



GLOBAL ATOMIC CORPORATION

(formerly Silvermet Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2018 and 2017**

(EXPRESSED IN CANADIAN DOLLARS)

Management's Responsibility for Consolidated Financial Statements

The accompanying audited consolidated financial statements of Global Atomic Corporation (the "Company" or "Global Atomic") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Management is responsible for the presentation of the consolidated financial statements and believes that they fairly represent the Company's financial position and the results of its operations in accordance with IFRS. Management has included amounts in the Company's consolidated financial statements based on estimates, judgments, and policies that it believes reasonable in the circumstances.

The consolidated financial statements were prepared by the management of the Company, reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors.

To discharge its responsibilities for financial reporting and for the safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance, at appropriate cost, that the assets are maintained and accounted for in accordance with its policies and that transactions are recorded accurately on the Company's books and records.

April 29, 2019

"Stephen G. Roman"
Chairman, President & CEO

"Rein A. Lehari"
Chief Financial Officer



Independent auditor's report

To the Shareholders of Global Atomic Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Global Atomic Corporation and its subsidiaries (together, the Company) as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2018 and 2017;
- the consolidated statements of income for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from



error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is James Lusby.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
April 29, 2019

Global Atomic Corporation (formerly Silvermet Inc.)**Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)**

	Note	As at December 31,	
	reference	2018	2017
ASSETS			
Current assets			
Cash and cash equivalents		\$ 7,700,966	\$ 2,132,572
Accounts receivable	7,14	282,784	319,970
Prepaid expenses		27,298	28,214
		8,011,048	2,480,756
Non-current assets			
Plant and equipment	8	35,211	40,204
Advance payments for exploration and evaluation		308,166	419,009
Exploration and evaluation assets	6,9,24	32,065,797	25,067,393
Investment in joint venture	10	10,267,742	10,495,350
Total assets		\$ 50,687,964	\$ 38,502,712
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11,14	\$ 731,213	\$ 2,241,800
Notes payable	12	-	771,307
Debenture	14	-	477,522
Total liabilities		731,213	3,490,629
Equity			
Share capital	15	45,068,251	36,591,973
Share purchase warrants	16	853,409	614,263
Contributed surplus	17	7,748,771	6,067,079
Deficit		6,196,717	(1,212,836)
Accumulated other comprehensive loss		(9,910,398)	(7,048,396)
Total equity		49,956,750	35,012,083
Total liabilities and equity		\$ 50,687,964	\$ 38,502,712

Commitments and contingent liabilities 24**Subsequent events** 25

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

On behalf of the Board:

*"Stephen G. Roman"**"Paul Cronin"*

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

		<u>Year ended December 31,</u>	
	Note reference	2018	2017
Revenues	18	\$ 851,520	\$ 889,860
Income from operations		851,520	889,860
General and administration	13,14,17	4,052,960	1,438,681
Loss on revaluation of equity investment in Global Atomic Fuels	14	-	927,950
Finance expense (income) - net	18	96,309	(3,122)
Foreign exchange loss (gain)		(210,375)	318,104
Share of net earnings from joint venture	10	(10,496,927)	(6,936,798)
Net income before income taxes		7,409,553	5,145,045
Current income tax expense	21	-	-
Deferred income tax expense	21	-	-
Net income		\$ 7,409,553	\$ 5,145,045
Basic net income per share	19	\$0.067	\$0.097
Diluted net income per share	19	\$0.066	\$0.096
Basic weighted-average number of shares outstanding	19	110,784,220	53,038,581
Diluted weighted-average number of shares outstanding	19	112,343,978	53,618,047

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

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

Year ended December 31,

	2018	2017
Net income for the year	\$ 7,409,553	\$ 5,145,045
Other comprehensive loss for the year		
Item that may be subsequently classified to statements of income		
Share of currency translation adjustment of Niger operations	\$ 1,020,378	\$ (13,036)
Share of currency translation adjustment of joint venture	(3,852,513)	(768,210)
	(2,832,135)	(781,246)
Items that will not be subsequently classified to statements of income		
Share of remeasurements of post employment benefit obligations of joint venture	(14,664)	(35,221)
Currency translation adjustments	(15,203)	10,144
	(29,867)	(25,077)
Other comprehensive loss for the year	(2,862,002)	(806,323)
Comprehensive income for the year	\$ 4,547,551	\$ 4,338,722

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

Global Atomic Corporation (formerly Silvermet Inc.)**Consolidated Statements of Changes in Equity**

(Expressed in Canadian Dollars)

	Note Reference	Share Capital	Share Purchase Warrants	Contributed Surplus	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
Shares issued on acquisition	15						-
Shares issued		9,213,500					9,213,500
Share issue costs		(737,222)					(737,222)
Broker warrants issued			239,146				239,146
Stock option expense				1,681,692			1,681,692
Net income					7,409,553		7,409,553
Other comprehensive loss						(2,862,002)	(2,862,002)
Balance, December 31, 2018		\$ 45,068,251	\$ 853,409	\$ 7,748,771	\$ 6,196,717	\$ (9,910,398)	\$ 49,956,750
Balance, December 31, 2016		\$ 18,056,315	\$ -	\$ 5,417,079	\$ (6,357,881)	\$ (6,242,073)	\$ 10,873,440
Shares issued on acquisition	15	18,553,028	-	-	-	-	18,553,028
Warrants issued on acquisition	16	-	614,263	-	-	-	614,263
Share issue costs		(17,370)	-	-	-	-	(17,370)
Stock option expense		-	-	650,000	-	-	650,000
Net income		-	-	-	5,145,045	-	5,145,045
Other comprehensive loss		-	-	-	-	(806,323)	(806,323)
Balance, December 31, 2017		\$ 36,591,973	\$ 614,263	\$ 6,067,079	\$ (1,212,836)	\$ (7,048,396)	\$ 35,012,083

