GLOBAL ATOMIC CORPORATION

(formerly Silvermet Inc.)

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2018 & 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Global Atomic Corporation (the "Corporation" or "Global Atomic") for the three and nine months ended September 30, 2017 and 2018 have been prepared by the management of Global Atomic Corporation, reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited interim consolidated financial statements have not been reviewed by an auditor.

November 28, 2018

"Stephen G. Roman"	*"Rein A. Lehari"*
Stephen G. Roman	Rein A. Lehari
Chairman, President & CEO	Chief Financial Officer

Global Atomic Corporation (formerly Silvermet Inc.)

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

	Note reference		As at September 30, 2018		As at December 31, 2017
ASSETS					
Current assets					
Cash and cash equivalents		$	347,764	$	2,132,572
Accounts receivable	4, 9		204,127		319,970
Prepaid expenses			74,218		28,214
			626,109		2,480,756
Non-current assets					
Plant and equipment			16,915		40,204
Advance payments for exploration and evaluation			547,213		419,009
Exploration and evaluation assets	5,15		29,774,809		25,067,393
Investment in joint venture	6		7,350,854		10,495,350
Total assets		$	38,315,900	$	38,502,712
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	7, 9	$	936,540	$	2,241,800
Notes payable	8		-		771,307
Debenture	9		-		477,522
Total liabilities			936,540		3,490,629
Equity					
Share capital	10	$	36,591,973	$	36,591,973
Share purchase warrants	11		614,263		614,263
Contributed surplus	12		7,121,819		6,067,079
Retained earnings (deficit)			4,435,753		(1,212,836)
Accumulated other comprehensive loss			(11,384,449)		(7,048,396)
Total equity			37,379,360		35,012,083
Total liabilities and equity		$	38,315,900	$	38,502,712
Nature of operations	1				
Commitments and contingent liabilities	15				

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

On behalf of the Board:

"Stephen G. Roman"
Stephen G. Roman

"Paul Cronin"
Paul Cronin

Global Atomic Corporation (formerly Silvermet Inc.)

Condensed Interim Consolidated Statements of Income
(Expressed in Canadian Dollars)
(unaudited)

	Note reference	Three months ended June 30, 2018	Three months ended June 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Revenues	14	$ 130,287	$ 308,888	$ 626,102	$ 686,523
Income from operations		130,287	308,888	626,102	686,523
Management fees		90,000	109,650	424,000	346,950
Stock option expense		-	-	1,054,740	650,000
Professional fees		45,195	35,219	127,930	91,932
Travel expenses		32,827	-	143,896	-
Occupancy costs		15,340	11,266	134,726	37,141
Office and general		194,206	14,388	294,402	54,235
Investor relations		4,891	4,636	34,456	11,682
Listing fees		3,108	-	25,475	5,600
Merger transaction fees		-	146,574	-	146,574
Proxy services		7,568	-	521,249	-
Finance expense (income) - net		(209)	(46,177)	96,309	(83,421)
Foreign exchange loss (gain)		1,417	133,568	(153,119)	247,676
Share of net earnings from joint venture	6	(1,093,809)	(3,133,693)	(7,726,551)	(6,654,703)
Net income before income taxes		829,752	3,033,457	5,648,589	5,832,857
Current income tax expense		-	-	-	-
Deferred income tax expense		-	-	-	-
Net income		$ 829,752	$ 3,033,457	5,648,589	5,832,857
Basic net income per share		$0.008	$0.059	$0.053	$0.113
Diluted net income per share		$0.008	$0.059	$0.053	$0.113
Basic weighted-average number of shares outstanding		106,997,850	51,674,442	106,997,850	51,674,442
Diluted weighted-average number of shares outstanding		106,997,850	51,674,442	106,997,850	51,674,442

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

Global Atomic Corporation **(formerly Silvermet Inc.)**
Condensed Interim Consolidated Statements of Comprehensive Income
(Expressed in Canadian Dollars)
(unaudited)

	Three months ended September 30,	
	2018	**2017**
Net income for the period	$ 829,752	$ 3,033,457
Currency translation adjustments	(2,332,605)	(265,786)
Comprehensive income for the period	$ (1,502,853)	$ 2,767,671

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

Global Atomic Corporation (formerly Silvermet Inc.)
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(unaudited)

	Share Capital	Share Purchase Warrants	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance, December 31, 2017	**$ 36,591,973**	**$ 614,263**	**$ 6,067,079**	**$ (1,212,836)**	**$ (7,048,396)**	**$ 35,012,083**
Net income	-	-	-	5,648,589	-	5,648,589
Stock options			1,054,740			1,054,740
Other comprehensive loss	-	-	-	-	(4,336,053)	(4,336,053)
Balance, September 30, 2018	**$ 36,591,973**	**$ 614,263**	**$ 7,121,819**	**$ 4,435,753**	**$ (11,384,449)**	**$ 37,379,360**

