are 100% owned by Globex.

Also in 2010 Globex acquired the claims of Licence 5745 located approximately 10 kilometres southwest of Licence 5816. The licence was later reduced in size to the current 8 claims.

On April 26th, 2016 Sunset Cove entered into an agreement with Globex to option the claims of licence 5816 near Woodstock, and licence 5745 near Irish Settlement, New Brunswick, in order to acquire 100% ownership of those properties. The agreement is as follows:

Sunset Cove can exercise the option and earn 100% interest in the properties by making aggregate cash payments of \$200,000 to Globex, issuing an aggregate of 4 million common shares to Globex, incurring aggregate exploration expenditures of one million dollars on the Property and delivering a preliminary Economic Assessment (PEA) on or before the fourth anniversary of the Effective Date of April 26, 2016. The agreement also includes a 3% Gross Metal Royalty to be paid to Globex on all metals produced from the Property.

The Licence 5816 Property (henceforth referred to as the Property as it is the main focus of this report) occurs entirely on privately owned surface lots, on predominantly open, hilly, agricultural lands with some wooded sections. Permission was granted from all surface rights owners, with one small lot excepted, for the 2010 to 2012 exploration programs. Currently there are no properties excepted. Access is quite good on various dirt roads via the paved Iron Ore Hill Road, located in the south-central area of the claim block. The northern portion of the claims can be accessed along Route 560.

Shortly after staking both properties, the author, on behalf of Globex took 7 samples from the old workings at the Iron Ore Hill site and 59 chip samples were taken from outcrop in a ditch running along the road which cuts across the south side of the occurrence. The rock types ranged from a massive, dense, black, semi-metallic rock to a brick red, highly fractured, lighter, slatey material. Manganese values in the chip samples ranged from 0.72% to 25.97% MnO and iron ranged from 7.74% to 33.37% Fe₂O₃.

A single diamond drill hole was put down on Licence 5745 in 2011. The target was a large airborne magnetic anomaly but no significant widths of manganese were intersected. Also in 2011, two diamond drill holes were collared in the area of Iron Ore Hill to test at depth the area of historic workings. Considerable widths of iron and manganese bearing material were encountered which prompted a magnetometer survey of the claims later in 2011, the results of which prompted the additional staking of 27 claims for a total of 55 claims (Figure 1.1). The magnetometer survey was completed by Eastern Geophysics of West Pubnico, NS, at 100 metre line separation and 12.5 metre reading intervals, covering approximately 64 line kilometres of grid.

The results of the magnetometer survey on Licence 5816 determined there is a large, magnetically anomalous region centered roughly around the Iron Ore Hill area, and a region of slightly more scattered magnetic anomalies trend to the south-southwest from Iron Ore Hill toward the North Hartford area as well as smaller, weaker and more scattered anomalies trending to the north-northeast of the Iron Ore Hill area to the Jacksontown area (see Figure 9.2).

The regional geology is dominated by the Smyrna Hills Formation of the Perham Group, which consists of shales, silty shales and associated ferro-manganiferous siltstone, calcareous shale and sandstone, limestone and conglomerate. Underlying this unit is the Late Ordovician to Early Silurian White Head Formation in the Jacksonville to Plymouth area (Figure 1.2), just west of Woodstock. The mineralization occurs as banded iron formation (Way, 2012) consisting of an interlayered sequence of manganese oxide and manganese-carbonate-silicate oxide shales and silty shales. They alternate as red to maroon and green in color. From 2011 Globex drilling, sampling from wide intervals of this mineralization returns assays greater than 11% MnO and 16% Fe₂O₃. Manganese is understood to be primarily contained in the mineral rhodochrosite, a carbonate, along with several other minor manganese minerals.

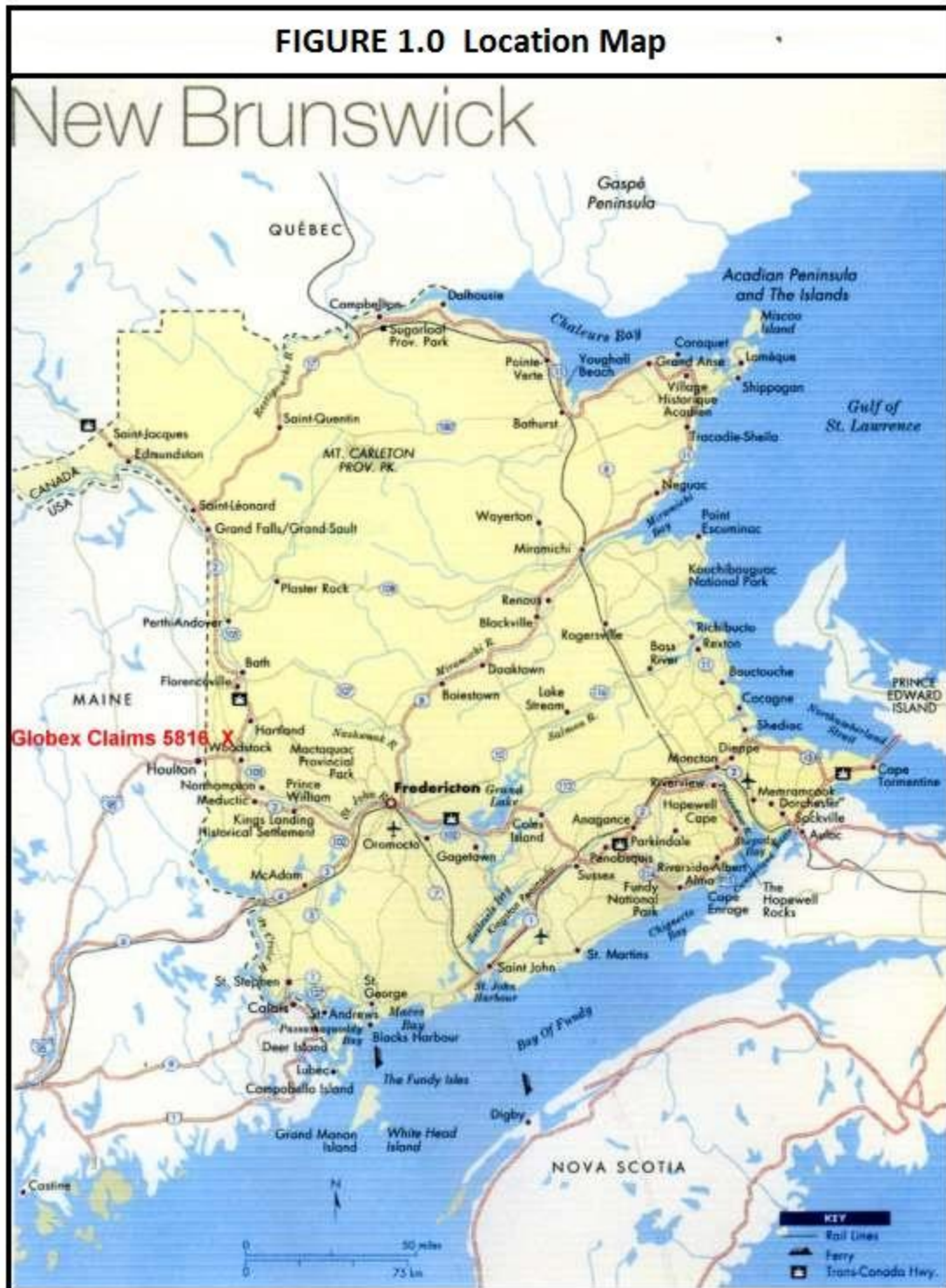
The manganese-iron mineralization occurs in tightly folded, northeast striking, steeply northwest dipping and plunging lenses that are occasionally overturned. Evidence of the structure is visible at the historic workings at Iron Ore Hill, where some of the rare outcrops occur.

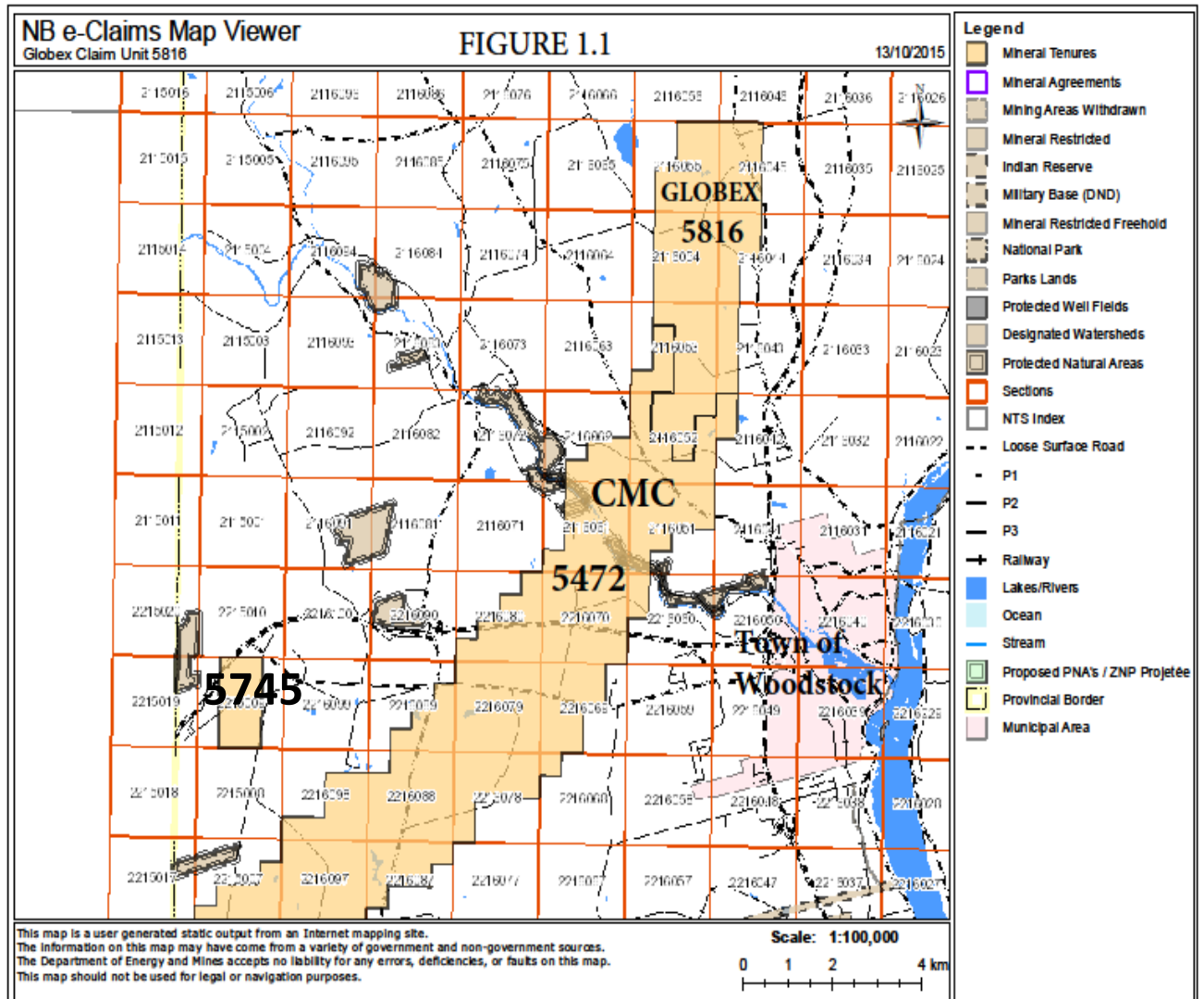
Sunset Cove has begun exploration activities on the Property in late October, 2016, however no results have been received by the effective date of this report. A magnetometer survey followed by a drilling program is planned.

The author has concluded that significant potential for an economically viable manganese deposits occur on the claims of Licence 5816, and is recommending, and is currently initiating, the aforementioned exploration program totalling approximately \$500,000.

The Mn-Fe mineralization of the area was originally thought to have been deposited in a shallow marine, precipitating environment, possibly proximal to some volcanism however Sidwell (1957), and more recent work from investigations resulting from a Master's thesis titled "Geology and Geochemistry of Sedimentary Ferromanganese Ore Deposits, Woodstock, New Brunswick, Canada", by Bryan Way, 2007, purports the mineral bearing strata were "initially derived from hydrogenous-detrital sources without any indication of an hydrothermal input as a source of Fe-Mn". Way makes the conclusion that "Na/Mg ratios, chondrite normalized REE patterns, and mineralogical evidence of rapid changes in ocean redox conditions suggest the Mn-Fe mineralized lithofacies were formed in the offshore zone of a continental shelf on a stable cratonic margin".

The Licence 5816 area was sparsely covered by a gravity survey conducted by Stratmat Limited (Stratmat) in the 1950's. Most survey lines were at 1000 foot separation with stations at 200 foot intervals (Sidwell, 1957). Stations and lines were increased in more anomalous areas but it appears that there was no surveying north of the Iron Ore Hill occurrence, which includes more than 50% of the Globex claims. An early version of a magnetometer survey referred to as a "dip meter" survey was tried for approximately 18 kilometres at that time but results were found to be flat and further efforts using this method were abandoned.





Gravity proved to be an effective method of detecting the mineralized zones as follow-up drilling found significant Fe-Mn intercepts in all cases. The main focus was approximately four kilometres southeast of Globex claims on the Plymouth occurrence, the largest of the known mineralized areas, and presently owned by Canadian Manganese Company Inc., a wholly owned subsidiary of Buchans Mining Limited, which is in turn a wholly owned subsidiary Minco PLC of Ireland. Canadian Manganese Company has published on SEDAR a Preliminary Economic Assessment on the property that quotes an Inferred Resource, utilizing a 3.5% Mn cut-off, of 44,770,000 tonnes grading 9.35% Mn and 14.15% Fe, with an effective date of July 10, 2014.

The author has been unable to verify this information and this information may not necessarily be indicative of the mineralization on the Property that is the subject of this report.

2. INTRODUCTION

2.1 Terms of Reference

Globex Mining Enterprises Inc., (Globex), and Sunset Cove Mining (Sunset Cove) have engaged Perry MacKinnon Consulting, of North Sydney, NS, Canada, to complete a Technical Report, incorporating historic and more recent data, for Globex's Woodstock area manganese properties. Globex is a TSX-listed mineral exploration company with a head office located at 89 Belsize Drive, Toronto, Ontario, Canada, M4S 1L3, and a principal business office at 86-14th St., Rouyn-Noranda, Quebec, Canada, J9X 2J1. Sunset Cove Mining is a TSX-V listed junior exploration company with head office at 1155 Rene Levesque West, Suite 2500, Montreal, Quebec, Canada, H3B 2K1.