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

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

		Year ended December 31,	
	Note reference	2018	2017
Cash generated from (used in)			
Operating activities			
Net income		\$ 7,409,553	\$ 5,145,045
Share of net earnings from joint venture	10	(10,496,927)	(6,936,798)
Stock option expense	17	1,681,691	650,000
Loss on revaluation of equity investment	14	-	927,950
Depreciation expense		572	-
Accrued interest		98,700	14,227
		(1,306,411)	(199,576)
Non-cash working capital items:			
Accounts receivable	7	37,184	776,817
Prepaid expenses		13,199	(8,363)
Accounts payable and accrued liabilities	11	(1,397,319)	54,855
Cash flows generated from (used in) operating activities - net		(2,653,346)	623,733
Financing activities			
Private placement of common shares	15	8,861,900	-
Share issue costs	15	(114,014)	-
Convertible note principal and interest paid	12	(845,007)	(32,500)
Debenture principal and interest paid	14	(502,522)	-
Cash flows used in financing activities - net		7,400,357	(32,500)
Investing activities			
Pre-acquisition advances for exploration & evaluation expenditures	6	-	(3,544,115)
Purchase property, plant & equipment	8	(25,331)	-
Exploration and evaluation expenditures	9	(6,001,173)	(17,961)
Dividends from joint venture	10	6,857,358	4,539,736
Cash acquired on acquisition of Global Atomic Fuels	6	-	789,738
Transaction costs	9	-	(534,982)
Cash flows generated from investing activities - net		830,853	1,232,416
Net change in cash and cash equivalents		5,577,864	1,823,649
Effect of exchange rate changes on cash and cash equivalents		(9,470)	(11,744)
Cash and cash equivalents, beginning of year		2,132,572	320,667
Cash and cash equivalents, end of year		\$ 7,700,966	\$ 2,132,572
Interest paid during the year		\$ (98,700)	\$ (12,500)
Interest received during the year		2,391	17,349
Income taxes paid during the year		-	-

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

Global Atomic Corporation (formerly Silvermet Inc.)

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended December 31, 2018 and 2017

1. Nature of Operations

Global Atomic Corporation (formerly Silvermet Inc.) and its subsidiaries (collectively, the “Company” or “Global Atomic”) have two principle lines of business:

1. the processing of electric arc furnace dust (“EAFD”) obtained from steel companies in Turkey through a Waelz kiln process to recover zinc concentrates that are then treated by zinc smelters (“EAFD Business”); and
2. the acquisition, exploration and development of uranium properties in Niger, including the potential mining and shipping of feedstock to Orano Mining under a memorandum of understanding signed in July 2017 (“Uranium Business”).

Global Atomic Corporation, the parent and ultimate parent, is a corporation incorporated under the laws of Ontario, Canada. On December 22, 2017, the Company’s name was changed from Silvermet Inc. to Global Atomic Corporation. The Company’s 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 Company’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 Global Atomic. The relationship between the joint venture partners is governed by a Shareholders Agreement. The joint venture was established to operate EAFD activities within Turkey. At present, BST operates one EAFD facility located in Iskenderun, Turkey, through wholly-owned subsidiaries. The consolidated financial statements for the years ended December 31, 2018 and 2017 reflect the impact of using the equity method to account for Global Atomic’s interest in the joint venture with the Company’s share of net earnings and net assets separately disclosed (Note 10).

The Company acquired Global Atomic Fuels Corporation (“GAFC”) on December 22, 2017, as more fully described in Note 6. GAFC holds six Mining Agreements and related Exploration Permits in Niger, on which it has conducted exploration activities for uranium. Based on historic exploration results and uranium market conditions, the Company determined that the purchase price allocated to exploration and evaluation assets was entirely attributable to the Adrar Emoles 3 Exploration Permit, and no value was assigned to the other five Exploration Permits. The Company has not yet determined whether the Adrar Emoles 3 Exploration Permit 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 Company 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.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) applicable to a going concern, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

At the last renewal of the Exploration Permits, GAFC committed to spend exploration amounts related to each permit, totaling US\$11,330,958 over the three years ending January 29, 2019 for the six permits. On December 17, 2018, the Exploration Permits were extended by a further 24 months to January 29, 2021. Of the total exploration commitment, US\$5,293,750 related to the Adrar Emoles 3 permit and GAFC has spent such funds. GAFC is now undertaking feasibility studies and will apply for a Mining Permit on Adrar Emoles 3 prior to the expiration of the Exploration Permit.

Since 2016, limited expenditures have been made on the other five permits and the Company may not make the committed expenditures in advance of the permit expiries. While the Company will attempt to renew these five permits, there is no certainty that it will be able to do so, since the rights may be relinquished for failure to meet spending commitments in accordance with the Niger Mining Code.

The Company will continue to pursue opportunities to raise additional capital through debt and equity markets to fund its future exploration and operating activities, in addition to funds received from its EAFD Business; however, there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company.

Global Atomic Corporation (formerly Silvermet Inc.)

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended December 31, 2018 and 2017

2. Basis of Presentation

The annual consolidated financial statements of the Company have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS and include the operating results of Global Atomic and its subsidiaries and joint ventures.

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. See Note 5 for critical accounting estimates and judgments.

These consolidated financial statements as at and for the years ended December 31, 2018 and 2017 were approved by the Global Atomic Board of Directors on April 29, 2019.

3. Significant Accounting Policies

Significant accounting policies used in the preparation of these consolidated financial statements are as follows. These policies have been consistently applied to all years presented.

(a) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

(b) Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, including its economic interest in the joint venture. Subsidiaries are those entities that Global Atomic controls. The Company controls an entity when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are de-consolidated from the date that control ceases.

Entities of Global Atomic are listed below. Global Atomic Fuels Corporation and Global Uranium Niger Inc. are the Company's wholly owned uranium exploration subsidiaries. All other operating activities involve EAFD processing. Each entity has a December 31 year-end.

Entity	Location	Effective Interest	
		As at December 31, 2018	As at December 31, 2017
Subsidiaries			
(Consolidated)			
Silvermet (Malta) Limited	Malta	100%	100%
Global Atomic Fuels Corporation	Canada	100%	100%
Global Uranium Niger Inc.	Niger	100%	100%
Joint Ventures			
Befesa Silvermet Turkey, S.L. ^(a)	Spain	49%	49%
Befesa Silvermet Iskenderun Celik Tozu Geri Donusumu A.Ş. ^(b)	Turkey	49%	49%
Befesa Silvermet Dış Ticaret A.Ş. ^(b)	Turkey	49%	49%
Befesa Silvermet Izmir Celik Tozu Geri Donusumu A.Ş. ^(c)	Turkey	0%	49%

(a) Befesa Silvermet Turkey, S.L. ("BST") is a joint venture between Silvermet (Malta) Limited and Befesa.

(b) 100% owned by BST.

(c) This entity was wound up during 2018.

All intercompany balances and transactions, including income and expenses, and profits and losses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

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Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
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(c) Joint arrangements

The Company applies IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. Global Atomic has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method (Note 10). Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. If the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint ventures), the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(d) Cash and cash equivalents

Cash and cash equivalents include cash and liquid cash investments of the Company with an original term to maturity of 90 days or less. Cash and cash equivalents exclude cash subject to restrictions. As at December 31, 2018 and December 31, 2017, Global Atomic's cash and cash equivalents balance is comprised of cash on hand and deposits held with banks.