	Share Capital	Share Purchase Warrants	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance, December 31, 2016	**$ 18,056,315**	**$ -**	**$ 5,417,079**	**$ (6,357,881)**	**$ (6,242,073)**	**$ 10,873,440**
Net income	-	-	-	5,832,857	-	5,832,857
Stock options			650,000			650,000
Other comprehensive loss	-	-	-	-	(575,873)	(575,873)
Balance, September 30, 2017	**$ 18,056,315**	**$ -**	**$ 6,067,079**	**$ (525,024)**	**$ (6,817,946)**	**$ 16,780,424**

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

Global Atomic Corporation (formerly Silvermet Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(unaudited)

	Note reference	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Cash generated from (used in)					
Operating activities					
Net income		$ 829,752	$ 3,033,457	$ 5,648,589	$ 5,832,857
Share of net earnings from joint venture	6	(1,093,809)	(3,133,693)	(7,726,551)	(6,654,703)
Stock option expense	13	0	-	1,054,740	650,000
Accrued interest		0	-	98,700	
		(264,056) -	100,236	(924,522)	(171,846)
Non-cash working capital items:					
Accounts receivable	4	199,049	(599,310)	115,876	(1,430,499)
Prepaid expenses		(42,212)	3,399	(41,202)	(4,509)
Accounts payable and accrued liabilities	7	(815,936)	103,876	(1,513,409)	120,392
Cash flows generated from (used in) operating activities - net		(923,156)	(592,271)	(2,363,258)	(1,486,462)
Financing activities					
Debenture interest and principal paid	9	0		(502,522)	-
Convertible note principal and interest paid	8	0	-	(845,007)	-
Cash flows used in financing activities - net		0	-	(1,347,529)	0
Investing activities					
Advance payments for exploration & evaluation expenditures		12,424	-	(128,204)	-
Plant and equipment		(5,106)	-	(5,106)	-
Exploration and evaluation expenditures	5	(746,413)	-	(4,685,696)	-
Dividends from joint venture	6	0	-	6,857,358	3,701,500
Cash flows generated from investing activities - net		- 739,096	-	2,038,351	3,701,500
Net change in cash and cash equivalents		(1,662,252) -	592,271	(1,672,436)	2,215,038
Effect of exchange rate changes on cash and cash equivalents		16,948	(27)	(112,372)	3,586
Cash and cash equivalents, beginning of period		1,993,068	3,131,589	2,132,572	320,667
Cash and cash equivalents, end of period		$ 347,764	$ 2,539,291	$ 347,764	$ 2,539,291

1. Nature of Operations

Global Atomic Corporation (formerly Silvermet Inc.) and its subsidiaries (collectively, the "Corporation" or "Global Atomic") have two principal lines of business:

1. the processing of electric arc furnace dust ("EAFD") obtained from steel companies through a Waelz kiln to recover zinc concentrates that are then treated by zinc smelters; and
2. the acquisition, exploration and development of mineral resource properties

Global Atomic Corporation, the ultimate parent, is a corporation incorporated under the laws of Ontario, Canada and its registered office is 8 King Street East, Suite 1700, Toronto, Ontario, M5C 1B5. Global Atomic Corporation is also the highest level at which these financial statements are consolidated.

The Corporation's EAFD activities are conducted through Befesa Silvermet Turkey S.L. ("BST"), a Spanish incorporated joint venture with Befesa Zinc S.A.U. ("Befesa"). The joint venture is held 51% by Befesa and 49% by the Corporation. The joint venture was established to operate EAFD activities within Turkey and the relationship between the joint venture partners is governed by a Shareholders Agreement. At present, BST operates one EAFD facility located in Iskenderun, Turkey, through wholly-owned subsidiaries. The condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 and 2017 reflect the impact of using the equity method to account for Global Atomic's interest in the joint venture, with the Corporation's share of net earnings and net assets separately disclosed (Note 6).