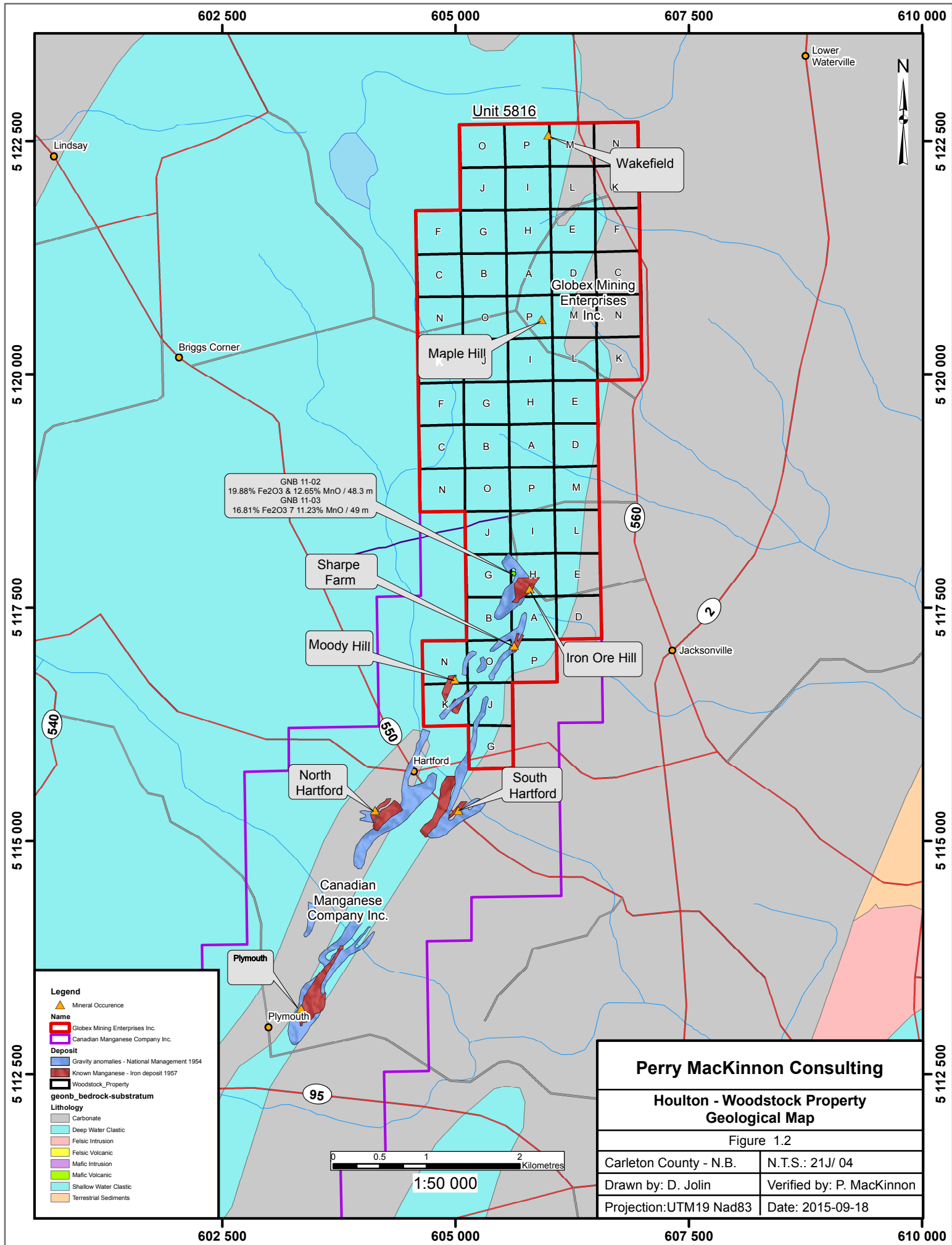
2.2 Purpose of the Report

The purpose of this report is to provide to Globex and Sunset Cove a comprehensive and independent assessment of the mineral potential at the Woodstock properties. The report will detail historic work as well as more recent work that was completed, or supervised by, Perry MacKinnon, P.Ge, for Globex.

2.3 Sources of Information

Historic information used in this report can be found in Section 21, References, toward the end of this document. The main source is a six page report by K.O.J. Sidwell in 1957, when he was a regional manager for Stratmat Limited. Additionally, an article on the larger manganese property by New Brunswick Department of Natural Resources official R.R. Potter and an article printed in the Northern Miner in 1957 were utilized.

Copies of the reports, including data files, on the exploration undertaken by Globex on the property since 2010 were utilized and have been continuously in the possession of Perry MacKinnon, P.Ge (the author). Geological and mineralogical information was obtained from published reports by Bryan Way, Canadian Manganese Company, Stillwell and others. Some of the maps included in this document were provided by Globex staff member Denis Jolin with assistance from the author.



2.4 Extent of Field Involvement of the Qualified Person

The author, Mr. Perry MacKinnon, a professional geoscientist (P.Geo.) is an independent consultant and Qualified Person as defined by Section 1.1 of NI 43-101 guidelines. I have been a Member in Good Standing with the Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB, member # L4749) since 2011 and in Nova Scotia (APGNS member # 143) since 2009. I have visited the Globex Woodstock Manganese property (Licence 5816) on a number of occasions as listed below.

October 27, 2016 to present: Planning a drill program

August 16-18, 2012: Limited sampling survey

July 18-20, 2011: Checking drill program

July 7-8, 2011: Spotting drill holes

March 22-25, 2010: Reconnaissance and collection of 6 samples for

assay July 23-26, 2010: Collection of 59 samples for assay

I have visited the claims of Licence 5745 last during the drill program of 2011.

2.5 Units of Measure

All units of measure in this technical report are metric except where otherwise stated.

2.6 Site Grid and Coordinate System Parameters

Locating of diamond drill holes and magnetometer survey planning and implementation were done using the UTM NAD 83 grid system. Control for the 2011 magnetometer survey utilized a virtual grid using coordinates established by GPS.

Elevations are in metres above mean average sea level.

3. RELIANCE ON OTHER EXPERTS

The author has not relied on other experts for original information presented in this report.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 Area of Property

The 100% owned claims of Globex Licence 5816 are located at Jacksonville, New Brunswick, and is composed of 55 claims, totaling 1,228 hectares (Figure 1.1). The licence is approximately 6 kilometres long, in a north-south arrangement, and averaging approximately 1.7 kilometres wide east-west.

The 100% owned Licence 5745 area is 179 hectares on 8 claims.

4.2 Location of the Property

The southern-most portion of Licence 5816 claims is located approximately 5 kilometres west-northwest of the centre of the Town of Woodstock, in southwestern New Brunswick. The approximate centre of the claims is at 46°12'01"N, 67°37'58"W and can be found on NTS Map Sheet NTS: 21J 04. In the UTM grid system, the area is in Zone 19.

The claims of Licence 5745 are located near Richmond Corner-Irish Settlement approximately 2 kilometers east of the Maine border, just west of Houlton. They are also on NTS Map Sheet 21J 04.

The USA-Canada border is approximately 12 kilometres west of licence 5816. Route 95, a twinned highway running from Woodstock to connect to the US interstate I-95 highway, is located approximately 3 kilometres south of the claims. I-95 passes through the northeastern corner of Licence 5745.

4.3 Type of Mineral Tenure

The Globex properties, subject of this report, consists of 55 claims contained in New Brunswick exploration licence 5816, and 8 claims contained in licence 5745.

4.4 Mineral Rights

In New Brunswick, the Province makes Crown-owned minerals available for exploration and development. Prospectors (persons or companies who hold prospecting licences), holders of claims and holders of mining leases have the right to prospect, explore, mine and produce those minerals, whether they are on Crown-owned or privately-owned lands. They also have the right of access to the minerals; however, they are liable for any damage they cause (Ref.: NB government website).

As soon as possible after staking, claim holders are obligated to notify land owners and any exploration activity of a disturbance nature must be preceded by a notification and surface access permission obtained. All appropriate notifications concerning work on the claims were applied for and permission received by the author for Globex.

4.5 Surface Rights

Figure 4.1 shows the surface rights land owner lots in the area of Globex claims of Licence 5816, the main focus of this report. Surface rights ownership exists as predominantly large agricultural lots used mainly for crops and Christmas tree farming. The historic Iron Ore Hill workings occur beneath one home, one under construction, and several others are located 200 or more metres away to the east. On the far southern end of the claims, near Hartford, it appears several homes may be within the bounds of the claims.

Surface rights in the area of Licence 5745 are large parcels owned by several farming families. The area is mixed agricultural and woodlands.

4.6 Property Tenure

Staking in the Province of New Brunswick is done online using an internet based electronic claim acquisition and maintenance system. Prospectors, partnerships and companies can register on the system for a one-time fee of \$100, \$200 or \$500 respectively. The fee for registering a claim is \$10 but if more than 30 claims are registered per year, there is an additional \$50 per claim registration fee, which is refundable if the work requirements are met in that year. Regular annual renewal fees are \$10 per claim. Exploration work is required to maintain title to mineral claims in New Brunswick. Work requirements per claim per year are as follows:

Year 1: \$100
Year 2: \$150
Year 3: \$200
Year 4: \$250
Years 5-10: \$300
Years 11-15: \$500
Years 16-25: \$600
Years 26 and beyond: \$800

It is possible to receive a deferral for the work (referred to as 56(10)), for the second year only, for a fee of \$20 per claim.

Leases are \$50 to register with a \$6 per hectare per year fee and an annual work requirement of \$60 per year per hectare. Globex licence 5816 boundaries may be viewed on the NB eClaims system. It is not necessary to be registered to view the system.

The Province is divided into numbered grid blocks (1.5 minutes of longitude X 1.0 minutes of latitude) which each contain 100 Sections. Each Section is further divided into 16 Units which are designated "A" through "P". Claims are identified by this system, for example Grid 2215, Section 74, Unit(s) A,B,C etc. and chosen in this manner on the interactive map when staking claims or managing existing claims. Claims sides are approximately 400m in length. Areas not open to staking are indicated on the claims map by differing colored areas and described in the legend.

Initially 28 claims were staked on July 21, 2010 with additional staking and re-grouping done February 15, 2013. All staking was done in the name of Perry MacKinnon for Globex Mining Enterprises Inc. and transferred to the latter on September 14, 2015. No remuneration was involved in this transaction (aside from government staking and transfer fees) from, or to, either party.

In New Brunswick an exploration "licence" is referred to as a "right number". The claim name that is the subject of this report is Jacksonville and the right number is 5816, comprised of the following 55 claims: units:

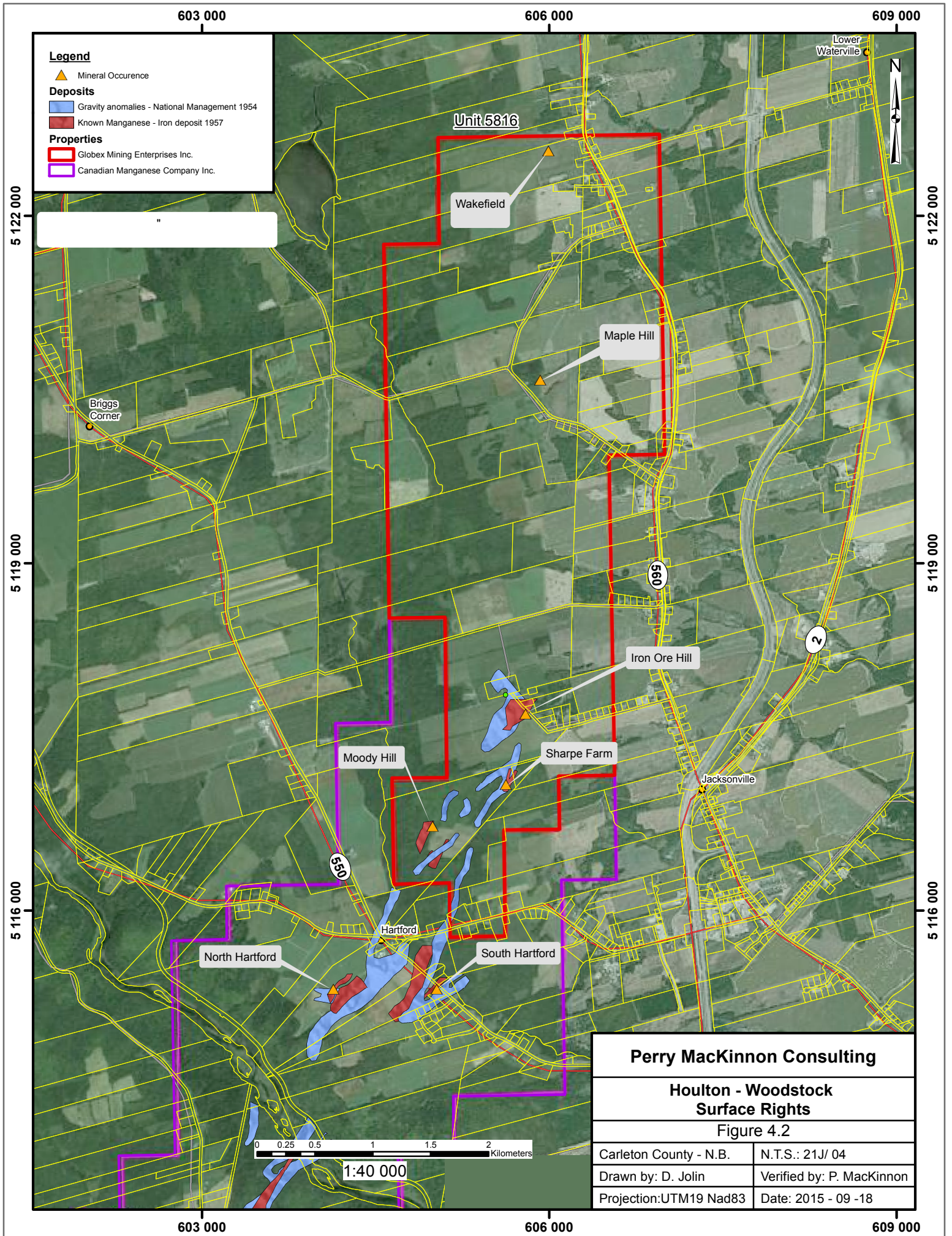


Table 4.6 List of Licence 5816 Claims

2116055A	2116054A	2116053A	2116052G	2116045C	2116044D	2116043D
2116055B	2116054B	2116053B	2116052J	2116045D	2116044E	2116043E
2116055C	2116054C	2116053G	2116052K	2116045E	2116044K	2116043L
2116055F	2116054F	2116053H	2116052N	2116045F	2116044L	2116043M
2116055G	2116054G	2116053I	2116052O	2116045K	2116044M	
2116055H	2116054H	2116053J	2116052P	2116045L	2116044N	
2116055I	2116054I	2116053N		2116045M		
2116055J	2116054J	2116053O		2116045N		
2116055O	2116054K	2116053P				
2116055P	2116054N					
	2116054O					
	2116054P					

The anniversary date of Licence 5816 is July 21, 2017. The requirement in terms of work credits, for a full renewal in July 2017, is \$16,500. Work credits from exploration by Globex are sufficient to retain the property titles for more than one year.