(e) Revenue recognition

Management fees charged to the joint venture are recognized in revenue upon the completion of management services provided, in accordance with the Shareholders Agreement between the Company and Befesa. Sales commissions charged to the joint venture are recognized in revenue based on the tonnage of zinc concentrate shipped as per the Shareholders Agreement between the Company and Befesa. Management fees and sales commissions are based on sales as reported by the Company's joint venture. As described in Note 3.1(b), the joint venture adopted IFRS 15 *Revenue from Contracts with Customers* effective January 1, 2018. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The Company has evaluated the standard and the Company has concluded that there are no significant differences between the point of transfer of risks and rewards for its metals under IAS 18 and the point of transfer of control under IFRS 15, and accordingly, no significant differences to the recognition of management fee and sales commission revenues under the two standards.

(f) Foreign exchange

Amounts included in these consolidated financial statements are expressed in Canadian dollars ("C\$") unless otherwise noted. C\$ is used as presentation currency in view of the Company's Canadian based public market listing and head office location.

The Company's entities measure the items in their financial statements in their functional currencies (the currency of the primary economic environment they operate in). Global Atomic's functional currency is the Canadian dollar; GAFC operates as a branch in Niger and its functional currency is West African CFA Franc ("CFA"), which is fixed at 1 CFA = 0.001525 euros; Silvermet (Malta) Ltd. and BST's functional currencies are US\$, and; the Turkish entity's functional currency is the Turkish Lira.

Monetary items denominated in foreign currencies are translated into each entity's functional currency at the rate of exchange on the balance sheet date, and gains and losses on translation are recognized in the consolidated statements of income for the period.

Under IFRS, as all foreign entities have a functional currency other than the C\$, all assets and liabilities are converted at period-end foreign exchange rates; revenues and most expenses are converted at either the spot rate at the date of the transaction or at average rates for expenses that were incurred evenly throughout the period, and amortization is converted at the average rate. Resulting differences are recognized as a separate component of accumulated other comprehensive income. This mainly concerns the Turkish and Niger entities whose foreign exchange gains/losses are

Global Atomic Corporation (formerly Silvermet Inc.)
Notes to Consolidated Financial Statements
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Years ended December 31, 2018 and 2017

presented in the statements of comprehensive income (loss) as items that may be reclassified subsequently to the consolidated statements of income.

(g) Stock-based compensation

The Company has a stock option plan which is described in Note 17. Stock-based compensation is initially accounted for at fair value. The fair value of stock options issued is estimated based on the Black-Scholes option pricing model using the expected volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, the fair value of the Company's stock and the risk-free interest rate. The estimated fair value of awards of stock-based compensation is charged to expense as awards vest, with offsetting amounts recognized as contributed surplus. The Company estimates the number of stock options likely to vest at the time of grant and annually updates this forfeitures estimate based on actual forfeitures. The total amount to be expensed is determined by reference to the fair value of the options granted excluding the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are expected to be satisfied.

(h) Income taxes

Income tax comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except, in the case of subsidiaries and joint ventures, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(i) Income per common share

Basic income (loss) per common share is based on the weighted average number of common shares outstanding during the period. Diluted income per share is calculated using the treasury stock method, whereby all "in-the-money" options are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the year.

(j) Segment disclosures

Global Atomic has two operating segments: the acquisition, exploration and development of mineral resource properties and the processing of EAFD obtained from steel companies through a Waelz kiln process to recover zinc concentrates. The Company's mineral resource exploration and development activities presently take place in Niger, Africa. The Company also owns 49% of BST, which operates a Waelz kiln facility located in Iskenderun, Turkey. The Company's headquarters are based in Canada. There is one subsidiary in Malta and a joint venture in Spain, both of which are holding companies (Notes 1 and 3). The three reportable operating segments are the Niger exploration and development activities, the cash-generating unit in Turkey and the corporate head office. The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Executive Officer of Global Atomic.

(k) Financial liabilities and equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Global Atomic Corporation (formerly Silvermet Inc.)
Notes to Consolidated Financial Statements
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Years ended December 31, 2018 and 2017

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method, with interest expense recognized on an effective yield basis. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding year. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. The Company has classified accounts payable and accrued liabilities as financial liabilities.

(l) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(m) Financial instruments

The Company adopted IFRS 9 Financial Instruments, which became effective January 1, 2018 and elected not to retroactively restate comparative periods. The adoption of this standard did not impact the opening accumulated deficit balance at January 1, 2018 and did not result in a change in the carrying values of the Company's financial assets or financial liabilities.

The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements of IAS 39 Financial Instruments: Recognition and Measurement for classification of financial liabilities were carried forward in IFRS 9. IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The adoption of the expected credit loss impairment model had no impact on the Company's financial assets, as the Company sells zinc concentrates to smelters that are considered credit worthy. The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

Financial Assets:	Classification Under IAS 39	Classification Under IFRS 9
Cash and cash equivalents	Fair value through profit or loss	Amortized cost
Receivables (excluding HST receivable)	Loans and receivables at amortized cost	Amortized cost
Financial Liabilities:		
Accounts payable and accrued liabilities	Other financial liabilities at amortized cost	Amortized cost
Short-term debt	Other financial liabilities at amortized cost	Amortized cost
Long-term debt	Other financial liabilities at amortized cost	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for the financial instruments applied starting from January 1, 2018 as follows:

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

- a) Fair value through profit or loss – financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Changes in fair value are recognized in the statement of income (loss).
- b) Amortized cost – financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the objective

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of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flow represents solely payments of principal and interest.

Financial liabilities

Financial liabilities are classified and measured at amortized cost unless they are classified as financial liabilities through profit or loss.

Impairment

From January 1, 2018, the Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables (excluding HST receivable), the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Debt facilities and borrowing costs

Debt facilities are recognized initially at fair value, net of transaction costs incurred. Debt facilities are subsequently carried at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating amortized cost of a financial liability and allocating the interest expense over the related period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(n) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company's related party transactions are conducted on commercial terms and conditions in the normal course of business.

(o) Acquisitions

The Company uses significant judgment to conclude whether an acquired set of activities and assets are a business. The acquisition of a business is accounted for as a business combination, under IFRS 3. If an acquired set of activities and assets does not meet the definition of a business, the transaction is accounted for as an asset acquisition.

(p) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statements of income and comprehensive income over the period of the lease.

(q) Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

Depreciation is calculated on a straight-line basis and recorded as an expense for the period. Assets are depreciated to their estimated residual value over an estimated useful life as follows:

Camp and buildings	5 years
Equipment and vehicles	5 years
Furniture and fixtures	5 years

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Computer equipment

3 years

When assets are retired, or sold, the resulting gains or losses are reflected in the consolidated statements of income and comprehensive income as a component of other income or expense. When appropriate, the Company allocates the amount initially recognized in respect of an item of plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

(r) Exploration and evaluation assets

The Company's Niger operations are in the exploration stage. The Company's policy is to capitalize all exploration and evaluation costs where such costs relate to the acquisition of, exploration for, and development of mineral claims. Capitalized exploration and evaluation expenditures will be charged against operations in the future.