The Corporation's mineral resource properties are located in Niger. Through its wholly-owned subsidiary, Global Atomic Fuels Corporation ("GAFC"), the Corporation holds six Mining Agreements and related Exploration Permits in Niger, on which it has conducted exploration activities for uranium. The Corporation acquired GAFC on December 22, 2017, as more fully described in Note 6 of the consolidated financial statements for the years ended December 31, 2017 and 2016. Based on historic exploration results and uranium market conditions, the Corporation determined that the purchase price allocated to exploration and evaluation assets was virtually all attributable to the Adrar Emoles 3 Exploration Permit. The Corporation has not yet determined whether Adrar Emoles property contains reserves that are economically recoverable. The economic recoverability of resource properties, including capitalized exploration and evaluation expenditures, is dependent upon the existence of economically recoverable mineral reserves, the ability of the Corporation to obtain necessary financing to complete the exploration and development of the resource properties, and upon future profitable production or proceeds from the disposition thereof.

2. Basis of Presentation and Statement of Compliance

a) Statement of Compliance

The condensed interim consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS, including IAS 34, Interim Financial Reporting and include the operating results of Global Atomic and its subsidiaries and joint ventures. Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the Corporation's annual financial statements for the year ended December 31, 2017, which were prepared in accordance with IFRS.

These condensed interim consolidated financial statements as at and for the period ended September 30, 2018 and 2017 were authorized for issuance on November 28, 2018 by the Global Atomic Board of Directors.

b) Continuance of Operations

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the

(Expressed in Canadian Dollars)

Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

3. Significant Accounting Policies, Accounting Standards and Amendments

The preparation of these condensed interim consolidated financial statements requires the use of certain significant accounting estimates and judgment by management in applying the Corporation’s accounting policies. Significant accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those of the previous financial year and have been consistently applied to all periods presented. The areas involving significant estimates and judgment have been set out in Note 5 of the Corporation’s annual audited consolidated financial statements for the year ended December 31, 2017, except as follows:

a) Impairment of long-lived assets

Assessment of impairment of investments measured at cost and joint venture equity investments requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Corporation’s long-lived assets. If indicators exist there are further assessments of the recoverable amounts of the assets and the use of estimates and assumptions for projected production, long-term commodity prices, discount rates, foreign exchange rates, future capital expansion plans and the associated production implications. In addition, the Corporation may use other approaches in determining fair value which may include judgment and estimates related to (i) cash-flow multiples; and (ii) market capitalization of comparable assets. As at September 30, 2018, the Corporation noted an impairment indicator under IAS 36 as the market capitalization was below the Corporation’s net assets. The Corporation assessed the carrying value of its exploration and evaluation assets and investment in joint venture, and based on the assessment, no impairment loss has been recognized during the period.

b) Accounting Standards and Amendments

For the accounting standard changes applicable to 2018, the Corporation has assessed the impact of IFRS 9 and 15 on its interim and annual consolidated financial statements and does not expect a material change on adoption of these standards.

4. Accounts Receivable

		September 30, 2018		December 31, 2017
Management fees & sales commissions receivable[(a)] (Note 6,9)	$	104,120	$	169,929
Harmonized sales tax receivable		82,981		75,827
Due from related parties (Note 8)		-		58,836
Other		17,026		15,378
Total accounts receivable	$	204,127	$	319,970

(a) Management fees and sales commissions are receivable from BST and Befesa, respectively, and are deemed collectible with no allowance for doubtful debts provided as at September 30, 2018 and December 31, 2017.

5. Exploration and Evaluation Assets

The Corporation has the following permits and associated exploration and evaluation assets in the Republic of Niger:

Adrar Emoles Exploration Permits

In October 2007, the Corporation announced the signing of two Mining Agreements for a term of twenty years with the Republic of Niger for the Adrar Emoles 3 and 4 Permits. As part of these agreements, the Corporation entered into Exploration Permits requiring it to spend US$2,762,100 per Permit over the three-year period beginning February 8, 2008. In August 2010, as a result of Force Majeure circumstances, the initial three-year period was extended to June 8, 2012. In November 2011, the Exploration Permits relating to Adrar Emoles were further extended to December 7, 2012.

On January 17, 2013, the Niger Ministry of Mines approved the Corporation's renewal of both Exploration Permits, subject to the relinquishment of 50% of the surface area as per the requirements of the Niger Mining Code. There were no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas. The Adrar Emoles 3 and 4 Exploration Permits were renewed until January 17, 2016 and required further exploration expenditures amounting to US$7,005,900 and US$4,087,300, respectively.

On January 29, 2016, the Republic of Niger Ministry of Mines approved the Corporation's renewal of Adrar Emoles 3 and 4 Permits, subject to the relinquishment of a further 50% of the remaining surface area as per the requirements of the Niger Mining Code for a period of three years commencing the date of renewal. There are no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas. The permits require the further exploration expenditures over the three-year period. As at September 30, 2018, the Corporation has incurred exploration expenditures primarily on the Adrar Emoles 3 permit; with only limited expenditures in respect of the Adrar Emoles 4 permit (Note 16).