The claims have not been legally surveyed.

Licence 5745 consists of 8 claims, 2215009B, 2215009C, 2215009F, 2215009G, 2215009J, 2215009K, 2215009N, 2215009O, all located on private farmland and forested lands. There are several homes along the eastern periphery of the claims. The anniversary date of these claims is March 25, 2017, there are credits sufficient for several more years remaining on this licence.

All affected surface rights holders were contacted by letter prior to the implementation of the 2011 magnetometer survey and 2012 drill programs. There was one small property for which permission to access was not received for the former, and the surface rights holder was agreeable to the 2012 drilling program. A larger number of surface rights owners were contacted in preparation for the 2016 magnetometer survey and there were no refusals.

4.7 Infrastructure

No mining infrastructure occurs on the property. The property is serviced by one paved road and a number of good quality gravel roads. Power lines are near the periphery of the claims. The nearest rail line is at Houlton, Maine, approximately 18 kilometres by road.

4.8 Agreements and Encumbrances

Sunset Cove and Globex have entered into an option agreement whereby Sunset Cove may obtain a 100% interest in the Property as described in the following summary of the terms of the agreement between the two parties:

Sunset Cove can exercise the Option and earn 100% interest in the properties by making aggregate cash payments of \$200,000 to Globex (prior to the first anniversary of the effective date of the agreement), issuing an aggregate of \$4,000,000 common shares to Globex (to occur before the second anniversary of the effective date of the agreement) and incurring aggregate exploration expenditures of \$1,000,000 on the property (on or prior to the fourth anniversary of the effective date of the agreement).

Sunset Cove must also deliver a Preliminary Economic Assessment (PEA) to obtain full interest in the Property and will also be required to pay a Gross Metal Royalty of 3% on all metals produced, and is responsible to maintain the claims of the Property in good standing, and a number of other conditions and provisions including: If the Property is not in commercial production by the 6th anniversary of the effective date of the agreement, Sunset Cove will pay Globex an advance royalty payment of \$20,000 annually.

The agreement includes the claims of licences 5816 and 5745.

4.9 Environmental Liabilities

The author has not actively investigated environmental or social issues that could potentially affect development of the Woodstock manganese mineralization located on Globex's claims, however having worked on the property several times now there appear to be no such liabilities. There are no Protected Areas, Parks or recreation properties on or near the claims. Private landowners would have to be contacted prior to any work causing physical disturbance to the land and appropriate government exploration permits are required for trenching or drilling.

The Moody Hill, Maple Hill and Iron Ore Hill historic workings contain open trenches, pits and possibly one inclined shaft at the latter. It is the authors' opinion any liabilities for these workings currently lies with the land owner. If the respective properties were to be acquired, a few days work with an excavator would be sufficient to fill and level any workings.

Two small streams have their origins on the Property approximately 1 kilometre northeast of Iron Ore Hill, and run in opposite directions, one east and one west. Otherwise the claims appear to be devoid of water courses or wetlands.

4.10 Permits

All permits required for drilling on the Iron Ore Hill occurrence (Appendix 1A) were obtained including access permission from the private landowner. The latter was done during a face-to-face meeting. A drill permit has been obtained for the proposed fall of 2016 drilling (Appendix 1B) and landowner permission has been granted as well.

Since the 2011 drill program, New Brunswick has changed the procedure for obtaining permission from the New Brunswick Department of Mines and Energy to do work of a disturbance nature on private or crown properties. Prior to granting permission, a Form 18 (for private land) is now to be completed and copies are received by Provincial Archaeological Services as well as Aboriginal Services. If there are no unexpected issues, this process is generally completed in 14 days for drilling or trenching. Landowner permission is an essential part of the application.

5. ACCESSIBILITY, CLIMATE and PHYSIOGRAPHY

5.1 Topography, Elevation and Vegetation

The area features gently rolling hills and is primarily agricultural land (approximately 60%) with forested sections (40%). In general, private residences may be directly affected in a small portion of the property if development of the occurrence were to occur, depending on the exact location of any such development.

The elevation ranges from a low of 120 metres in the south of the property, to a high of 180 metres just north of Iron Ore Hill, then remains between 150 and 180 metres to the north end of the licence.

The majority of the forested areas consist predominantly of mature hardwoods mixed with patchy spruce and fir trees. There is little underbrush in most forested areas. A Christmas tree farm is located in the area west of Iron Ore Hill. The remaining agricultural lands were planted with corn or hay during the author's visits.

5.2 Property Access

The region can be reached via the Trans Canada road system (approximately 1 kilometre east of the claims) or Route 95, approximately 3 kilometres south, which joins the I-95 Interstate highway at the USA border some 12 kilometres west. Access to the claims is best accomplished via Route 560 from which the claims are transected in an east-west direction by Lockhart Mill Road, Iron Ore Hill Road, Burt Road, Hopkins Road and Kirk Road, all just west of the village of Jacksonville.

For licence 5745, access is from I-95, approximately 10 kilometres west of Woodstock.

5.3 Proximity to a Major Centre

The Town of Woodstock (Figure 6.1) is located approximately 7 kilometres southeast of the central area of licence 5816. It has a population of over 5,200 people and has most amenities including restaurants, hotels, tool rental and industrial equipment sales outlets. Houlton, Maine is of similar size at 6,100 in population and is approximately a 15 kilometre drive from the claims. The village of Jacksonville is located on the eastern boundary of the claims. The nearest major population is at Fredericton, a 95 kilometre drive to the south along the Trans-Canada highway. It has a population of over 56,000.

5.4 Climate

The Woodstock- Fredericton area is classified as "humid continental". Average January low temperature is -16°C while the average July high is 26°C. It is common to have snow on the ground from late November to early April, with an average snowfall of approximately one metre, with an average total precipitation of 1,100 cm. Iron Ore Hill Road is a publically maintained road, however the gravel roads are not generally cleared of snow in the winter as they are mainly on private lands. It is possible to work on this Property year round.

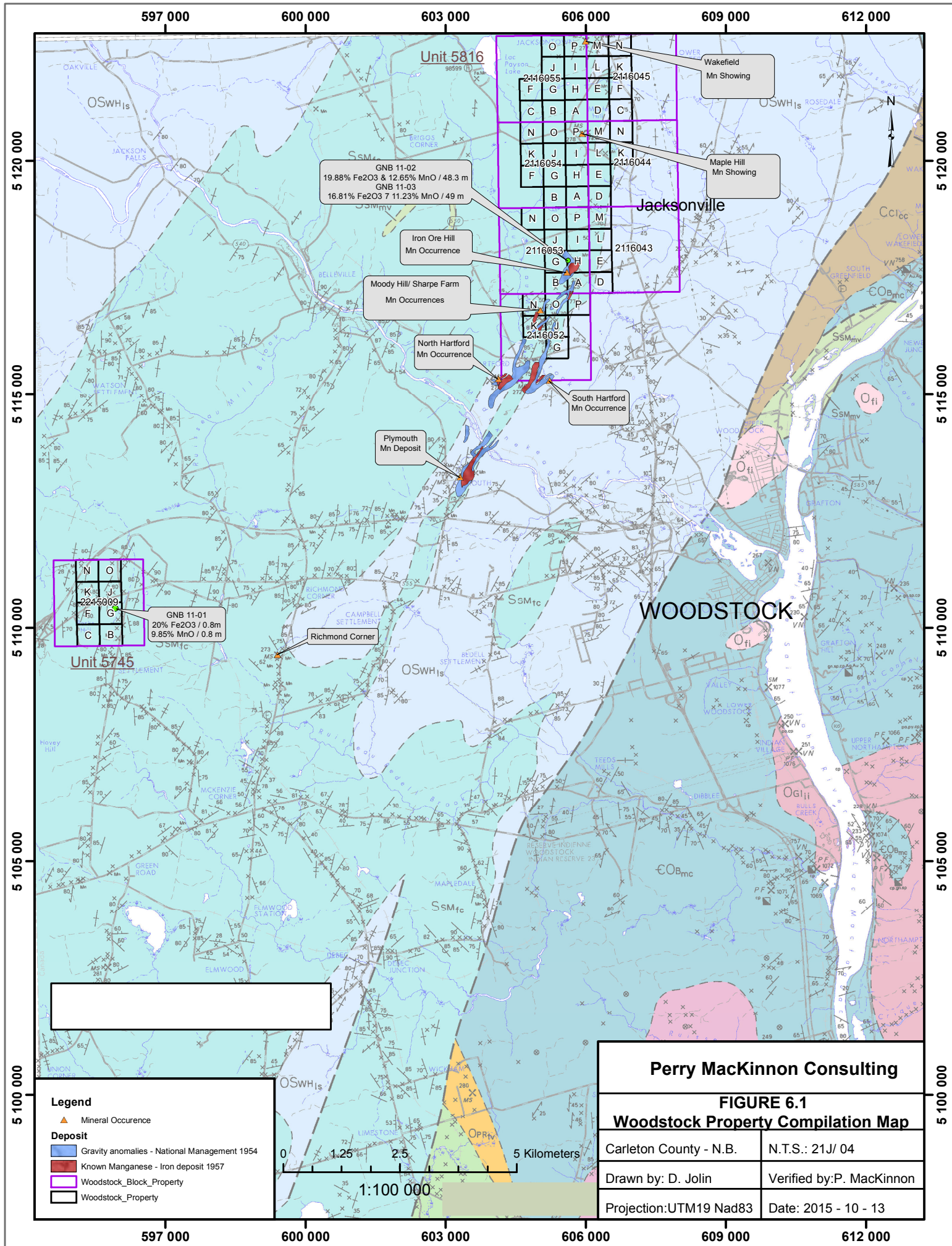
5.5 Suitability as a Mining Property

The Iron Ore Hill to Moody Hill area occurs near a topographic high, with a gently rolling slope to the south and west. The historic Iron Ore Hill workings are elevated just 10 meters above the surrounding farmland. Sharpe Farm and Moody Hill occurrences are on relatively level ground. The latter two areas are covered with a fairly mature mixed hardwood and coniferous forest, and to some degree, cultivated farmland. The majority of the Iron Ore Hill occurrence is on a Christmas tree plantation.

There are single landowners for the bulk of both the Moody Hill-Sharp farm and Iron Ore Hill mineralization. The former occurrences are found mainly on a 73 hectare lot and the latter on a 206 hectare lot, and both surface rights holders have agreed to allow past (in the case of the larger) and current (both properties) diamond drill programs with the knowledge that an open pit mine is the goal. There appears to be ample area potentially available for all aspects of a mining operation.

Home owners near the Iron Ore Hill historic workings have ample supply of well water for domestic purposes. Approximately one kilometer to the west the Marven Brook roughly parallels the mineralized properties and is a potential water supply.

Power is supplied to the Iron Ore Hill area for domestic purposes. There is no power supply to the Sharpe Farm and Moody Hill areas but power lines are less than one kilometre away.



6.

HISTORY

6.1 Previous Exploration

The iron-manganese occurrences in the Woodstock area were first brought to light by Dr. C.T. Jackson in 1836. Two small blast furnaces operated between then and the early 1860's when most activity ceased until the Stratmat efforts in the early 1950's. To that point, the mining activity was primarily in the Iron Ore Hill area, whereas afterward, the main focus has been around the Plymouth deposit. This is largely due to the larger gravity anomalies obtained at the latter site as compared to the rest of the surveyed area. It should be pointed out that the gravity survey did not extend north beyond the Iron Ore Hill occurrence.

A number of documents give some detail on these efforts of past exploration on the wider manganese mineralization. Between 1953 and 1957 Stratmat Limited is reported by Sidwell, 1957, to have completed 34,021 feet (10,370m) of drilling, 17,388 feet (5,300m) of which was on the Plymouth occurrence, located several kilometres southwest of Globex's claims. Unfortunately most of the logs of the drilling were not saved but Sidwell's 1957 report is based on the results of that drilling.