Exploration and evaluation expenditures include, but are not limited to, geological, geophysical studies, exploratory drilling and sampling and the cost of maintaining the site until commercial production commences. Administration costs that do not relate to any specific property are expensed as incurred. Contractual deposits paid to suppliers for future exploration expenditures are recorded as "Advance payments for exploration and evaluation". Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property assets.

The aggregate costs related to abandoned mineral claims are charged as an expense within the consolidated statements of income and comprehensive income at the time of any abandonment or when it has been determined that there is evidence of an impairment.

Recoverability of the carrying amount of any exploration and evaluation expenditure is dependent on successful development and commercial exploitation or alternatively, sale of the respective area of interest.

(s) Impairment of assets

Plant and equipment and exploration and evaluation assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management).

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statements of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, not to exceed the net carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Management reviews the following industry-specific indicators for an impairment review when evaluating exploration and evaluation assets:

- Exploration activities have ceased;
- Exploration results have not led to the discovery of commercially viable quantities of mineral resources;
- Permit ownership rights expire; or
- An exploration property has no material economic value to the Company's business plan.

Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future mineral prices, and reports and opinions of outside geologists, mine engineers and consultants.

The carrying amounts of the long-lived assets of the joint venture are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverability of assets to be held and

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used is measured by a comparison of the carrying value of the asset to future discounted net cash flows expected to be generated by the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGU). The Turkish and Niger operations are the Company's cash generating units.

3.1 Significant Accounting Policies of BST

(a) Property, plant and equipment and intangible assets

Property, plant and equipment of BST are stated at cost less accumulated amortization. Amortization of assets is calculated using the straight-line basis over the estimated life of the specific asset (for leasehold improvements, over the term of the lease) as follows:

Land	- Not applicable
Buildings	- 40-50 years
Machinery and equipment	- 2-10 years
Office equipment and other	- 2-10 years

Assets under construction are recorded at cost and when substantially complete and available for their intended use, amortization is charged against the asset based on its/their estimated useful lives. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their carrying amounts and are included within other operating income (expense) in the statement of income.

Repair and maintenance expenses are charged to the statement of income during the financial period in which they are incurred. The cost of major subsequent expenditures is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to BST and when the cost of the item can be measured reliably. Major subsequent expenditures are depreciated over the remaining useful lives of the related assets.

Intangible assets comprise the intellectual property rights and know-how to construct new greenfield EAFD recycling plants and the expansion and modernization of BST's existing EAFD recycling plant. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment.

(b) Revenue recognition

The joint venture has adopted IFRS 15 *Revenue from Contracts with Customers* effective January 1, 2018. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The joint venture has evaluated the standard and has concluded that there are no significant differences between the point of transfer of risks and rewards for its metals under IAS 18 and the point of transfer of control under IFRS 15.

Sales of zinc concentrate are recognized in revenue on a provisional pricing basis when title transfers, collectability is reasonably assured, and the rights and obligations of ownership pass to the customer, which can occur at different times depending on the contract. Final pricing is not determined until after the zinc concentrate has been received at the destination port. At each reporting date, provisionally priced sales contracts are marked to market using the forward selling prices for which there exists an active and freely traded commodity market such as the London Metals Exchange. The marking to market of provisionally priced sales contracts is recorded as an adjustment to gross sales revenue. These pricing adjustments result in additional revenues in a rising price environment and reductions to revenue in a declining price environment.

BST sells its zinc concentrates and issues a provisional invoice based on net revenue. In accordance with zinc sale contracts signed with smelters, net revenue is calculated after deducting treatment and transportation costs from the gross sales. Gross sales include the zinc content value of shipped product. Treatment costs are charged by smelters to convert zinc concentrates into pure zinc. Treatment costs are market driven costs that vary in relation to worldwide zinc stocks and are independent of the operating costs or efficiencies of the joint venture.

4. Accounting Standards and Amendments

(a) The accounting standard changes applicable to 2018

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As previously described, the Company adopted the IFRS 9 and IFRS 15 standards for the year ended December 31, 2018.

(b) The accounting standards not yet applicable

IFRS 16, "Leases", provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its balance sheet providing the reader with greater transparency of an entity's lease obligations. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company is still assessing the impact of IFRS 16 on its financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

5. Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year.

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Joint arrangements

Global Atomic holds 49% of the voting rights of a joint arrangement with Befesa. The Company has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for certain key strategic, operating, investing and financing policies. The Company's joint arrangement is structured as a limited corporation and provides Global Atomic and Befesa (parties to the agreements) with rights to the net assets of the limited corporation under the arrangements. Therefore, this arrangement is classified as a joint venture.

(b) Acquisitions

The Company uses significant judgment to conclude whether an acquired set of activities and assets are a business. The acquisition of a business is accounted for as a business combination under IFRS 3. If an acquired set of activities and assets does not meet the definition of a business, the transaction, where shares are issued to acquire the assets, is accounted for as an asset acquisition under IFRS 3. If the acquisition relates to a previously held interest, the previously held interest is revalued to its fair value, as part of the step acquisition accounting for the transaction. Management is of the view that the assets acquired in 2017 as part of the acquisition of Global Atomic Fuels Corporation ("GAFC") do not meet the definition of a business based on the lack of mineral reserves acquired as well as the lack of acquired inputs and personnel. There are differences in accounting for a business combination versus an asset acquisition including the potential recognition of goodwill and deferred tax amounts, and the initial measurement of certain assets and liabilities and the accounting for transaction costs. These differences not only affect the accounting as at the acquisition date, but will also affect future depreciation, depletion and possible impairment analysis.

The Company used significant judgment to conclude on whether the Company or GAFC was the acquirer in the asset acquisition transaction. Due to the substance of the transaction and the consideration being in the form of the Company's shares, the Company concluded that Global Atomic was the acquiring party.

(c) Impairment of exploration and evaluation assets

The Company capitalizes exploration expenditures, which are related to specific projects, until the commercial feasibility of the project is determinable. Expenditures are charged to operations when impairment in value has been determined. Management reviews the carrying values of exploration properties and related expenditures whenever events or changes in circumstances indicate that their carrying values may not be recoverable. The recoverable part of CGUs for an exploration stage company requires various subjective assumptions. These assumptions may change significantly

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over time when new information becomes available and may cause original estimates to change. When assessing whether exploration and evaluation assets are recoverable, management considers changes in the mineral resources, forecast prices of commodities, valuation metrics using comparable companies, foreign exchange rates, metallurgical recovery rates and estimated development and production costs.