Tin Negoran Exploration Permits

In February 2007, the Corporation announced the signing of four Mining Agreements for a term of twenty years with the Republic of Niger regarding four uranium Permits in that country. The initial three-year exploration phase on the Tin Negoran 1, 2, 3 and 4 Permits required that the Corporation spend US$2,250,000 per Permit over the three-year period beginning April 16, 2007. On August 16, 2010, as a result of Force Majeure circumstances, the initial three-year period was extended to November 16, 2012.

On January 18, 2013, the Niger Ministry of Mines approved the Corporation's renewal of all four Exploration Permits, subject to the relinquishment of 50% of the surface area as per the requirements of the Niger Mining Code. There were no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas. The Tin Negoran Exploration Permits were renewed until January 18, 2016 and required exploration expenditures amounting to US$378,197, US$336,879, US$850,070 and US$461,592, respectively. Minimal expenditures were made on Tin Negoran 1 during this period.

On January 29, 2016, the Republic of Niger Ministry of Mines approved the Corporation's renewal of Tin Negoran 1, 2, 3 and 4 Permits, subject to the relinquishment of a further 50% of the remaining surface area as per the requirements of the Niger Mining Code for a period of three years commencing the date of renewal. There are no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas. Limited expenditures had been made on these permits as of September 30, 2018 (Note 16).

The Corporation's exploration activities are as follows:

(Expressed in Canadian Dollars)

		September 30, 2018		December 31, 2017
Exploration and evaluation assets - beginning	**$**	**25,067,393**	**$**	**-**
Fair value of exploration and evaluation assets acquired		-		24,456,651
Transaction costs		-		534,982
Drilling, sampling & assays	$	3,272,361		-
Management fees, salaries and benefits		913,382		17,917
Share-based compensation		-		-
Camp and field expenses		152,084		-
Security costs		147,552		-
Equipment, fuel and maintenance		182,541		45
Travel		23,525		-
Depreciation on plant and equipment		30,846		55,918
Exploration permits and other fees		81,566		-
Other		-		-
Exchange differences		(96,441)		1,880
Exploration and evaluation assets - ending	**$**	**29,774,809**	**$**	**25,067,393**

The above table reflects the fair value of the exploration and evaluation assets acquired on December 22, 2017 and subsequent expenditures. For permit related expenditures incurred during the term of the current exploration permit period, refer to Note 16.

Mining Code of the Republic of Niger

The Mining Code of the Republic of Niger provides that a company may only renew its exploration permits twice in order to perform exploration and evaluation activities. Accordingly, the renewal of Adrar Emoles 3 and 4 and Tin Negoran 1, 2, 3 and 4 Permits completed on January 29, 2016 may be the last renewal of such permits. Notwithstanding, the Mining Code further provides for an extension of one year to complete technical requirements for a feasibility study. Upon completion of a feasibility study, the permit holder must apply for a mining permit or seek extension, should economic conditions not justify the immediate development of the deposit.

Under the Mining Code of the Republic of Niger, the resource must be transferred to a newly incorporated Niger mining corporation upon the issuance of a mining permit. Niger government is granted 10% of the common shares of the new Niger mining corporation at no cost and on a carried interest basis going forward. In turn, Global Atomic is entitled to recover the total costs incurred prior to the formation of the Niger mining corporation. The Republic of Niger has the right to elect to increase its interest in the common shares of the Niger mining corporation by up to 30% by committing to fund its proportional share of future debt and equity requirements.

6. Investment in Joint Venture

At September 30, 2018, the Corporation holds a 49% interest in the BST joint venture, with the remaining 51% held by Befesa. The BST joint venture is governed by the Shareholders Agreement between the joint venture partners that requires unanimous approval for certain key strategic, operating, investing and financing policies of the BST joint venture. The investment in the BST joint venture is accounted for using the equity method. There are no publicly quoted market prices for BST.