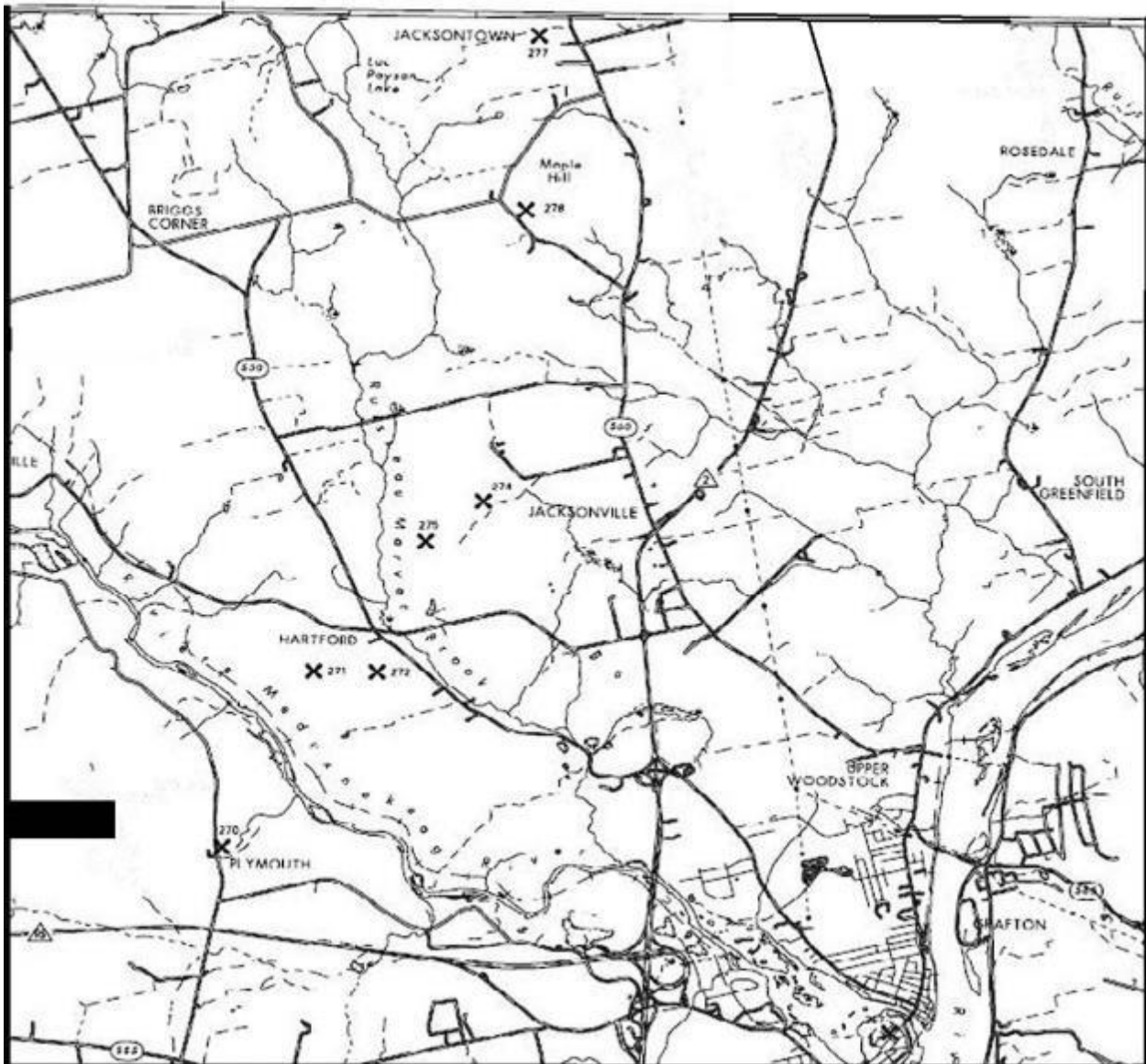
The Sidwell report is just 6 pages long but is concise regarding the work done and results obtained. It provided details on most of the known occurrences, including several of those on licence 5816. These include, from south to north, the Moody Hill, Sharpe Farm and Iron Ore Hill occurrences (referred to as "orebodies" in the Sidwell report). In addition, the North and South Hartford occurrences, which appear to occur largely on claims owned by Canadian Manganese Company Limited, at the south end of licence 5816, may well continue to the Moody Hill occurrence, however there is little exploration in this area.

A somewhat vague location map with little detail, included in the Sidwell report, appears to show most of the drilling south of the Moody Hill area but several drill holes are indicated at Moody Hill and at least two each on the Sharpe Farm and Iron Ore Hill occurrences. The text of the document confirms this. From the results of the sparsely laid out gravity grid and the limited drilling, Mr. Sidwell, an area manager of Stratmat Limited at the time, calculated approximate tonnage and grades of all of the occurrences referred to, and included a number of paragraphs on each.

A limited 'dip meter' survey was completed about the same time as the gravity survey, but returned just "flat" results. No further magnetometer surveys were attempted until the efforts of Mineral Resource Research Limited, starting in 1986. MRR did limited drilling, some bulk sampling and a magnetometer survey on the Plymouth Deposit, the results of which Buchans Minerals, and subsidiary Canadian Manganese Corporation, have utilized in their analysis of that property. The survey can be found as Open File Report OFR-90-4 through the New Brunswick Department of Natural Resources, Mines and Energy Department. The Plymouth Deposit is a few kilometres to the south of Globex's claims, and Globex's magnetometer survey on licence 5816.

The NB DNR Mineral Occurrence Data Base maps (Figure 6.2) identify the Moody Hill occurrence as number 275, the Iron Ore Hill and Sharpe Farm occurrences as Number 274, the Maple Hill occurrence as number 278, and the Wakefield area (at Jacksontown) occurrence as number 277. The map shows occurrences from Plymouth (#270) in the southwest, to Jacksontown (#277) in the northeast. More information on the data regarding these occurrence numbers is available the New Brunswick Department of Mines and Energy web pages.

FIGURE 6.2 Mineral Occurrence Database



The above is an excerpt from NBDNR Mineral Occurrence Database Map for 21J04, Plate 2004-58

6.2 Historical Resource Estimates

A summary of the historical resource estimates of the occurrences contained in the bounds of licence 5816 is as follows (from Sidwell, 1957):

For the Moody Hill occurrence, a strike length of 1,700 ft (518m) and a width (from drilling) of 825 feet (251m), though some of the width is described as low grade, giving an estimate of 10,000,000 tons (9,072,000 tonnes) of approximately 9.5% manganese "ore".

For the Sharpe Farm occurrence, the gravity anomaly extended for 2600 feet (792m). From 2 drill holes it was postulated that the width was 150 feet (46m) and a tonnage estimate of 8,000,000 tons (7,257,000 tonnes) to a depth of 500 feet (152m) was determined.

At Iron Ore Hill the strike length was found to be 2,500 feet (762m). Two diamond drill holes put down on the property had intercepts with widths of 738 feet (225m) and 175 feet (53m) grading 10.33% Mn and 7.6% Mn respectively. The tonnage estimate for this occurrence is reported at approximately 25,000,000 tons (22,680,000 tonnes).

The Sidwell report also mentions that the manganese bearing horizons, although changing strike from northeast to due north, north of the Iron Ore Hill area, appear to continue, as evidenced by float, outcrops and trenches, for a distance of 5 miles (8 kilometres) in this direction. Two of the trenched areas were said to have manganese bearing widths of 200 feet (61m) and 120 feet (37m). Sidwell commented that it is not known if these occurrences were the same horizons as the material to the south, and that it wasn't expected that they would be continuous over that distance.

In defending his tonnage estimates, Sidwell indicated that his preliminary estimate of the Plymouth "orebody", utilizing just four diamond drill holes, varied just 4% from the final calculation using 43 holes, and that the gravity survey was quite a reliable predictor of grades and widths. All calculations were to a depth of 500 feet (152m).

Total tonnage calculated by Sidwell for Moody Hill, Sharpe Farm and Iron Ore Hill, all located on present Globex claims, was 43,000,000 tons (39,009,000 tonnes) with an average Mn content of 9%.

Please note that the above information has been taken from historic sources that were not prepared or reviewed by a qualified person for Globex or Sunset Cove under NI 43-101 and are considered historic and should not be relied upon. They were obtained from Sidwell, 1957, who used a sparsely spaced gravity survey and limited drilling to obtain these results. No qualified person has done sufficient work to classify the historical estimate(s) as current mineral resources or reserves and neither Sunset Cove nor Globex is treating the historical estimate as current resources or reserves.

6.3 Production

The only production from the Woodstock area iron-manganese occurrences occurred shortly after their discovery in 1848. Between this time and 1884 a reported 70,000 tons (63,502 tonnes) were mined for iron, predominantly from the Iron Ore Hill occurrence with a lesser amount from the Moody Hill occurrence (Sidwell, 1957). Gross (1967), in an article for the GSC, reports that "the iron produced was found to have exceptionally good physical qualities and was shipped to England for use by the Royal Navy for armour plating gun-boats."

Charcoal for the smelting process was obtained by utilizing the forests of the area for fuel, and limestone for fluxing from the Coldstream area, approximately 18 kilometres from the iron and manganese source (Ralston, 1946).

There appears to have been little interest in the manganese at that time but it came to be known that the reason for the positive results in the testing of the iron on the gun-boats was due to a percentage of

carbon and manganese in the iron, rendering it more pliable and resistant to fracturing when impacted by cannon fire.

7. GEOLOGY

7.1 Regional Geology

The sedimentary package that hosts the iron-manganese mineralization in the Woodstock area is referred to as the Smyrna Mills Formation of the Perham Group, and is of Silurian age (Figure 7.1). These rocks are in contact with the Carboniferous Mabou Group several kilometres to the east, and the argillaceous limestone and calcareous shales of the Late Ordovician to Silurian White Head Formation immediately to the east (Smith and Fyffe, 2006).

Hamilton-Smith, in a 1972 report on the stratigraphy and structure of the area, shows a large syncline passing through the area of the property but Potter (after Carroll, 1973) describes an anticline through the same area. From drill sections it appears the latter would be accurate. In any case, the major folding event was accompanied by tight folding and both are attributed to the Acadian Orogeny. A weaker, later system of cross folds occurring in the southeastern area of the mineralized strata may be attributed to the later stages of the same orogeny or to the Taconic Orogeny, but do not appear to have significantly affected the structure on the Globex property. Large and small scale faulting has also been described in geological studies of the area (Hamilton-Smith, Potter), most oriented northeast-southwest, like the main axis of folding. The main fault shown on area mapping (Hamilton-Smith, 1972) is shown to closely parallel the main anticline(?) that hosts much of the manganese mineralization. In his document an east-west fault is shown offsetting the mineralized horizons approximately 650 metres to the west (sinistral movement) just north of the area hosting the North and South Hartford occurrences, near the southern end of Globex licence 5816.

Caley, in 1936, proposed the Woodstock iron-manganese mineralization deposition environment as one of offshore hydrothermal conditions resulting in a chemical precipitate accompanied by volcanic activity. Miller, in 1946, suggested similar deposits in Maine were “derived from subaerial weathering and erosion of volcanic rocks”. Sidwell (1957) concurred with the latter explanation. Hamilton-Smith, 1972, comments “The originally sedimentary characteristics of the rock were obliterated. The second stage of re-mobilization and mineralization is probably hydrothermal and is restricted to those occurrences of the iron-manganese assemblage in zones of intense structural deformation”.

More recent work from investigations resulting from a Master’s thesis titled “Geology and Geochemistry of Sedimentary Ferromanganese Ore Deposits, Woodstock, New Brunswick, Canada”, by Bryan Way, 2007, purports the mineral bearing strata were “initially derived from hydrogenous-detrital sources without any indication of an hydrothermal input as a source of Fe-Mn”. This conclusion was made from the observation that : “Na/Mg ratios, chondrite normalized REE patterns, and mineralogical evidence of rapid changes in ocean redox conditions suggest the Fe-Mn mineralized lithofacies were formed in the offshore zone of a continental shelf on a stable cratonic margin”.

7.2 Property Geology

The Woodstock region consists of a sedimentary package of rocks thought to have been deposited in a shallow marine environment, possibly with some contribution from volcanic sources. Some dissention among several authors of studies on the area occurs concerning the possible degree (if any) of

reworking of the Mn-Fe rich material and how much this may have affected the volume and grades of the mineralization. The host for most of the mineralization, based on mapping by Smith and Fyffe, 2006, is shown to be near the base of the Smyrna Mills Formation, though the map produced does depict the Plymouth Deposit at least partially occurring in the underlying White Head Formation when plotting the Mineral Occurrence Database locations of the various occurrences. This may be a reflection of the lack of definition in the scale of mapping as well as the paucity of outcrop throughout the area.

Smith and Fyffe describe the Smyrna Mills rocks as “dark grey, non-calcareous silty shale and associated ferromanganiferous siltstone. Dark grey calcareous shale interbedded with medium grey calcareous quartzose sandstone. Green calcareous sandstone, light grey, crystalline limestone, green nodular limestone, grey polymictic conglomerate, and minor red shale and dark grey laminated, graptolitic siltstone”. It is part of the Silurian age Perham Group.

The Whitehead Formation is Silurian to Ordovician in age, forms part of the Matapedia Group, and consists of “Dark grey to bluish grey, massive to abundantly laminated, very fine grained argillaceous limestone interbedded with calcareous shale” (Smith and Fyffe, 2006).

The strata of the Smyrna Mills Formation, as observed at the Iron Ore Hill historic workings, and as determined from sections drawn from the older drilling on the property, have been tightly folded in a northeast direction with dips generally steeply to the west. Some evidence of overturned beds is reported in the drilling. The plunge is steep to the northwest. Structural deformation has had a strong effect on the possibility of economic feasibility of the Woodstock iron-manganese mineralization in that the tight folding has apparently caused substantial thickening of the mineralized horizon. Faulting has also contributed to structural thickening of the mineralized beds with folding and faulting together creating widths in excess of 200 metres from an estimated original thickness of mineralized strata probably less than 15 metres (Hamilton-Smith, 1972).

Very few outcrops occur on the property, though several poor exposures can be viewed in the cultivated fields prior to planting or after harvest season. Indications are the average depth of overburden ranges from two to four metres.

7.3 Mineralization

Sidwell (1957), from drilling and trenching predominantly on the Plymouth occurrence, describes the mineralogy of the iron-manganese bearing strata as being contained by five distinct units within the main mineralized strata of alternating grey-green, grey, green and red slates. The five are: silicified slates, manganiferous hematite, red to purplish ferruginous slates, green chlorite slates, and brown cherty slates, with the first two containing the bulk of the iron and manganese.

He describes the manganiferous hematite as being the highest grade unit and is coloured dark red to black, having a blocky fracture and frequently replaced with quartz and contains veinlets of pink rhodochrosite. Other manganese bearing minerals are reported as piedmont (manganese silicate), and occasional pale yellow to brown manganese bearing axinite. These are minor constituents of the mineralized horizons.

Detailed mineralogical investigation of two samples taken from the Plymouth deposit by Mr. Tim Webb, of the New Brunswick Department of Forestry, Mines and Energy in 1986, provides an insight into the

composition of the mineralized horizons. The samples were taken from both the oxide (hematite, magnetite and ilmenite) and carbonate (siderite) facies of the occurrence.

Results were obtained using a scanning electron microscope with an energy dispersive system.

Webb reports that the oxide bearing material consisted predominantly of hematite, magnetite and rhodochrosite plus lesser iron and manganese silicates and phosphates. The results describe “fine layering defined concentrations of hematite and magnetite in rhodochrosite, and concentrations of phosphates and silicates elsewhere. Veinlets are much less numerous than in the carbonate facies and are composed of chlorite and quartz. Traces of arsenopyrite, silver and pyrite are present”.