(d) Impairment of technology license asset

The accounts of BST include a capitalized technology license related to modernization of an existing plant or the construction of a new plant. BST has begun the renovation and expansion of its Iskenderun EAFD processing facility and is utilizing this technology license in this process. Accordingly, management has concluded that there is no impairment of this asset.

(e) Stock-based compensation

The fair value associated with stock options granted under the terms of the Company's stock option plan and other share-based instruments, including share purchase warrants, is measured at the grant date by using the Black-Scholes option pricing model and is expensed over its vesting period. The method of settlement for stock-based compensation is by provision of equity. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility and forfeiture rates disclosed in Note 17. Changes in assumptions used to estimate fair value could result in materially different results.

6. Acquisition of Global Atomic Fuels Corporation

On December 22, 2017, the Company completed the acquisition of Global Atomic Fuels Corporation ("GAFC"). Under the terms of the transaction, GAFC amalgamated with a wholly owned subsidiary of the Company, and all of the issued and outstanding common shares of GAFC were acquired by the Company from the existing holders thereof in exchange for 2.147 common shares of the Company for each GAFC share. This acquisition was accounted for as an acquisition of assets and liabilities of GAFC in exchange for shares. As GAFC did not meet the definition of a business under IFRS 3, the guidance of IFRS 3 has been applied. The acquisition of the assets of GAFC was recorded at the fair value of the assets acquired of \$19,489,341.

Acquisition of GAFC	
Share consideration	\$ 18,553,028
Warrants	614,263
Consideration paid for GAFC shares not previously held	\$ 19,167,291
Previous investment in GAFC (Note 14)	322,050
	\$ 19,489,341
Net GAFC assets	
Cash and cash equivalents	\$ 789,738
Accounts receivable	668,470
Prepaid expenses	8,269
Plant and equipment	97,793
Advance payments for exploration and evaluation	419,009
Exploration and evaluation assets	24,456,651
Current liabilities	(3,272,971)
Intercompany payable (Note 14)	(3,677,618)
	\$ 19,489,341

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7. Accounts Receivable

	December 31, 2018	December 31, 2017
Management fees & sales commissions receivable ^(a) (Note 10,14) \$	201,558	\$ 169,929
Harmonized sales tax receivable	81,088	75,827
Due from related parties (Note 14)	-	58,836
Other	138	15,378
Total accounts receivable	\$ 282,784	\$ 319,970

(a) Management fees and sales commissions are receivable from BST and Befesa, respectively, and are deemed collectible with no expected credit losses provided as at December 31, 2018 and December 31, 2017.

8. Plant and Equipment

Plant and equipment balances as at December 31, 2018 and 2017 are as follows:

	Camp and buildings	Equipment & vehicles	Office furniture	Total
COST				
Acquisition at December 22, 2017	\$ 54,426	\$ 42,580	\$ 787	\$ 97,793
Additions	-	-	-	-
Exchange differences	-	-	-	-
Balance at December 31, 2017	54,426	42,580	787	97,793
Additions	-	25,331	-	25,331
Exchange differences	58,137	29,886	875	88,899
Balance at December 31, 2018	\$ 112,563	\$ 97,797	\$ 1,662	\$ 212,023
ACCUMULATED DEPRECIATION				
As at December 22, 2017	\$ -	\$ -	\$ -	-
Depreciation	(42,403)	(13,291)	(224)	(55,918)
Exchange differences	(1,267)	(397)	(7)	(1,671)
As at December 31, 2017	(43,670)	(13,688)	(231)	(57,589)
Depreciation	(10,913)	(20,218)	(427)	(31,558)
Exchange differences	(57,980)	(28,820)	(865)	(87,665)
As at December 31, 2018	\$ (112,564)	\$ (62,726)	\$ (1,522)	\$ (176,812)
NET BOOK VALUE				
As at December 31, 2017	\$ 10,756	\$ 28,892	\$ 556	\$ 40,204
As at December 31, 2018	\$ (0)	\$ 35,070	\$ 140	\$ 35,211

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9. Exploration and Evaluation Assets

On December 22, 2017, upon the acquisition of GAFC, the Company acquired the following permits and associated exploration and evaluation assets in the Republic of Niger (Note 6):

Adrar Emoles Exploration Permits

In October 2007, the Company 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 Company 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 Company'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 Company's renewal of Adrar Emoles 3 and 4 Exploration 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. On December 17, 2018, the Niger Ministry of Mines extended the Exploration Permits for Adrar Emoles 3 and 4 for a further 2 years to January 29, 2021. 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 prior to their expiry. As at December 31, 2018, the Company has fulfilled its exploration expenditure commitment under the Adrar Emoles 3 Exploration Permit but has made only limited exploration expenditures in respect of the Adrar Emoles 4 Exploration Permit (Note 24).

Tin Negoran Exploration Permits

In February 2007, the Company 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 Exploration Permits required that the Company 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 Company'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 Company's renewal of Tin Negoran 1, 2, 3 and 4 Exploration 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. On December 17, 2018, the Niger Ministry of Mines extended the Exploration Permits for Tin Negoran 1, 2, 3 and 4 for a further 2 years to January 29, 2021. 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 December 31, 2018 (Note 24).

Mining Code of the Republic of Niger

In accordance with the Mining Code of the Republic of Niger, a corporation may only renew its Exploration Permits twice in order to perform exploration and evaluation activities. As a result, the renewal of Adrar Emoles 3 and 4 and Tin Negoran 1, 2, 3 and 4 Exploration Permits completed on January 29, 2016 is the Company's last renewal of such permits. Although initially scheduled to expire on January 29, 2019, the expiry date for the six Exploration Permits has

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been extended for a further 2 years to January 29, 2021. The Company may not be able to renew such permits again and thus must complete exploration and evaluation activities on the properties prior to their expiration on January 28, 2021.

Under the country's Mining Code, upon the issuance of a mining permit, the resource must be transferred to a newly incorporated Niger mining corporation. 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 and Global Atomic is entitled to be repaid 10% of the total costs incurred to that date. The Republic of Niger also has the right to elect at the time of its formation 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.

10. Investment in Joint Venture

At December 31, 2018, the Company 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 Company's 49% interest is as follows:

Summarized consolidated statements of financial position:

	December 31, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 3,515,990	\$ 14,689,552
Other current assets (excluding cash and cash equivalents)	9,428,219	5,281,638
Non-current assets	13,140,967	6,299,271
	\$ 26,085,176	\$ 26,270,461
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,970,834	\$ 2,522,970
Income tax payable	218,630	1,298,296
Long-term liabilities	941,134	1,030,114
	\$ 5,130,598	\$ 4,851,380
Net assets	\$ 20,954,578	\$ 21,419,081
The Company's equity share of net assets of joint venture	\$ 10,267,743	\$ 10,495,350

Commitments and contingent liabilities:

Commitments and contingent liabilities of the joint venture are as follows:

Credit Lines

At December 31, 2018, the joint venture had a total lines of credit of TL 16,500,000 among three Turkish banks, of which TL 1,082,000 had been utilized to support various guarantee letters provided by the joint venture.