Summarized financial information of BST on a 100% basis and reflecting the Corporation’s 49% interest is as follows:

(Expressed in Canadian Dollars)

Summarized consolidated statements of financial position:

	September 30, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	$ 4,204,379	$ 14,689,552
Other current assets (excluding cash and cash equivalents)	8,790,493	5,281,638
Non-current assets	8,851,726	6,299,271
	$ 21,846,598	$ 26,270,461
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 2,944,961	$ 2,522,970
Income tax payable	3,023,958	1,298,296
Long-term liabilities	876,035	1,030,114
	$ 6,844,953	$ 4,851,380
Net assets	$ 15,001,644	$ 21,419,081
The Corporation's equity share of net assets of joint venture	$ 7,350,806	$ 10,495,350

Summarized consolidated statements of income (loss):

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Gross sales revenue	$ 4,711,348	$ 15,201,707	$ 32,697,283	$ 32,887,118
Cost of sales	3,642,417	6,491,911	16,293,483	13,597,799
Depreciation and amortization	84,929	145,058	317,113	430,362
Management fees and sales commissions	274,125	630,384	1,280,582	1,401,067
Finance expense (income) - net	19,812	(6,333)	74,401	(41,455)
Foreign exchange loss (gain)	(2,195,446)	(221,742)	(5,479,654)	(212,103)
Tax expense	653,250	1,767,137	4,442,887	4,130,422
Net income	$ 2,232,262	$ 6,395,292	$ 15,768,472	$ 13,581,026
The Corporation's equity share of net income of joint venture	$ 1,093,809	$ 3,133,692	$ 7,726,551	$ 6,654,703
Other comprehensive income (loss)	$ (4,760,809)	(542,365)	$ (8,191,203)	$ (1,182,569)
The Corporation's equity share of other comprehensive income (loss) of joint venture	$ (2,332,797)	$ (265,759)	$ (4,013,689)	$ (579,459)

Statements of investment in joint venture:

Opening net assets of the Corporation's investments in joint venture at January 1, 2018	$ 10,495,350
Corporation's share of net earnings of joint venture	7,726,551
Dividends from joint venture	(6,857,358)
Corporation's share of other comprehensive loss of joint venture	(4,013,689)
Carrying value of the Corporation’s investment in joint venture at September 30, 2018	$ 7,350,854

Opening net assets of the Corporation’s investments in joint venture at January 1, 2017	$ 8,901,719
Corporation’s share of net earnings of joint venture	6,654,703
Dividends from joint venture	(3,701,500)
Corporation's share of other comprehensive loss of joint venture	(579,459)
Carrying value of the Corporation's investment in joint venture at September 30, 2017	$ 11,275,463

(Expressed in Canadian Dollars)

7. Accounts Payable and Accrued Liabilities

		September 30, 2018		December 31, 2017
Trade payables and accruals	$	721,294	$	1,964,956
Due to related parties (Note 14)		99,557		161,155
Shares to be issued		115,689		115,689
Total accounts payable and accrued liabilities	$	936,540	$	2,241,800

8. Notes Payable

On September 30, 2015, GAFC completed a convertible notes financing (“Notes”) for gross proceeds of $295,000. The Notes had a term of 24 months to September 30, 2017, were repayable at the face amount of $295,000 on maturity and were convertible at any time prior to maturity at a rate of $1.00 per common share of GAFC. The Notes bore interest at an annual rate of 25%, payable on each of September 30, 2016 and 2017. In addition, investors in the Notes received 2.5 warrants per $1 invested, for a total of 687,500 warrants. Each common share purchase warrant entitled the holder to purchase one common share at a price of $1.50. The warrants were exercisable for a period of twenty-four (24) months from the date on which GAFC shares were publicly listed.

On February 28, 2016 and March 17, 2016, GAFC completed a $100,000 and a $100,000 convertible note (“Notes”) financing on the same terms and conditions as the September 30, 2015 convertible note financing, except that the maturity dates were February 28, 2017 and March 30, 2017, respectively.

Upon closing of the acquisition of GAFC, the Corporation assumed the liability for the Notes. Notes holders had not been paid accrued interest on the Notes since originally issued and the liability for this payment was also assumed by the Corporation. Accordingly, outstanding warrant quantities and exercise prices were adjusted as per the terms of the transaction. The outstanding warrants were repriced at $1.92 share ($1.50 / 2.147 x 2.75) and are exercisable for a period of twenty-four (24) months from December 22, 2017, the date of the transaction.

Notes were repaid in full with accrued interest at the end of May 2018.

9. Related Party Transactions

a) Due from related parties		September 30, 2018		December 31, 2017
Befesa and BST(i)	$	104,120	$	169,929
Subscription due from director		-		55,600
Harte Gold Corp.(ii)		-		2,986
Romex Mining Corporation(ii)		-		250
	$	104,120	$	228,765

b) Due to related parties		September 30, 2018		December 31, 2017
Notes payable to directors	$	-	$	508,490
Debenture from director		-		477,522
Romex Mining Corporation(ii)		86,860		93,040
Harte Gold Corp.(ii)		12,697		68,115
	$	99,557	$	1,147,167

(Expressed in Canadian Dollars)

i. Befesa and BST are related parties as a result of the BST joint venture. Amounts due from Befesa and BST include management fees and sales commissions.

ii. During the nine months ended September 30, 2018 and 2017, the Corporation received reimbursement for rent and other expenses from companies with key management, personnel and directors, in common to Global Atomic, as well as reimbursing such other companies for certain expenses incurred on behalf of Global Atomic. The Corporation charged a total of $60,000 to the related companies concerning these expenses for the nine months ended September 30, 2018 (2017 - $83,880).