The carbonate facies were found to be mainly rhodochrosite and lesser amounts of calcium and iron, plus chlorite containing minor amounts of manganese and magnetite. Significant amounts of rhodonite, microcline, braunite and tephroite were detected. Megascopically, Webb reports the existence of four recognizable bands:

1. chlorite plus rhodochrosite with or without narrow magnetite bands.
2. predominantly rhodochrosite pods or lenses in bands of rhodochrosite plus chlorite or tephroite.
3. braunite(?) plus rhodochrosite in dark layers.
4. tephroite(?)- rhodochrosite.

Narrow quartz, rhodochrosite or calcite veining also cut across the bands. Trace amounts of arsenopyrite, hematite and pyrite are also in evidence.

Results of mineralogical investigations by Canadian Manganese Company Inc., in that company’s Preliminary Economic Assessment on their Plymouth property of July 2014, describe similar results as provided by Sidwell (1957) and Webb (1986), in that the two main facies, oxide and carbonate are identified, and the detailed mineralogy is much the same. The simplified result shows that both facies contain significant manganese but the red slates contain hematite, magnetite and ilmenite, whereas the grey-green facies contains little of these minerals with the main iron containing mineral being the iron carbonate siderite.

Detailed mineralogical studies were conducted for Canadian Manganese Company Inc. (CMC) by Thibault and Associates Inc., as reported in that company’s 2013 Plymouth Deposit Fe-Mn Resource Estimate (prepared by Mercator Geological Services Limited as found on SEDAR), of mineralization from a bulk sample taken from CMC’s 2011 drilling. Results from the X-ray Diffraction (XRD) analysis performed at SGS Lakefield showed quartz, rhodochrosite, plagioclase and hematite as the most common minerals. Rhodochrosite (MnCO_3) was found to be the only Mn mineral present using the XRD method at a grade (weight percent) of 20.5% MnCO_3 , 9.8% (weight percent) Mn. Iron was found to be present in both carbonate (siderite) and oxide (hematite, magnetite and ilmenite) form. The red slates were found to contain 16.4 weight percent hematite, with the more grey coloured rock testing just 3.6 weight percent hematite. Grey material from the sample returned values of 9.5 weight percent siderite while just 2.3 weight percent siderite was determined in the red material. Overall the bulk sample was found to contain 10.4 weight percent hematite and 6 weight percent siderite.

It should be noted that, although rhodochrosite was found to be the only manganese mineral identified in the above study, the report acknowledges that, as identified by ICP-OES (Inductively Coupled Plasma-Optical Emissions Spectroscopy) testing of the same material, only 90% of the manganese was found by the XRD method.

Note: The information in the above paragraphs concerns the adjacent property hosting the Plymouth Manganese Deposit which is several kilometres distant from the Property, the subject of this report, and the results of the testing on the Plymouth Deposit may not necessarily be indicative of the mineralization hosted on the claims of Licence 5816.

FIGURE 7.2 Mixed Siltstones



GNB-11-02 3-19 metres

FIGURE 7.3 Maroon and Red Siltstones



GNB-11-02 19-40 metres

7.4 Wakefield

The Wakefield area is located on the far northern extent of Globex licence 5816 on claims that were not staked when the 2011 magnetometer survey was completed so no magnetometer data is available. The author did not attempt to locate this occurrence as it is in a cultivated area, near housing. The New Brunswick Department of Lands and Mines sampled a 4.6m section of the occurrence, as reported in GSC Memoir 353 (1968) that returned values of 20.5% iron and 8.86% manganese.

7.5 Maple Hill

Two kilometres south-southwest of the Wakefield occurrence, the Maple Hill occurrence is located in a wooded patch approximately 175-200 metres square. Trenching, observed by the author in a 2011 site visit, exhibited less iron and manganiferous rocks than the Moody Hill or Iron Ore Hill occurrences, though some higher grade material was apparent.

In comparing the known location of the occurrence to the geophysical response of the 2011 Globex magnetometer survey, the deposit is located on the extreme western edge of the large anomalous response in that area, where response is weak to moderate compared to much of the rest of the anomaly. The large area of strongest response located on the eastern edge of the survey in the Maple Hill area has not yet been ground checked.

Sampling in 1968 by the New Brunswick Department of Lands and Mines, as reported in GSC Memoir 353, returned values of 13.88% iron and 6.97% manganese over 2.13m.

7.6 Iron Ore Hill

The Iron Ore Hill historic workings are located approximately 3 kilometres south of the Maple Hill occurrence.

In the early 1950's, Stratmat identified a strong gravity anomaly 2,500 feet (762m) in length. Globex's 2011 magnetometer survey confirms a similar 750 metre anomaly centred on the Iron Ore Hill area. The historic workings are still quite visible at the site and which provided the majority of the feed for the historic 70,000 tons (63,502 tonnes) of iron reported to have been produced, in ovens located to the east of the site, on the bank of the St. John River.

From the results of the Stratmat gravity survey, combined with information derived from drilling two holes on the property, Sidwell (1957) reports an estimated 25,000,000 tons (22,680,000 tonnes) of 10% Mn, to a depth of 152 metres.

Sampling on and near the historic workings by the author, for Globex, in 2010, confirmed the presence of higher grades of manganese than had been reported in the historic testing, as well as abundant quantities of lower grade material. As a result of this initial sampling, a second round consisting of 59 samples, mainly along intermittent outcroppings in a ditch adjacent to the historic workings, returned manganese results from 1% to 26.15% MnO (20.25 weight percent elemental Mn).

Higher grade results were obtained from black, semi-metallic layers in the mixed, predominantly brick red and maroon alternating bands within the mineralized horizon. Maroon layers provided the next highest grades.

Diamond drilling in 2011 by Globex was planned to intersect the Iron Ore Hill occurrence at depth. Hole GNB-11-02 intersected several wide bands of well mineralized iron and manganese. Hole GNB-11-03 was drilled from the same set-up, in the opposite direction, and returned good values for the bottom 49 metres of a total 53 metres of core length. The hole was shut down before exiting manganiferous mineralization (Figure 7.4). Based on the widths intersected, indications are that the Sidwell estimate of manganiferous material at this site is conceivable.

7.7 Sharpe Farm

Some more recent government publications have located the Sharpe Farm occurrence northeast of Iron Ore Hill, however all of the older documents have it located immediately southwest of that occurrence. The author's work for Globex indicates that the occurrence is located to the southwest of Iron Ore Hill, as indicated on the older reports on the area.

Sidwell, in his 1957 report on the iron-manganese occurrences, described briefly the Sharpe Farm occurrence. A 2,600 foot (792 metre) long gravity anomaly was reported, slightly longer than the Iron Ore Hill anomaly, though substantially weaker. Two holes drilled at that time were reported to have intersected "silicified slates showing an average width of 150 feet (45.7 metres) with an average of 9% Mn". From this work he estimated the occurrence at 8,000,000 tons (7,257,478 tonnes).

The 2011 Globex magnetometer survey identified a moderate to strong circular anomaly with two smaller responses extending in a semi-continuous manner, northeastward, toward the Iron Ore Hill occurrence. The anomaly is the second strongest in the survey, after the Iron Ore Hill occurrence, and is over 400 metres in diameter. Including the lobes in between this area and Iron Ore Hill the length is 700 metres long, in a northeast-southwest direction. Ground checking by the author resulted in the discovery of a few insubstantial trenches as the only evidence of historic workings.

7.8 Moody Hill

From the 1957 gravity survey, Stratmat (Sidwell) describes a 1,700 foot (518 metre) weak to moderate anomaly (as compared to his results obtained at Iron Ore Hill). From three drill holes a width of 825 feet (251 metres) was determined. Despite indicating generally lower grade red, green and grey slates, the average grade of the occurrence was estimated to be 9.5% Mn in an estimated 10,000,000 tons (9,071,847 tonnes). Sidwell reports that the drill results were better than anticipated based on the strength of the gravity anomaly.

Please note that the above information has been taken from historic sources that were not prepared or reviewed by a qualified person for Globex or Sunset Cove under NI 43-101 guidelines and are considered historic and should not be relied upon. They were obtained from Sidwell, 1957, who used a sparsely spaced gravity survey and limited drilling to obtain these results. No qualified person has done sufficient work to classify the historical estimate(s) as current mineral resources or reserves and neither Sunset Cove nor Globex is treating the historical estimate as current resources or reserves.

The 2011 Globex magnetometer survey indicates a large, moderate to strongly anomalous area, separated from the Moody Hill anomaly by only 50 metres, in the general area of the Sharpe Farm occurrence. The anomaly is approximately 650 metres in diameter with a number of spotty, highly anomalous results in the wider anomalous response.

Upon ground checking the occurrence, a number of one to five metres deep, and up to 30 metres long, trenches were located. No samples were assayed but much of the rock viewed appears to be quite similar to the mineralized material tested quite well at the Iron Ore Hill occurrence.

7.9 North Hartford-South Hartford

The known North and South Hartford occurrences occur just off the south end of Globex's claims. The South Hartford Deposit appears to diminish (from old interpretations and Globex's 2011 magnetometer survey), at its north end, just a few metres from the south end of the Globex claims, but may continue on them at depth. From the survey it appears the Moody Hill occurrence crosses from Globex claims on to the CMC claims. It may be quite possible that the North Hartford and Moody Hill occurrences are actually continuous in this area.

From the 2011 magnetometer survey on the property (Figure 8.2), several lines of faulting may be recognized. A northwest-southeast trend occurs as a magnetic low between the Moody Hill and Sharpe Farm occurrences. A very strong magnetic low envelopes the northern extent of the strong magnetic high at Iron Ore Hill. This could be a folded fault but more likely a reflection of a folded unit bearing little or no magnetic component. Near the Maple Hill area, another narrow, northwest-southeast trending magnetic low cuts across the claims and is most likely due to faulting.

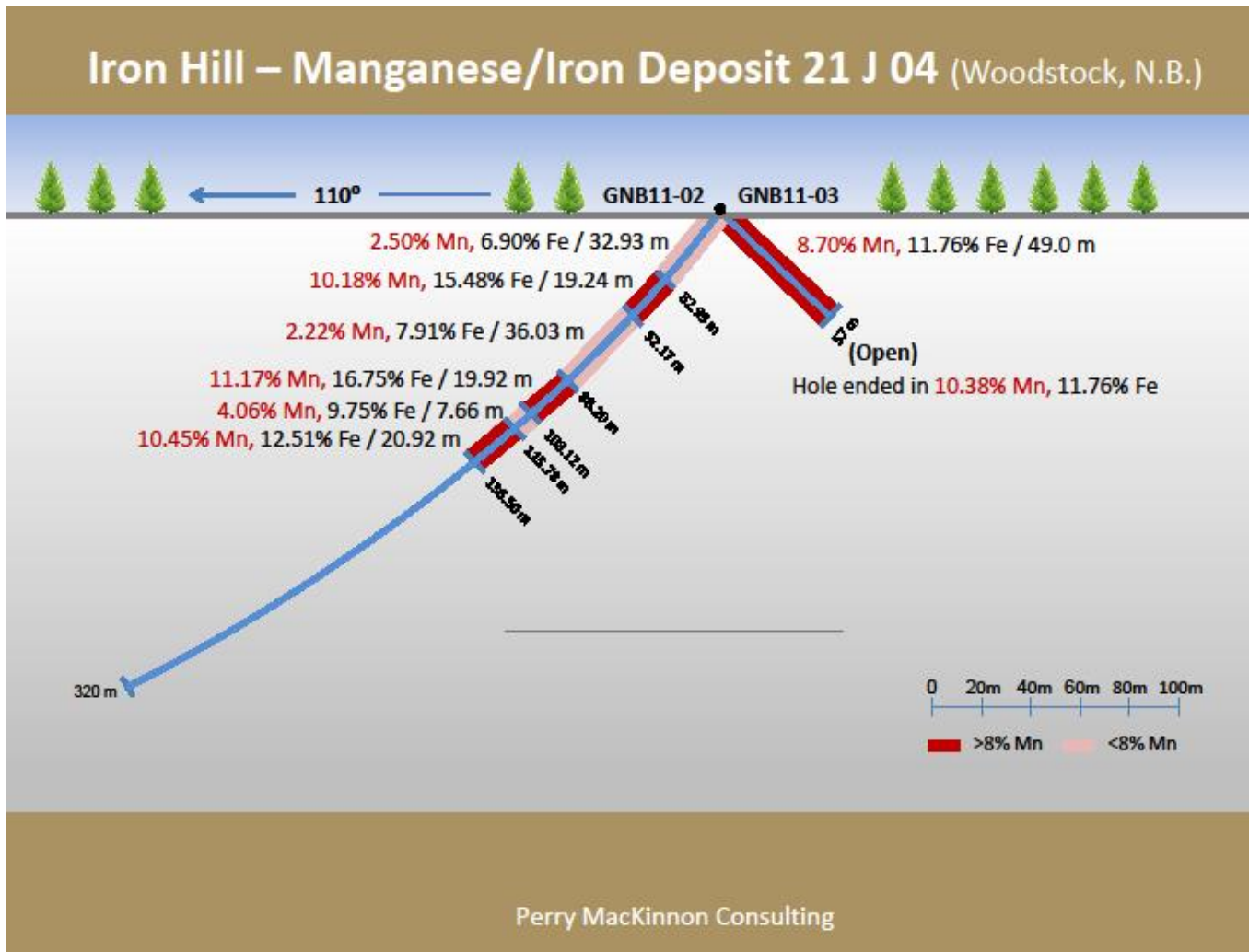
Several authors have indicated faulting along the regional northeast geological trend in the Plymouth Deposit. There is no striking evidence of this in the magnetometer results from the Globex survey, however there is a noticeable northeast alignment of the magnetic contours of the Globex survey, particularly in the area from Iron Ore Hill to the south end of the claims.

Mercator, in their 2013 Mineral Resource Estimate for Buchans Minerals, describes evidence of remobilization of Mn-Fe resulting in re-deposition of the Mn oxides in fracture zones, in that deposit. One would expect similar development along strike on the Globex property.

The higher Mn results, based on the drilling at Iron Ore Hill, come from the brick red to maroon, hematite bearing units containing MnO and the Fe-oxides hematite, magnetite and ilmenite, and the equally Mn bearing, slightly magnetic, altered, green siltstones predominantly carrying the Fe-carbonate siderite. Surface sampling at the Iron Ore Hill site provided the highest MnO results where several samples returned greater than 20% MnO. This material was quite black, very dense and occurs in narrow bands up to 20 cm wide.

From detailed mineralogical investigations by a number of authors, rhodochrosite is the main Mn bearing mineral.