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Iskenderun Modernization and Expansion Project

The joint venture has committed to a modernization and expansion of the Iskenderun processing plant. The total cost of the project is estimated to be US\$26 million, of which US\$4.4 million had been paid as of December 31, 2018. The joint venture is funding the expansion with available cash and credit facilities.

Summarized consolidated statements of income (loss):

	Year ended December 31,	
	2018	2017
Revenues	\$ 43,879,535	\$ 38,850,608
Cost of sales	20,956,163	16,859,468
Depreciation	309,113	566,525
Management fees and sales commissions	1,723,903	1,816,041
Foreign exchange loss (gain)	(4,583,183)	175,138
Interest expense (income)	3,812	(50,162)
Other expenses (income)	(39,673)	(7,719)
Loss on property disposition	262,430	
Tax expense	3,824,671	5,334,587
Net income	\$ 21,422,299	\$ 14,156,730
The Company's equity share of net income of joint venture	\$ 10,496,927	\$ 6,936,798
Other comprehensive loss	\$ (7,892,196)	\$ (1,639,655)
The Company's equity share of other comprehensive loss of joint venture	\$ (3,867,176)	\$ (803,431)

Statements of investment in joint venture:

Opening net assets of the Company's investments in joint venture at January 1, 2018	\$ 10,495,350
Company's share of net earnings of joint venture	10,496,927
Dividends from joint venture	(6,857,358)
Company's share of other comprehensive loss of joint venture	(3,867,177)
Carrying value of the Company's investment in joint venture at December 31, 2018	\$ 10,267,742

Opening net assets of the Company's investments in joint venture at January 1, 2017	\$ 8,901,719
Company's share of net earnings of joint venture	6,936,798
Dividends from joint venture	(4,539,736)
Company's share of other comprehensive loss of joint venture	(803,431)
Carrying value of the Company's investment in joint venture at December 31, 2017	\$ 10,495,350

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11. Accounts Payable and Accrued Liabilities

	December 31, 2018	December 31, 2017
Trade payables	\$ 310,064	\$ 1,921,056
Due to related parties (Note 14)	246,149	161,155
Shares to be issued	-	115,689
Accrued expenses and other liabilities	175,000	43,900
Total accounts payable and accrued liabilities	\$ 731,213	\$ 2,241,800

12. 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 entitles the holder to purchase one common share at a price of \$1.50. The warrants are 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 issued two additional \$100,000 Notes 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 Company assumed the liability for the Notes. Accordingly, outstanding warrant quantities and exercise prices were adjusted as per the terms of the transaction. The outstanding warrants were re-priced at \$1.92 share ($\$1.50 / 2.147 \times 2.75$) and are exercisable for a period of twenty-four (24) months from December 22, 2017, the date of the transaction.

The Notes were repaid in full with accrued interest in May 2018.

13. General and administration

	Year ended December 31,	
	2018	2017
Management fees	\$ 586,900	\$ 486,600
Stock option expense	1,681,692	650,000
Professional fees	383,963	70,395
Travel expenses	294,869	18,260
Occupancy costs	70,815	61,907
Office and general expenses	391,098	125,397
Listing fees	28,374	7,100
Proxy services	521,249	7,236
Investor relations	94,000	11,786
	\$ 4,052,960	\$ 1,438,681

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14. Related Party Transactions

	December 31, 2018	December 31, 2017
a) Due from related parties		
Befesa and BST ⁽ⁱ⁾	\$ 201,558	\$ 169,929
Subscription due from director	-	55,600
	\$ 201,558	\$ 225,529

	December 31, 2018	December 31, 2017
b) Due to related parties		
Notes payable to directors	\$ -	\$ 508,490
Debenture from director	-	477,522
Romex Mining Corporation ⁽ⁱⁱⁱ⁾	86,860	92,790
Harte Gold Corp. ⁽ⁱⁱ⁾	159,289	65,129
	\$ 246,149	\$ 1,143,931

- 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 years ended December 31, 2018 and 2017, the Company 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 Company charged a total of \$162,034 to the related companies concerning these expenses for the year ended December 31, 2018 (2017 - \$157,380). Related companies also paid expenses of \$107,877 on behalf of the Company for the year ended December 31, 2018 (2017 - \$26,932).

During the year ended December 31, 2018, the Company 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 \$1,995,730, including \$1,344,730 share-based compensation expense (2017 - \$1,175,600 including \$650,000 share-based compensation). 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.

On January 23, 2015, the Company invested \$1,250,000 for the subscription of 1,250,000 units of GAFC. The units consisted of 1,250,000 common shares of GAFC and 625,000 common share purchase warrant securities ("Warrants") exercisable at \$1.50 per share of GAFC for a period of 24 months from the date GAFC's common shares are listed for trading on a stock exchange.

On December 22, 2017, Global Atomic acquired GAFC. As a result of this transaction, GAFC became a 100% owned subsidiary of the Corporation; the warrants held by the Company were cancelled and the \$1,250,000 investment was revalued to its fair value of \$322,050 with a loss of \$927,950 being recorded in 2017. In 2017, in anticipation of the acquisition of GAFC, Global Atomic advanced \$3,544,115 to GAFC (2016 - \$205,000). As of December 22, 2017, the outstanding intercompany receivable from GAFC of \$3,677,618 was converted into an investment in GAFC and eliminated on consolidation (Note 6).

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. Interest accrued at an annual rate of 15%. In May 2018, the Company repaid the debenture in full along with accrued interest of \$102,522.

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15. 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 (a)	152,139,372	\$ 18,553,028
Share issue costs	-	(17,370)
Share consolidation at 2.75:1(a)	(187,246,238)	-
Balance, December 31, 2017	106,997,850	\$ 36,591,973
Private placement of common shares(b)	29,539,666	\$ 8,861,900
Finder's fee paid by common shares	1,172,000	351,600
Share issue costs		(737,222)
Balance, December 31, 2018	137,709,516	\$ 45,068,251

- (a) 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. \$18,535,658 is net of \$17,370 share issue costs.
- (b) On November 16, 2018, the Company closed a private placement of 29,539,666 common shares at a price of \$0.30 per common share for gross proceeds of \$8,861,900. In connection with the private placement, finder's fees of \$465,000 plus 1,485,380 warrants were paid. The warrants are exercisable at \$0.30 per common share for a period of 18 months. Recipients of \$351,500 of the cash portion of the finder's fees elected to be paid in shares rather than cash.