During the nine months ended September 30, 2018, the Corporation paid key management personnel, including officers, directors, or their related entities for management services. Compensation of key management personnel and directors for services provided was $1,422,715, including $834,715 share-based compensation expense (2017 - $1,005,950 including $650,000 share-based compensation). At September 30, 2018, the amount payable related to these services was $ nil (December 31, 2017 – $ nil). These transactions were in the normal course of operations.

All balances due to and from related parties, with the exception of the debenture from director, have occurred in the normal course of operations, and amounts due are unsecured, non-interest bearing and due on demand.

As part of the acquisition, Global Atomic assumed the $400,000 outstanding debenture that GAFC had received from one of the directors of the Corporation. The debenture was for general working capital purposes, due December 31, 2017. The interest on the aggregate principal amount was calculated at the annual rate of 15% on the amounts outstanding and recorded as part of accounts payable and accrued liabilities. The loan and accrued interest ($502,522) had been repaid in full during the second quarter 2018.

10. Share Capital

a) Authorized - Unlimited number of common shares, at no par value
b) Common shares issued

	Number of Shares	Amount
Balance, December 31, 2016	142,104,716	$ 18,056,315
Shares issued on acquisition(i)	152,139,372	18,553,028.00
Share issue costs	-	(17,370)
Share consolidation at 2.75:1(i)	(187,246,238)	-
Balance, December 31, 2017	106,997,850	$ 36,591,973
Balance, September 30, 2018	106,997,850	$ 36,591,973

i. On December 22, 2017, as part of its acquisition of GAFC, Global Atomic issued new shares and consolidated its shares at a ratio of 2.75 to 1.

11. Share Purchase Warrants

Share purchase warrant transactions during the nine months ended September 30, 2018 and 2017 were as follows:

	Nine Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
	Number	Value	Number	Value
Balance, beginning of period	5,349,957	$ 614,263	-	$ -
Issued	-	-	-	-
Balance, end of period	5,349,957	$ 614,263	-	$ -

(Expressed in Canadian Dollars)

Using the Black-Scholes valuation method, the following assumptions were used to determine the value:

	Expiring June 21, 2019	Expiring December 21, 2019
Assumed share price*	$0.12	$0.12
Exercise price*	$0.23	$0.70
Risk-free interest rate	1.10%	1.10%
Expected dividend yield	0%	0%
Stock price volatility*	127%	127%
Expected life of warrants in years	1.5	2.0

*Assumed share price reflects Global Atomic's share price at the time of its acquisition of GAFC. Exercise price reflects the adjustment of the number of warrants issued to GAFC shareholders and the volatility measured at the standard deviation of continuously compounded share returns was based on statistical analysis of comparable companies' daily share prices over the last five years.

The following warrants were outstanding at September 30, 2018:

Issue Date	Expiry Date	Outstanding	Exercise Price	Remaining Life (Years)
22-Dec-17	21-Jun-19	2,453,977	$0.64	0.75
22-Dec-17	21-Dec-19	321,532	2.88	1.25
22-Dec-17	21-Dec-19	2,574,448	1.92	1.25
		5,349,957	**$1.39**	**1.02**

12. Stock Options

The following table reflects the continuity of stock options for the nine months ended September 30, 2018:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2016	11,300,000	$ 0.13
Expired	(5,900,000)	$ 0.15
Granted[(a)]	8,750,000	0.10
Consolidated at a ratio of 2.75 to 1 [(b)]	(9,004,544)	
Balance, December 31, 2017	5,145,456	$ 0.275
Granted[(c)]	5,554,190	$ 0.250
Balance, September 30, 2018	10,699,646	$ 0.262

(a) On April 24, 2017, Global Atomic granted 8,750,000 options to directors and officers of the Corporation, exercisable at $0.10 per common share through April 23, 2022. These options vest immediately. Using the Black-Scholes valuation method, the options were valued at $650,000. The following assumptions were used to determine the value: expected dividend yield of 0%, risk-free interest rate of 1.03%, expected volatility of 127%, 2.2% forfeiture rate and an expected maturity of five years. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last five years. As a result, in 2017 a stock option expense of $650,000 was booked.