FIGURE 7.4 Drill Hole Schematic



Drawn by D. Jolin Modified by P. MacKinnon

8

DEPOSIT TYPES (see Figures 1.2 and 8.1)

The Mn-Fe deposits of the area are found to be lenticular, stratiform and generally steeply dipping, having been variously shaped and somewhat thickened by tight folding and possibly faulting. As with the aforementioned disparity among authors regarding whether the main mineralization is contained in a synclinal or anticlinal structure, so too is the question of the plunge of the mineralized bodies. In the Iron Ore Hill area, the author has identified a steeply northwest plunge in the tight folding of that occurrence, concurring with the findings of Sidwell in that area. In the Moody Hill historic workings, several instances of a shallow southerly plunge are observable. This would suggest the possibility of a

large domal structure but more likely this is a reflection of the cross folding interference pattern suggested by some authors.

The model adopted by most authors is that of a shallow to moderate depth marine environment of deposition. The source of the manganese is suggested in the available literature to be either locally from a hydrothermal source or from terrestrial erosion with Mn laden sediments deposited in a fairly shallow marine setting. In either case there will be infilling of low areas giving potential for thicker primary deposition. The following two periods of folding has caused substantial thickening of the amount of Fe-Mn near interpreted fold noses. Faulting may have also contributed to thickening.

Initially gravity, then magnetometer surveys have become the tool of choice in attempting to outline drill targets. The latter method, being much less expensive than the former, has proven to effectively identify the better targets based on the magnetic response to the iron contained in these banded iron formations. The exact relationship between the iron and the manganese has yet to be well defined and it appears from some of the work by the author on the Property, that in some units, particularly the green and black slates, grades of manganese can be fairly good when iron content is rather low.

The best target in this folded, faulted and altered deposit is most likely fold nose areas and it appears these can be determined readily with interpretation of the ground magnetometer surveys.

9

EXPLORATION

9.1 Known Exploration Programs

Initial exploration by the author in 2010, for Globex, consisted of sampling around the Iron Ore Hill historic workings. Seven samples were taken from the midst of the historic workings. Fifty nine samples, mainly of brick red with minor maroon and black iron-manganese bearing material, taken along roadside ditch over a fairly continuous 180 metre length, returned significant values (Figure 10.1, see also assays in Appendix I). Results of this work were provided to the New Brunswick Department of Mines and Energy in the form of an assessment report (report number 477479) on the property. Sampling of the red hematitic siltstones has shown that grades vary widely in this unit and where black interlayering occurs one can expect better manganese and higher iron values. Although chip sampling provides a general indication of the grade of the units, sampling by core would be more accurate.

In addition, Globex drilled two diamond drill holes on the Iron Ore Hill occurrence in July 2011. GNB-11-02 was drilled to intersect, at depth, the down dip extension of the occurrence.

Sampling of the core has shown that good grades of manganese may be obtained from the red hematitic siltstones, the dark grey to black siltstone, as well as the green siltstones. It was quickly learned that, with the exception of the very calcareous light grey-blue siltstone unit, most of the other rock types can potentially carry manganese values, so widespread sampling is recommended, or the implementation of a handheld or bench mounted XRF instrument.

The drill results are most probably more representative of average grade than surface chip or channel sampling. This is particularly true when exploring for manganese as it is a fairly mobile element and surface enrichment is known to occur.

In 2011, based on historic reports and the above described exploration results, Globex implemented a 64 kilometre magnetometer survey at 100m line separations and 12.5m stations over the claims of the licence at that time. The survey was completed by Eastern Geophysics of Pubnico, Nova Scotia (Figure 9.2 for results). A report on the results of this survey, as well as the 2011 drill program described above, was also filed by the author for Globex for assessment purposes as part of assessment report (477479) mentioned above.

9.2 Interpretation of Exploration

The results from chip and channel sampling and two diamond drill holes totalling 377 metres confirmed significant quantities of manganese bearing material of economic interest occur at the Iron Ore Hill site.

The 2011 magnetometer survey was completed using an Overhauser GSM-19 instrument and covered all of the claims of exploration licence unit 5816 as it existed at that time. It was performed by Eastern Geophysics of West Pubnico, Nova Scotia. Readings were taken at 12.5 metre intervals and lines were at 100 metre separation, run in and east-west direction on a virtual grid using a GPS for control. The results have shown that the method “found” the known occurrences and have identified areas in which there is no record of previous work done. This is particularly evident (Figure 9.2) in the area north and south of the Maple Hill area, though data along the far northwest boundary of the survey may have been affected by cultural response as there are some buildings and roads in that area.

Presently an expanded magnetometer survey is underway to fill in at 50 metre separation from the previous survey. This will give increased definition of the targets and better defined drill targets.

A 1:25,000 contoured map of the survey is shown in the accompanying map (Figure 9.2). Contour intervals are at 20 nano-Tesla's (nT). The range of readings in the survey is approximately 120 nT with better defined, sharper contrast from the results in the south part of the survey as compared to the north. The results are similar to those obtained by Buchans Minerals (published on that company's website) in that company's magnetometer survey over the Plymouth Deposit to the southwest of Globex's claims. As it is expected that the main magnetic responses are due to the iron component of the mineralization, and acknowledging that manganese and iron are intimately related in the area occurrences, it does remain to be seen if there has to be an iron component to allow manganese grades of economic interest in these rocks. Sidwell commented that, based on the low response of the gravity anomaly in the Moody Hill area "drilling results were much more favourable than had been anticipated on the strength of the gravity anomaly" indicating a potential independence of manganese and iron mineralization exists.

In the larger, southern portion of the grid there are two large anomalies separated by an area of spotty anomalies. In the area surrounding the Iron Ore Hill historic workings there is an irregularly shaped anomaly weakly oriented along the regional trend of approximately 20 degrees azimuth that is approximately 800 metres long and 400 to 550 metres wide. The most widespread and elevated magnetometer results of the 2011 survey occur in this area.

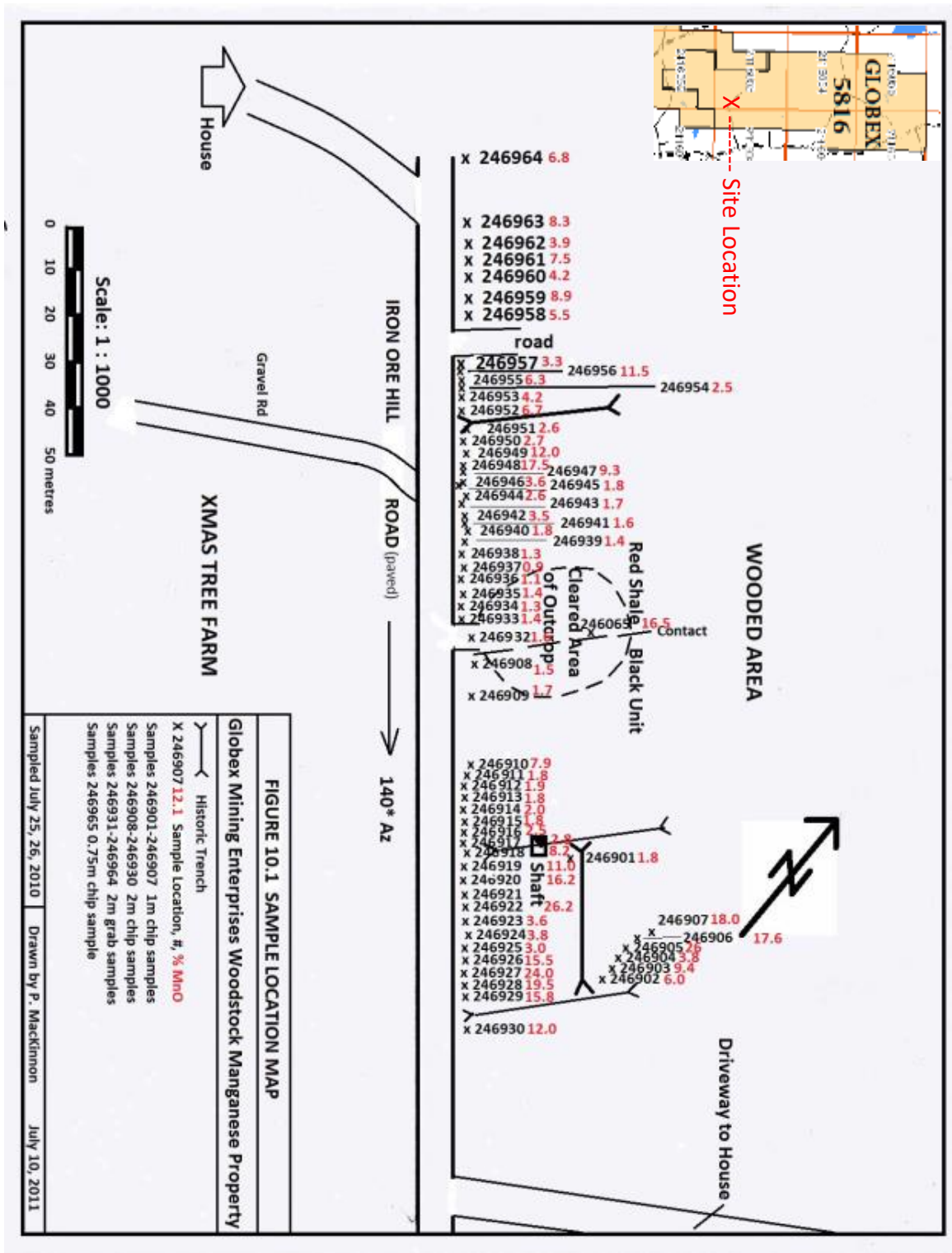
South-southwest of this, along the regional trend, there are a number of smaller anomalies forming a "noisy" area that lead to a larger 700 metre wide by 500-650 metre long (N-S) anomalous area in the far southwest corner of the grid. This latter anomaly is over the Moody Hill occurrence area and the spotty anomalies between Moody Hill and the Iron Ore Hill responses correspond with the Sharpe Farm occurrence area. Approximately 30% of this region, from the south end of the Moody Hill occurrence to the northern extent of the Iron Ore Hill occurrence, a distance of 2.3 kilometres, reports as moderately to strongly anomalous.

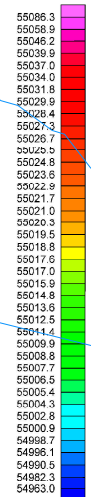
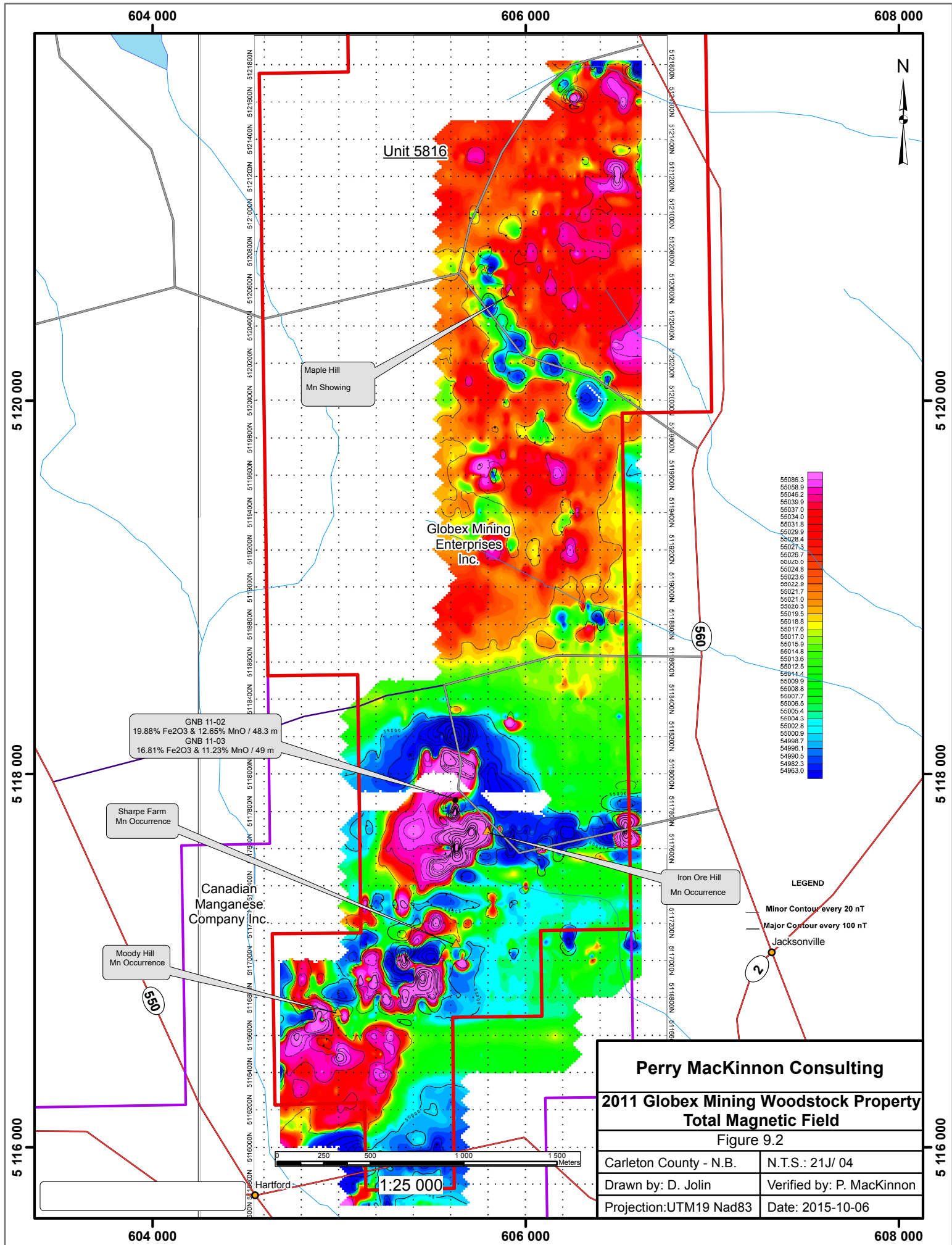
In the long, narrow, northern area of the claims, 85-90% of the ground covered is somewhat anomalous. Local magnetic highs number more than a dozen and, although they are generally less than 100 metres in diameter, most form part of a wider anomalous trend. Midway along this trend, on the eastern side of the grid in the Maple Hill area, an anomaly of significant size that would appear to continue past the eastern edge of the current coverage.