16. Share Purchase Warrants

The following table reflects the continuity of stock options for the years ended December 31, 2018 and 2017:

	Year Ended		Year Ended	
	December 31, 2018		December 31, 2017	
	Number	Value	Number	Value
Balance, beginning of year	5,349,957	\$ 853,409	-	\$ -
Issued	1,485,380	239,146	5,349,957	853,409
Balance, end of year	6,835,337	\$ 1,092,555	5,349,957	\$ 853,409

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

	Expiring		
	June 21, 2019*	December 21 2019*	May 15 2020
Share price	\$0.12	\$0.12	\$0.31
Exercise price	\$0.23	\$0.70	\$0.30
Risk-free interest rate	1.10%	1.10%	2.20%
Expected dividend yield	0%	0%	0%
Stock price volatility	127%	127%	111%
Expected life of warrants in years	1.5	2.0	1.5

*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 a similar term.

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The following warrants were outstanding at December 31, 2018:

Issue Date	Expiry Date	Outstanding	Exercise Price	Remaining Life (Years)
22-Dec-17	21-Jun-19	2,453,977	\$0.64	0.47
22-Dec-17	21-Dec-19	321,532	2.88	0.97
22-Dec-17	21-Dec-19	2,574,448	1.92	0.97
16-Nov-18	15-Jun-20	1,485,380	0.30	1.41
		6,835,337	\$1.15	0.89

17. Stock Options

The following table reflects the continuity of stock options for the years ended December 31, 2018 and 2017:

	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	0.25
Granted(d)	3,069,900	0.35
Balance, December 31, 2018	13,769,546	\$ 0.282

(a) On April 24, 2017, Global Atomic granted 8,750,000 options to directors, officers and consultants of the Company, exercisable at \$0.10 per common share through April 23, 2022. These options vested immediately.

(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, officers and consultants of the Company, exercisable at \$0.25 per common share through April 4, 2023. These options vest immediately.

(d) On December 19, 2018, Global Atomic granted 3,069,900 options to directors, officers and consultants of the Company, exercisable at \$0.35 per common share through December 19, 2023. 2,519,900 of these options vest immediately, with the balance vesting in 2019 and 2020 based on certain milestones.

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

	Expiring on		
	April 23, 2022	April 4, 2023	December 19, 2023
Share price	\$0.261	\$0.225	\$0.300
Exercise price	\$0.275	\$0.250	\$0.350
Risk-free interest rate	1.03%	2.03%	1.90%
Expected dividend yield	0%	0%	0%
Stock price volatility	127%	127%	124%
Expected life of options in years	5.0	5.0	5.0
Number of options granted	8,750,000	5,554,190	3,069,900
Number of options vested	8,750,000	5,554,190	2,519,900
Value attributed to the option grant	\$650,000	\$1,054,740	\$626,952

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The following table reflects the actual stock options issued and outstanding as of December 31, 2017:

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	0.52	1,963,637	1,963,637	-
April 23, 2022	0.275	3.31	3,181,819	3,181,819	-
April 4, 2023	0.250	4.25	5,554,190	5,554,190	-
December 19, 2023	0.350	4.97	3,069,900	2,519,900	550,000
	\$ 0.275	3.66	13,769,546	13,219,546	550,000

18. Segmented Information

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

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

Assets	December 31,	
	2018	2017
Corporate	\$ 7,929,633	\$ 2,293,300
EAFD Business (at 49%)	10,267,742	10,495,350
Uranium Business	32,490,590	25,714,062
	\$ 50,687,964	\$ 38,502,712

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

Year ended December 31, 2018	(at 100%)		(at 49%)		Uranium Business	Corporate	Total
	EAFD Business		EAFD Business	Adjustments			
Revenues	\$ 43,879,535	\$	21,500,972	\$ (21,500,972)	\$ -	\$ 851,520	\$ 851,520
Cost of sales	20,956,163		10,268,520	(10,268,520)	-	-	-
Income (loss) from operations	22,923,373		11,232,452	(11,232,452)	-	851,520	851,520
Share of net earnings from joint venture	-		-	(10,496,927)	-	-	(10,496,927)
Depreciation	309,113		151,465	(151,465)	-	-	-
General and administration	-		-	-	395,567	3,657,393	4,052,960
Management fees and sales commissions	1,723,903		844,713	(844,713)	-	-	-
Foreign exchange loss (gain)	(4,583,183)		(2,245,760)	2,245,760	-	(210,375)	(210,375)
Interest expense (income)	3,812		1,868	(1,868)	-	96,309	96,309
Other expense (income)	(39,673)		(19,440)	19,440	-	-	-
Loss on property disposition	262,430		128,591	(128,591)	-	-	-
Tax expense	3,824,671		1,874,088	(1,874,088)	-	-	-
Loss on revaluation of investment	-		-	-	-	-	-
Net income (loss)	\$ 21,422,299	\$	10,496,927	\$ -	\$ (395,567)	\$ (2,691,807)	\$ 7,409,553

Year ended December 31, 2017	(at 100%)		(at 49%)		Uranium Business	Corporate	Total
	EAFD Business		EAFD Business	Adjustments			
Revenues	\$ 38,850,608	\$	19,036,798	\$ (19,036,798)	\$ -	\$ 889,860	\$ 889,860
Cost of sales	16,859,468		8,261,139	(8,261,139)	-	-	-
Income (loss) from operations	21,991,140		10,775,659	(10,775,659)	-	889,860	889,860
Share of net earnings from joint venture	-		-	(6,936,798)	-	-	(6,936,798)
Depreciation	566,525		277,597	(277,597)	-	-	-
General and administration	-		-	-	8,939	1,429,742	1,438,681
Management fees and sales commissions	1,816,041		889,860	(889,860)	-	-	-
Foreign exchange loss (gain)	175,138		85,818	(85,818)	-	318,104	318,104
Interest expense (income)	(50,162)		(24,579)	24,579	-	(3,122)	(3,122)
Other expense (income)	(7,719)		(3,782)	3,782	-	-	-
Loss on property disposition	-		-	-	-	-	-
Tax expense	5,334,587		2,613,947	(2,613,947)	-	-	-
Loss on revaluation of equity investment	-		-	-	-	927,950	927,950
Net income (loss)	\$ 14,156,730	\$	6,936,798	\$ -	\$ 8,939	\$ (1,782,814)	\$ 5,145,045

19. Income per Share

a) Basic

Basic income per share is calculated by dividing the net income attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year.