(Expressed in Canadian Dollars)

(b) On December 22, 2017, as a result of Global Atomic consolidating its outstanding shares at a ratio of 2.75 to 1, the number of options were adjusted down at a ratio of 2.75 to one and their exercise price was adjusted to $0.275.

(c) On April 4, 2018, Global Atomic granted 5,554,190 options to directors and officers of the Corporation, exercisable at $0.25 per common share through April 4, 2023. These options vest immediately. Using the Black-Scholes valuation method, the options were valued at $1,054,740. The following assumptions were used to determine the value: expected dividend yield of 0%, risk-free interest rate of 2.03%, expected volatility of 127%, 0% forfeiture rate and an expected maturity of five years. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last five years. As a result, in the three months ended June 30, 2018 a stock option expense of $1,054,740 was booked.

The following table reflects the actual stock options issued and outstanding as of September 30, 2018:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
July 7, 2019	$ 0.275	0.77	1,963,637	1,963,637	-
April 23, 2022	0.275	3.56	3,181,819	3,181,819	-
April 4, 2023	0.250	4.51	5,554,190	5,554,190	
	$ 0.275	3.54	10,699,646	10,699,646	-

13. Segmented Information

Significant information relating to the Corporation's reportable operating segments is summarized in the tables below.

The Corporation's total assets by reportable operating segment are as follows:

Assets	September 30, 2018	December 31, 2017
Corporate and other	$ 270,461	$ 2,293,300
Turkey and Spain (at 49%)	7,350,854	10,495,350
Niger	30,694,586	25,714,062
	$ 38,315,900	$ 38,502,712

(Expressed in Canadian Dollars)

The Corporation's consolidated statements of income by reportable operating segment are as follows:

Three months ended September 30, 2018	**(at 100%) Turkey and Spain**	**(at 49%) Turkey and Spain**	**Adjustments**	**Niger**	**Corporate and other**
Revenues	$ 4,711,348	$ 2,308,560	$ (2,308,560)	$ -	130,287
Cost of sales	3,642,417	1,784,784	(1,784,784)	-	-
Income (loss) from operations	$ 1,068,931	$ 523,776	-$ 523,776	$ -	$ 130,287
Share of net earnings from joint venture	$ -	$ -	$ (1,093,810)	$ -	$ -
Depreciation and amortization	84,929	41,615	(41,615)	-	-
General and administration	-	-	-	107,265	285,872
Management fees and sales commissions	274,125	134,321	(134,321)	-	-
Interest expense (income)	19,812	9,708	(9,708)	- -	2,391
Foreign exchange loss (gain)	(2,195,446)	(1,075,769)	1,075,769	-	3,599
Tax expense	653,250	320,091	(320,091)	-	-
Net income (loss)	$ 2,232,262	$ 1,093,810	$ -	$ (107,265)	$ (156,793)

Three months ended September 30, 2017	**(at 100%) Turkey and Spain**	**(at 49%) Turkey and Spain**	**Adjustments**	**Niger**	**Corporate and other**
Revenues	$ 15,201,707	$ 7,448,836	$ (7,448,836)	$ -	$ 308,888
Cost of sales	6,491,911	3,181,036	(3,181,036)	-	-
Income (loss) from operations	$ 8,709,796	$ 4,267,800	-$ 4,267,800	$ -	$ 308,888
Share of net earnings from joint venture	$ -	$ -	$ (3,133,693)	$ -	$ -
Depreciation and amortization	145,058	71,078	(71,078)	-	-
General and administration	-	-	-	-	321,733
Management fees and sales commissions	630,384	308,888	(308,888)	-	-
Interest expense (income)	(6,333)	(3,103)	3,103	-	(46,177)
Foreign exchange loss (gain)	(221,742)	(108,653)	108,653	-	133,568
Tax expense	1,767,137	865,897	(865,897)	-	-
Net income (loss)	$ 6,395,292	$ 3,133,693	$ -	$ -	$ (100,236)

(Expressed in Canadian Dollars)

Nine months ended September 30, 2018	(at 100%) Turkey and Spain	(at 49%) Turkey and Spain	Adjustments	Niger	Corporate and other	Total
Revenues	$ 32,697,283	$ 16,021,669	$ (16,021,669)		$ 626,102	$ 626,102
Cost of sales	16,293,483	7,983,807	(7,983,807)		-	-
Income from operations	$ 16,403,800	$ 8,037,862	-$ 8,037,862		$ 626,102	$ 626,102
Share of net earnings from joint venture	$ -	$ -	$ (7,726,551)		$ -	$ (7,726,551)
Depreciation and amortization	317,113	155,387	(155,387)		-	-
General and administration	-	-	-	219,917	2,540,959	2,760,874
Management fees and sales commissions	1,280,582	627,485	(627,485)		-	-
Interest expense (income)	74,401	36,456	(36,456)		96,309	96,309
Foreign exchange loss (gain)	(5,479,654)	(2,685,031)	2,685,031		(153,119)	(153,119)
Tax expense	4,442,887	2,177,014	(2,177,014)		-	-
Net income (loss)	$ 15,768,472	$ 7,726,551	$ -		$ (1,858,047)	$ 5,648,589