The site of the Maple Hill showing occurs at one of the smaller magnetic highs in the northern portion of the survey, and is at the extreme western edge of the larger anomalous area, indicating that significant potential for manganese values of economic interest may occur to the east over a wider area in this region. After receiving the results of the 2011 magnetometer survey, additional staking was done to cover possible extensions of the anomalous results obtained.

After having the benefit of the magnetometer survey, it is apparent that the location of Hole GNB-11-02 was less than optimal, as it is drilling away from the high magnetometer response in that area. GNB-11-03 was drilled toward the wider anomalous magnetometer results in that area (Figure 9.2 above) and its results support further investigation.

FIGURE 9.1 2010 Iron Ore Hill Sample Location Map





Perry MacKinnon Consulting	
2011 Globex Mining Woodstock Property Total Magnetic Field	
Figure 9.2	
Carleton County - N.B.	N.T.S.: 21J/ 04
Drawn by: D. Jolin	Verified by: P. MacKinnon
Projection: UTM19 Nad83	Date: 2015-10-06

10

DRILLING

10.1 Stratmat

Beginning in 1953, and prior to 1957, Stratmat is reported (Sidwell, 1957) to have drilled 34,021 feet (10,370m), 17,338 feet (5,300m) of which was drilled in the area of the Plymouth mineralization. The remaining drilling was presumably spread north and south of Plymouth over the anomalies produced in the gravity survey. From the 1957 Sidwell report it appears three holes were drilled on the gravity anomalies at Moody Hill, two holes at Sharpe Farm, and two holes at Iron Ore Hill. The report also mentions that the most northerly hole drilled at South Hartford targeted the centre of the gravity anomaly and hit 220 feet (67m) of 15.02% iron and 9.61% manganese. This area is quite close to the southernmost portion of Globex licence 5816.

Note: The above stated results are considered historic data and as such cannot be relied upon. No qualified person has reviewed the information.

Other than very general descriptions of the hole locations in Sidwell's report, and an accompanying crude location map, there is no way to plot the holes on a modern map with any accuracy. The logs for the holes have been lost. Some cross sections of the early Stratmat drilling are contained in Sidwell's 1954 preliminary report on the property.

10.2 Globex

In 2011 Globex completed two NQ diamond drill holes from the same set-up (Figure 7.4), targeting the area of the old workings in the first, and in the opposite direction in the second. Hole GNB-11-02 was drilled at an azimuth of 110 degrees, normal to the assumed geological trend of north 20 degrees east. The top 50 metres of GNB-11-02 consisted of predominantly red and maroon siltstones (Figure 7.3), followed by 220 metres of mixed predominantly green and minor black siltstones and ending at 320 metres in 50 metres of highly carbonaceous, manganese bearing, green siltstone (Figure 7.4). Results included 48.3 metres of 19.88% Fe₂O₃ and 12.65% MnO. Hole GNB-11-03, drilled at 290 degree azimuth, encountered predominantly green and blue ferro-manganiferous siltstone to shale and was shut down at 57 metres. 49 metres of core were analyzed and returned 16.81% Fe₂O₃ and 11.23% MnO and ended in higher grade material.

Both holes were drilled at -45 degrees. Core recovery was very good and not a concern.

Hole GNB-11-1 was drilled on licence 5745 at an angle of -45 degrees and an azimuth of 110 degrees to a depth of 176 metres. No significant widths of manganese bearing material were encountered.

Because these sedimentary horizons are tightly folded, a wide range of core angle were encountered. The Iron Ore Hill mineralization is interpreted by the author and others to be steeply dipping to the west and plunging to the northwest. With core angles ranging from the low 30's to the high 60's, an average of approximately 45 degrees is assumed, the true thicknesses of the intersections are approximately 45-50% of the reported intercepts. The true thickness of intercepts in hole GNB-11-3 will be somewhat less than this, at approximately 40% of the recorded widths.

11

SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Historic Sampling

No records of the sampling procedures or assay procedures from historic drilling have been saved. No logs have been saved. Only the brief 1957 Sidwell report on the results of the geophysics and drilling campaign by Stratmat on the manganese occurrences has survived.

11.2 2010 Channel Sampling and Grab Sampling

The Globex 2010 sampling at the Iron Ore Hill area consisted of chip sampling over 1 metre intervals (for samples 246901 to 246908) and 2 metre intervals (samples 246909 to 246931). Samples 246932 to 246964 were approximately 2 metre representative samples of highly cleaved, loose, slaty material. Sample 246965 was a 0.75 metre chip sample (see Figure 9.1).

Chip samples were taken along a continuous sample face within each interval. Samples collected weighed approximately 600-900 grams. All samples were taken by the author, placed in plastic bags with sample tags numbered as per Figure 9.1, tied with zip ties, boxed and sent by Canada Post to Laboratoire Expert in Rouyn-Noranda, Quebec, where they were forwarded by that lab to Activation Laboratories (Actlabs) of Ancaster, Ontario for analysis for Whole Rock Analysis by fusion ICP analysis. Actlabs is accredited by the Standards Council of Canada and many other international standards organizations. Laboratoire Expert is not an accredited laboratory but maintains industry standard practices. Globex, and the author, have used the services of Laboratoire Expert and Actlabs for many years, as well as other assay labs.

Activation Laboratories standard procedure was used, crushing individual samples to -1/4", then reducing further to -10 mesh with a rolls crusher then a 300 gram sample is crushed to -200 mesh. The respective crushers are cleaned between each sample.

Analysis consisted of ICP (inductively coupled plasma) fusion analysis resulting in a detection of major oxides and selected elements. For this survey the analysis was for the detection of SiO₂, Al₂O₃, Fe₂O₃, MnO, MgO, CaO, Na₂O, K₂O, KO₂, TiO₂, P₂O₅, Barium, Strontium, Yttrium, Scandium, Zircon and Beryllium. Actlabs uses a standard to test reliability every group of 10 samples.

11.3 2011 Drill Core Sampling

A core shack was set up for the drill project in an empty storage shed (Figure 11.2) owned by Snokist Enterprises, also the landowner for the surface rights from whom Globex received permission to commence the drill program. Mr. Richard Flynn, P.Geol, core logging geologist, and the author, were the only persons with access to the core shack, which was kept locked when unattended. All core was stored inside.

As the NQ core was retrieved from the core barrel, during the drilling process, it was put in core boxes, covered with another core box and secured with fibre tape. At the end of each shift it was delivered to the core shack for logging.

The sections of core identified for sampling by Mr. Richard Flynn, P.Geol., were marked appropriately with crayon (Figures 7.2 and 7.3) and split in two using a diamond saw. All of the core was digitally photographed after logging, prior to splitting.

Samples were anticipated to average 1 metre lengths. Individual samples were selected on the basis of geology rather than an arbitrary pre-selected length. In practice the average sample length in GNB-11-02 was 1.02 metres, ranging from 0.16 metres to 2.06 metres, with 152 samples taken. Hole GNB-11-03 had an average sample length of 0.94 metres, with a range of 0.32-2.0 metres and 54 samples taken.

Mr. Flynn split the core using a diamond impregnated steel saw blade on a wet tile saw. After logging and marking of the core to be sampled, the core was then split and half of the core was put in plastic sample bags, tagged with numbered tags (corresponding to the assay results as per Appendix II), zip tied and put in boxes, then taken directly to the Activation Laboratory (Actlabs) office in Fredericton where initial crushing was completed. From there they were forwarded by Actlabs to their Ancaster, Ontario lab where whole rock analysis was done.

The remaining half of the core was returned to its correct place in the core box and cross piled in the core shack. Upon completion of the project and final assays received, the core was shipped to Globex's core storage facility in Rouyn-Noranda, Quebec, where it remains. Permission from the New Brunswick Department of Mines and Energy was received to remove the core from the Province.

Though standard practices for sample duplicates and blanks were not applied in the 2010 and 2011 chip sampling and drill core sampling operations, the author is confident that the results obtained are accurate and that the sample preparation, security measures and analytical procedures were adequate for an early stage, verification exercise.

12

DATA VERIFICATION

12.1 Data Verification

No system of standards, duplicates or blanks were employed in either the 2010 or 2011 exploration programs on the Globex Woodstock property as both these efforts were considered preliminary in nature. It is recommended that any further sampling efforts on the mineralized horizons employ standard industry practices of quartering core, inserting certified standards and blanks, as well as occasional duplicate testing of pulps using an alternate lab.

The sampling and drilling of the Iron Ore Hill deposit was undertaken to verify the results of historical data available for that site. The author is confident that the results obtained were accurate and suited to the purpose intended at that time.

FIGURE 11.1 Iron Ore Hill Drill Site: Opposite Views



FIGURE 11.2 Globex Core Shack



13 Mineral Processing and Metallurgical Testing

K.M. Ralston, a mining engineer, in a report to the Canadian National Railway, reports that Noranda Mines did a series of metallurgical tests of the mineralization near Woodstock and determined that the deposits “are too intimately associated to be separated by floatation. Some encouragement was given by a process that involved leaching of the manganese by nitrogen dioxide gas, clarification of the resulting solution of manganese nitrate, and precipitation of the manganese by electrolysis”. Gravity and magnetic methods were also investigated at this time.

In the 1950’s Stratmat extracted bulk samples from the Plymouth Deposit and shipped them to a facility owned by that company in Niagara Falls Ontario where pyro-metallurgical process was tested. The cost of heating the ore proved to be the downfall of this attempt.

In 1969, Mandate Refining Company, who had taken over the claims previously owned by Stratmat, produced a report on the investigations in to the processing of the Woodstock area ferro-manganiferous material that involved the addition of pyrite obtained from the mining of base metal ore at Bathurst, New Brunswick, combining it with the manganese material, heating the combination to form an oxide, then

utilizing an electrolytic process to produce an economically viable product. It too, proved to be less than viable.

In 2011-2012 Thibault and Associates Inc. was enlisted by CMC to run a bench scale testing of the manganiferous material provided by CMC from recently drilled core at the Plymouth deposit. In conjunction with the Minerals Engineering Centre at Dalhousie, the testing determined that an “atmospheric sulphuric acid leach may provide sufficient extraction of manganese from the mineralized material”. Pre-concentration testing in 2012-2013 using several different methods was explored as itemized in the following list:

- High gradient magnetic separation
- Heavy media separation
- Floatation (several types)

A flotation method proved to be the most favourable resulting in 17.4% Mn at 68.6% recovery. Further hydrometallurgical fine tuning was undertaken in early 2013. Using the final formula, taking into account economic viability, the recovery of manganese in the combined leach-primary ion unit operations provided a recovery range between 85.7 and 88.2%, with an average of 87%.

In the CMC 2014 PEA report, Tetra Tech reports, using the optimal processing methodology explored to date (July 2014) “leach extraction of manganese for the present study are based on preliminary bench scale test program results for leaching red and grey High Gradient Magnetic Separation concentrate samples, which demonstrated leach extractions of 89.75% and 91.11% percent manganese. The overall manganese recovery in the hydrometallurgical portion of the process block diagram has therefore been defined as 90% for the PEA study”.

Additional testing determined the major solid residue provided by the above process is primarily comprised of gypsum, silica and minor amounts of phyllosilicate type minerals.

Note: The above testing and results have been undertaken by companies external to Globex and Sunset Cove using material provided exclusively from the Plymouth Deposit and, although cursory examinations show there are similarities between that deposit and the mineralized horizons located on Globex claims, there can be no assurance that the same hydrometallurgical processes will be applicable to the mineralization that exists on Globex claims.

14 MINERAL RESOURCE ESTIMATES

There are no mineral resource estimates prepared for, or located within Globex claim unit 5816.

23 ADJACENT PROPERTIES

The Plymouth deposit is located approximately 3 kilometres southwest of the south end of Globex’s claims. The Plymouth deposit has been the prime focus of exploration of the widespread iron-manganese mineralization in the area, just west and northwest of Woodstock, New Brunswick, since it was identified by Stratmat in the mid 1950’s. The mineralization elsewhere along the regional geological trend had been known for more than 100 years. The claims over the Plymouth deposit, which are currently held by Canadian Manganese Company Ltd., are part of a large claim unit (5472) that surrounds the southern section of Globex claims and continues southwest to the Maine border, a distance of 17 kilometres.

Buchans Minerals Corporation (BMC) is 100% owner of CMC, who acquired the claims of the Plymouth deposit in 2010 from a private, Fredericton based company. CMC owns 100% of the Licence 5472. The Plymouth project area is located just north of Route 95, several kilometres west of the Town of Woodstock, New Brunswick, Canada. The claims have an issue date of 2008-11-14 and the claim name is Woodstock Mountain.

23.1 Plymouth Deposit

BMC, through its wholly owned subsidiary Canadian Manganese Corporation (CMC), owns the entirety of Claim Unit 5472, located several kilometres west of Woodstock, New Brunswick. CMC, in December 2013, engaged consulting company Tetra Tech, a worldwide engineering and technical services company, to complete a NI 43-101 preliminary economic assessment (PEA) for its Plymouth deposit, near Woodstock, New Brunswick. The project area is located just north of Route 95, several kilometres west of the Town of Woodstock, New Brunswick, Canada.

Preliminary work undertaken for CMC in 2012, included a Mineral Resource Estimate by Mercator Geological Services using a 5 diamond drill hole, 1,040 metre program completed by BMC on the deposit in 2011 plus a 15 diamond drill hole program totalling 4,082 metres in 2013. Additionally, Thibault and Associates Inc., a firm specializing in the design and development of metallurgical and hydro-metallurgical processes, was retained to do bench scale testing to develop a process to produce electrolytic manganese metal from the Plymouth mineralization. Initial testing provided a Mn recovery range of 87%-94.1% from a bulk sample comprised of drill core. A second phase of testing, which optimized processing with economic considerations, provided a recovery rate ranging from 85.7-88.2% Mn. In both cases sulphuric acid leach was used. No electro-winning option was considered in the studies.

In the mineral resource estimate provided by Mercator, the deposit was modeled as “a folded, stratiform Mn-Fe deposit occurring within a northeast striking, steeply dipping host sequence of red and grey siliciclastic sedimentary rocks”. The block model possesses a 700 metre strike length and a maximum width of 200 metres. A minimum grade of 5% Mn over 12 metres (down hole) was used in the model.

Table 23.1 below is a tabulation of the resource estimate calculated at Mn cut-off percentages from 5% to 12%. This table is taken from the report prepared by Michael Cullen, P.Geo., Andrew Hilchey, P.Geo. of Mercator Geological Services Limited and Stephanie Goodine, P.Eng., Thibault and Associates Inc. entitled “Mineral Resource Estimate Technical Report for the Plymouth Mn-Fe Deposit, Woodstock Property, New Brunswick, Canada for Buchans Minerals Corporation and Centrerock Mining Limited (a Wholly Owned Subsidiary of Minco plc.)”. this report has a with an effective date of May 6, 2013 and is filed by BMC on SEDAR since May 23, 2013.

The total manganese contained in the Inferred Resource, based on a 5% Mn cut-off, is reported to be 43,710,000 tonnes grading 9.98% Mn (9.62 billion pounds, or 4,364,000 tonnes).

Mercator identified, in the same report, that the deposit remains open along strike and down dip, and that additional infill drilling at 50 metre spacing would be required to bring the current Inferred Resource to the Indicated Mineral Resource level. A Preliminary Economic Assessment study was recommended.

In December 2013, Canadian Manganese Company Inc. engaged consulting company Tetra Tech, a worldwide engineering and technical services firm, to complete a preliminary economic assessment (PEA) for the BMC Plymouth deposit. Tetra Tech used the Mercator Resource model to develop two possible

mining scenarios, at 1,500 and 3,000 tonnes per day. Four processing options were considered in the study, which involved an integrated sulphuric acid plant or direct purchase of sulphuric acid in each of the throughput options identified.

Bench scale testing by Thibault and Associates identified that the deposit mineralization occurs in two distinct forms, both containing the manganese carbonate rhodochrosite as the main Mn mineral, and easily identified by colour. The red material contains the iron oxides hematite, magnetite and ilmenite as the primary iron minerals, whereas the grey material has the iron carbonate mineral siderite, as the main iron mineral.

Table 23.1

(from MINERAL RESOURCE ESTIMATE TECHNICAL REPORT FOR THE PLYMOUTH MN-FE DEPOSIT WOODSTOCK PROPERTY NEW BRUNSWICK, CANADA for Buchans Minerals Corporation and Centrerock Mining Limited (A Wholly-Owned Subsidiary of Minco plc), May 16th, 2013.

Plymouth Mn-Fe Deposit Resource Estimate- May 6th, 2013*				
Mn% Cut-off	Resource Category	Rounded Tonnes	Mn%	Fe%
5	Inferred	43,710,000	9.98	14.29
6	Inferred	41,610,000	10.2	14.55
7	Inferred	38,260,000	10.52	14.91
8	Inferred	33,800,000	10.92	15.36
9	Inferred	28,830,000	11.34	15.83
10	Inferred	22,460,000	11.86	16.42
11	Inferred	15,330,000	12.49	17.12
12	Inferred	9,100,000	13.19	17.93

***Notes:**

1. *Tonnages have been rounded to the nearest 10,000 tonnes.*
2. *The 5% Mn cut-off value for this resource statement is bolded above and reflects a reasonable expectation of economic viability for a deposit of this nature based on market conditions and open pit mining methods.*
3. *Mineral resources that are not mineral reserves do not have demonstrated economic viability*
4. *This estimate of mineral resources may be materially affected by environmental permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.*

Tetra Tech then formulated a mining plan using the 3,000 tonnes per day mill production rate using the integrated sulphuric acid option. Table 23.2 outlines the parameters and details of the mine plan as described in the introduction to the 2014 Preliminary Economic Assessment entitled: "Report to Canadian Manganese Company Inc.- Preliminary Economic Assessment on the Woodstock Manganese Property, New Brunswick, Canada", filed as the Minco plc Technical Report on SEDAR on July 22, 2014.

Table 23.2 Results of Tetra Tech Base Case for a 3,000 tonne per day Mill Production Rate

Parameter	Base Case Resource Processing Rate of 3,000 t/d
Project Life	40 years
Number of Employees during Mining Period (Years 1-13)	223
Number of Employees during Stockpile Period (Years 14-40)	110
Life-of-Project Average Annual Electrolytic Manganese Metal (EMM) Production	80,104 t
EMM Price (99.7% Mn min. flake)	CDN\$1.53/lb (US\$1.38/lb)
Life-of-Project Average Annual Iron Ore Production	23,214 t
Iron Ore Price (62.0% Fe minimum)	CDN\$153.68/t (US\$139.04/t)
Life-of-Project Average Annual Revenue	CDN\$272,955,738
Life-of-Project Average Annual Operating Cost	CDN\$133,019,647
Life-of-Project Revenue to Operating Cost Ratio	2.05
Average EMM Operating costs	
Life-of-Project	CDN\$0.75/lb (US\$0.68/lb)
Production Years 1-30	CDN\$0.72/lb (US\$0.65/lb)
Production Years 1-20	CDN\$0.71/lb (US\$0.64/lb)
Pre-production Capital Investment	CDN\$863,592,227
Sustaining Capital	CDN\$267,375,082
Reclamation and Closure Costs	CDN\$49,603,998
Pre-tax Financials:	
Cumulative Cash Flow Life-of-Project	CDN\$4,416,872,316
Net Present Value (NPV) (8% discount)	CDN\$845,778,101
Internal Rate of Return (IRR)	17.97%
Payback Period (years)	5.6 years
Post-tax Financials:	
Cumulative Cash Flow Life-of-Project	CDN\$2,890,488,582
NPV (8% discount)	CDN\$461,125,870
IRR	14.40%
Payback Period (years)	6.9 years
Life-of-Project Federal Taxes	CDN\$593,936,010
Life-of-Project Provincial Taxes and Royalties	CDN\$932,447,724

Tetra Tech further provides that *“This PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically, on which to apply economic considerations to categorize them as mineral reserves. There is no certainty that this PEA will be realized.”*

Tetra Tech identifies the factors which allow the positive economics of the Plymouth project as follows:

- Low mining costs – the Plymouth deposit is amenable to low-cost open pit mining methods with low stripping ratios.
- Manganese mineralization – manganese within the Plymouth deposit is present as rhodochrosite, which is readily soluble by direct sulphuric acid leaching, precluding the requirement for high-cost manganese reduction steps that are

typical of manganese oxide processing.

- Low operating cost – average life-of-project operating costs for the production of EMM from the Plymouth deposit lie at the leading edge of the first quartile of the global EMM industry cost curve, indicating the competitiveness of CMCs product in the global marketplace.
- Long project life – the 40-year project life defined by the PEA for processing of the Plymouth deposit at the base case mill feed rate of 3,000 t/d allows for high returns on the initial capital investment and results in substantial life-of-project pre- and post-tax cumulative cash flows of CDN\$4.4 billion and CDN\$2.9 billion, respectively.

The author has been unable to verify the above information regarding the Plymouth Deposit and the information is not necessarily indicative of the mineralization on the Property that is the subject of this technical report.

24

OTHER RELEVANT INFORMATION

There is no relevant data or information related to the Property which has not been disclosed in this report.

25

INTERPRETATION and CONCLUSIONS

This technical report was requested by Globex Mining Enterprises on behalf of that company and Sunset Cove Mining Inc., to verify the potential for manganese mineralization of economic interest on Globex's Right Unit 5816, near the town of Woodstock, in New Brunswick, Canada. The claim name is Jacksonville. Globex has 100% ownership of the 55 claims of the Right Unit, the staking date of which was July 21, 2010. The claims are in good standing until July 7, 2016. Annual work requirements will be 300 dollars per claim in each of the next 5 years.

Globex claim unit 5816 includes the northern portion of the manganese mineralization, from Jacksontown in the north, to the Hartford area in the south and includes the entirety of the Moody Hill, Sharpe Farm, Iron Ore Hill occurrences, as well as the Maple Hill and Wakefield showings. Sampling by the author and drilling in the Iron Ore Hill area has shown that manganese grades and widths of economic interest occur on the property. In particular, diamond drill hole GNB-11-3, which drilled away from known nearby mineralization, intercepted 57 metres of 10.38% Mn indicating that potential exists on the property that extends beyond known historic zones. An extensive magnetometer survey has indicated that there may be additional areas of Mn-Fe mineralization on the claims of Licence 5816.

A 2011 Globex magnetometer survey also indicates that widespread anomalous response occurs over the known mineral occurrences and, particularly in the northern end of the claims, in areas away from known occurrences. Based on the magnetometer results obtained on Globex's claims as well as those of CMC to the south, surface sampling as well as diamond drill core testing, it appears significant manganese potential exists over widespread areas of the claims of Licence 5816. It is the author's opinion that these claims host excellent potential for the possible development of a manganese resource with economic viability.

The author does not see any significant impediments to the eventual development if an economically viable manganese resource is proven to occur in the Iron Ore Hill Sharpe Farm areas. From an environmental or logistical perspective there appear to be no significant concerns that would significantly hinder project viability.

26

RECOMMENDATIONS

Magnetometer surveys appear to accurately delineate Mn-Fe mineralization in the Woodstock area quite effectively. Approximately 30 line kilometres of virtual (GPS guided) grid on Globex's claims remain unsurveyed. It is recommended that the existing survey be expanded at least to the limit of Globex claims. This lack of coverage occurs in the northern 60% of the claims where, according to Sidwell, it appears there were no gravity surveys done.

Upon completion of the magnetometer survey, and based on a review of results of both surveys, a drill program is recommended to test the Moody Hill, Sharpe Farm and further test the Iron Ore Hill occurrences. 6 holes each are recommended for these occurrences. In addition, 4 holes are also recommended to test the widespread anomalous results obtained in the northern part of the grid, for a total of 22 holes (3,850 metres). A 2 km surveyed baseline is recommended over the southern area of the claims, to establish better control for drilling purposes. The total estimated cost of the program is just over \$500,000 as identified in Table 26.1 below.

The program is considered the minimum to properly assess the individual deposits and anomalous areas so as to determine the focus of further exploration efforts. Some consideration may be given to additional test holes in the north of the claims.

The drilling program proposed consists of three lines of three holes on each of Moody Hill and Iron Ore Hill occurrences plus two lines of three holes each on the Sharp Farm occurrence. All holes are proposed at -45° and 175m in length. Two holes are proposed on the large magnetic anomaly near the northeast border of the survey and two on the stronger peripheral anomalies, each 175m in length.

TABLE 26.1 - Budget

Proposed 2016 Woodstock Exploration Program		
		cost
Magnetometer Survey	30 km @ 250/ km	\$7,500
Surveyed Baseline(2 km)		\$2,000
Exploration Program Implementation	45 days	\$25,000
Diamond Drilling	3,850m @ 100/m	\$294,000
Assays	1,350 @ \$30	\$80,000
Office/ Core shack/ Core Saw rentals		\$6,000
Hotel/ Meals/ Travel		\$10,000
Report Preparation		\$10,000
Subtotal		\$434,500
15% Contingency		\$65,175
Total		\$499,675

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APPENDIX IA
2011 Globex Woodstock Drill Permit

July 13, 2011

File No 445 02 5021

Mr. Perry MacKinnon
21 Virginia Dr
Hammond Plains, NS
B4B 1S5

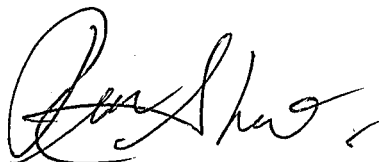
Dear Sir:

We acknowledge receipt of your notice of performing work on mineral claim 5816 and more particularly units 2216053 G and H.

You may proceed with this work subject to your compliance with the following:

1. Section 109 of the Mining Act if the work is to be performed on private lands.
2. The attached "Standard Conditions for Mineral Exploration Projects", Department of Environment. The Watershed Protected Area Designation Order under the Clean Water Act if the work is to be performed in a Designated surface water supply.
3. The rules and regulations may be obtained from the District Ranger office or from the Sustainable Development, Planning and Impact Evaluation Branch, Department of Environment, P.O. Box 6000, Fredericton, NB, E3B 5H1, tel. 457-4846 or any Department of Environment Regional Office.
4. Rules and regulations of WorkSafeNB.
5. Obtain a Cutting Permit at a District Ranger office if trees are to be cut on Crown Lands.
6. Obtain a Work Permit at a District Ranger when working on forested land during the fire season.
7. Notify the District Ranger Office if you plan to clear any Crown Land roads of snow. This is in an effort to reduce any conflict that may arise from use of roads as authorized snowmobile trails.

Sincerely,



RON SHAW

Recorder, Minerals and Petroleum Development Branch

cc Allie DeGrace, WorkSafeNB; Richard Keeley, Regional Director, Region 6 Env;
Marc Boucher, Resource Director, Region 4; Malcolm MacLeod, Reg. Geol



APPENDIX 1B
2016 Drilling Permit



October 19, 2016
File No 445 02 5021

Perry MacKinnon
Sunset Cove Mining
Suite 2500, 1155 Boul. Rene Levesque
Montreal, QC H3B 2J8

We acknowledge receipt of your notice of performing work on claim 5816.

You may proceed with this work subject to your compliance with the following:

1. Section 109 of the Mining Act if the work is to be performed on private lands.
2. The attached "Standard Conditions for Mineral Exploration Projects", Department of Environment and Local Government (DELG).
3. The Watershed Protected Area Designation Order under the Clean Water Act if the work is to be performed in a designated surface water supply. The rules and regulations may be obtained from the District Ranger Office or from the Sustainable Development, Planning and Impact Evaluation Branch, ELG, P. O. Box 6000, Fredericton, NB, E3B 5H1, Tel (506) 457-4846 or any DELG Regional Office.
4. Rules and regulations of WorkSafeNB.
5. Obtain a Cutting Permit at a District Ranger Office if trees are to be cut on Crown Lands.
6. Obtain a Work Permit at a District Ranger Office when working on forested land during the fire season.
7. Notify the District Ranger Office if you plan to clear any Crown Lands of snow. This is in an effort to reduce any conflict that may arise from use of roads as authorized snowmobile trails.
8. Any area within 80m of a watercourse/waterbody and 100m of a confluence contains elevated archaeological potential. As per Section 9 of the Heritage Conservation Act, any person who discovers an archaeological object, burial object, or human remains is required to report the discovery to the Minister of Tourism, Heritage and Culture as soon as practicable at (506) 453-2738.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Shaw".

RON SHAW

Recorder, Resource Exploration and Development Branch

cc: WorkSafe NB; Richard Keeley, Regional Director, Region 6, Department of Environment and Local Government; Marc Boucher, Regional Director, Region 4, Department of Energy and Resource Development; Kay Thorne, Manager GSB South, Department of Energy and Resource Development