Nine months ended September 30, 2017	(at 100%) Turkey and Spain	(at 49%) Turkey and Spain	Adjustments	Niger	Corporate and other	Total
Revenues	$ 32,887,118	$ 16,114,688	$ (16,114,688)		$ 686,523	$ 686,523
Cost of sales	13,597,799	6,662,922	(6,662,922)		-	-
Income from operations	$ 19,289,319	$ 9,451,766	-$ 9,451,766		$ 686,523	$ 686,523
Share of net earnings from joint venture	$ -	$ -	$ (6,654,703)		$ -	$ (6,654,703)
Depreciation and amortization	430,362	210,877	(210,877)		-	-
General and administration	-	-	-		1,344,114	1,344,114
Management fees and sales commissions	1,401,067	686,523	(686,523)		-	-
Interest expense (income)	(41,455)	(20,313)	20,313		(83,421)	(83,421)
Foreign exchange loss (gain)	(212,103)	(103,930)	103,930		247,676	247,676
Tax expense	4,130,422	2,023,906	(2,023,906)		-	-
Net income (loss)	$ 13,581,026	$ 6,654,703	$ -		$ (821,846)	$ 5,832,857

14. Financial Instruments

Certain of the Corporation's financial assets and liabilities are measured at fair value and are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

As at September 30, 2018 and December 31, 2017, the Corporation did not have any assets or liabilities that were measured at fair value at Level 1 or Level 2.

15. Commitments and Contingent Liabilities

(a) Exploration permits and required exploration expenditure

Under the terms of its Mining Agreements with the Ministry of Mines of the Republic of Niger, the Corporation committed to incur certain exploration expenditures on its permits, before the permits expire. On January 29, 2016, the Republic of Niger Ministry of Mines approved the Corporation's renewal of Adrar Emoles 3 and 4 and Tin Negoran 1, 2, 3 and 4 Permits for a period of three years commencing the date of renewal. The permits require the following exploration expenditures over the three-year period (Note 5).

(Expressed in Canadian Dollars)

Exploration Permit	Expiry Date		Required Exploration Expenditure (US$)		Spent to Date		Remaining Commitment (US$)
Adrar Emoles 3	January 28, 2019	$	5,293,750	$	5,970,877	$	-
Adrar Emoles 4	January 28, 2019		4,087,300	$	36,873	$	4,050,427
Total Adrar Emoles			9,381,050		6,007,749		4,050,427
Tin Negoran 1	January 28, 2019	$	301,367	$	32,161	$	269,206
Tin Negoran 2	January 28, 2019		336,879	$	32,102	$	304,777
Tin Negoran 3	January 28, 2019		850,070	$	32,136	$	817,934
Tin Negoran 4	January 28, 2019		461,592	$	31,956	$	429,636
Total Tin Negoran			1,949,908		128,355		1,821,553
Total Permit Expenditure		$	11,330,958	$	6,136,105	$	5,871,980

Recent exploration activities have focused on the Adrar Emoles 3 permit DASA resource and required expenditures have been exceeded. Global Atomic has applied for an extension of the Adrar Emoles 3 and 4 permits to enable completion of a Feasibility Study. The Corporation will make a similar extension application on the 4 Tin Negoran permits.

(b) Office lease agreement

The Corporation has an office lease agreement for a period of three years commencing on July 1, 2018 and expiring on June 30, 2021. As of September 30, 2018, remaining commitments on the lease agreement are as follows:

2018	$ 64,622
2019	$ 224,664
2020	$ 224,664
2021	$ 112,332

15. Subsequent Event

In November 2018, Global Atomic completed an initial closing of a non-brokered private placement of 29,639,666 shares priced at $0.30 per share for gross proceeds of $8,891,900. Finder’s fees payable under the private placement consist of a cash payment equal to 6% of cash raised and common share purchase warrants equal to 6% of the number of shares issued in connection with certain orders for a total of $467,414 and 1,491,380 warrants. Finder’s warrants are exercisable at $0.30 for a period of eighteen (18) months from closing.