	2018	2017
Net income	\$ 7,409,553	\$ 5,145,045
Weighted-average number of shares outstanding	110,784,220	53,038,581
Basic net income per share	\$ 0.067	\$ 0.097

Weighted-average number of shares outstanding for 2017 represent effect of Global Atomic consolidating its shares at a ratio of 2.75 to 1 on December 22, 2017.

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b) Diluted

Diluted income per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. For 2018 and 2017, the Company's source of potentially dilutive common shares are stock options and warrants. For this, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's outstanding shares for the period), based on the exercise prices attached to the stock options. The number of shares calculated above is compared with the number of shares that would have been issued assuming exercise of the stock options.

	2018	2017
Net income	\$ 7,409,553	\$ 5,145,045
Weighted-average number of shares outstanding	110,784,220	53,038,581
Adjustments for stock options & warrants	1,559,759	579,466
Weighted-average number of shares outstanding for diluted income per share	112,343,978	53,618,047
Diluted net income per share	\$ 0.066	\$ 0.096

Weighted-average number of shares outstanding for 2017 represents effect of Global Atomic consolidating its shares at a ratio of 2.75 to 1 on December 22, 2017.

20. Capital Management

In managing its capital, the Company's objective is to ensure the Company is able to continue as a going concern and that it has sufficient ability to satisfy its capital obligations and ongoing operational expenses. The Company considers the components of shareholders' equity as its capital (managed capital), which at December 31, 2018 totaled \$49,956,750 (December 31, 2017 - \$35,012,083). Management adjusts the capital structure as necessary in order to support its business strategy. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

21. Income Tax

For 2018, the Company's statutory tax rate is 26.5%, composed of a 15% rate of Canadian Federal corporate tax and the 11.5% rate of Ontario provincial tax. There have been no changes in the statutory tax rate from 2017.

The tax on the Company's profit before tax is different from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2018	2017
Net income for the year	\$ 7,409,553	\$ 5,145,045
Income tax provision at Canadian federal and provincial statutory rates	1,963,532	\$ 1,363,437
Effect of change in temporary differences not recognized	372,506	172,250
Non-deductible amounts	445,648	302,564
Joint venture recognized using the equity method	(2,781,686)	(1,838,251)
Provision for income taxes	\$ -	\$ -

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The following table summarizes deductible temporary differences for which no deferred tax asset has been recognized:

	2018	2017
Mineral properties	\$ 4,212,458	\$ 2,880,612
Non-capital loss carry-forwards	31,913,961	30,430,935
Plant and equipment	1,000,462	790,441
Share issue costs	226,437	33,083
Total	\$ 37,353,318	\$ 34,135,071

The Company has available non-capital losses which may be carried forward to reduce taxable income in future years. Non-capital losses amounting to \$31,913,961 will expire as follows:

2026	447,139
2027	684,675
2028	822,260
2029	1,123,258
2030	1,504,241
2031	2,376,589
2032	3,735,445
2033	5,361,049
2034	5,070,076
2035	1,474,602
2036	4,840,160
2037	3,176,503
2038	1,297,964
	\$ 31,913,961

22. Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency, and commodity and equity price risks).

Credit Risk

The Company's credit risk in relation to Canadian operations is attributable to cash and cash equivalents and accounts receivable, the aggregate carrying amount of which represents the maximum exposure (December 31, 2018 - \$7,983,750, December 31, 2017 - \$2,452,542). Cash is held with reputable financial institutions (99% in Canada and 1% in Niger), from which management believes the risk of loss to be minimal. Accounts receivable include management fee and sales commission receivable from Befesa, expenses paid on behalf of related companies and harmonized sales tax receivable from the Canadian government. Befesa's credit rating is B+/stable and management believes the risk of loss to be minimal. All accounts receivable amounts are in good standing as at December 31, 2018.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from sales commissions, management fees and dividends from the joint venture, as well as equity raises. As at December 31, 2018, the Company had a cash and cash equivalents balance of \$7,700,966 (December 31, 2017 - \$2,132,572) and accounts receivable of \$282,784 (December 31, 2017 - \$319,970) to settle current liabilities of \$731,213 (December 31, 2017 - \$3,490,629). The Company utilizes planning, budgeting and forecasting processes to help ensure that funding requirements for contractual and other obligations are met. All accounts payable and accrued liabilities' contractual maturities are up to one year.

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Market Risk

(a) Interest rate risk

At December 31, 2018 and 2017, the Company had short-term bank deposits at reputable Canadian banks bearing no interest rate. Accordingly, the Company was not exposed to any significant interest rate risks at December 31, 2018 or 2017.

(b) Foreign currency risk

The Company's head office is located in Canada, while dividends, sales commissions and management fees from the joint venture are in US dollar and its exploration related costs are in euros, exposing the Company to changes in the US dollar and euro versus the Canadian dollar. Sensitivity to a plus or minus 5% change in US dollar and euro against the Canadian dollar, with all other variables held constant, as at December 31, 2018 and 2017 would have the impact as follows:

As of December 31, 2018	US Dollar	Euro	Total C\$ Equivalent
Cash and cash equivalents	\$ 6,346	\$ 1,059,564	\$ 1,662,955
Accounts receivable	147,748	-	201,558
Accounts payable, accrued liabilities and taxes payable	(29,874)	(179,109)	(320,397)
Net monetary exposure	124,220	880,455	
Total C\$ equivalent	169,461	1,374,654	
Sensitivity in C\$ to a 5% change in exchange rate	\$ 8,473	\$ 68,733	

As of December 31, 2017	US Dollar	Euro	Total C\$ Equivalent
Cash and cash equivalents	\$ 681,943	\$ 174,886	\$ 1,119,062
Accounts receivable	142,027	5,479	178,173
Accounts payable, accrued liabilities and taxes payable	(329,362)	(743,917)	(1,534,407)
Net monetary exposure	494,608	(563,552)	
Total C\$ equivalent	612,305	(849,477)	
Sensitivity in C\$ to a 5% change in exchange rate	\$ 30,615	\$ (42,474)	

(c) Commodity price risk

The Company has commodity price risk in relation to its joint venture. The joint venture sells zinc concentrates and is exposed to changes in the price of international zinc prices as quoted on the London Metals Exchange. Sales of zinc concentrate are recognized in revenue on a provisional pricing basis when title transfers and the rights and obligations of ownership pass to the customer, which can occur at different times depending on the contract. Final pricing is typically not determined until a subsequent date. Accordingly, revenue in any period is based on current prices for sales occurring in the period and ongoing pricing adjustments from sales that are still subject to final pricing. These pricing adjustments result in additional revenues in a rising price environment and reductions to revenue in a declining price environment. The effect of these adjustments on income is mitigated by the effect that changing commodity prices have on treatment charges and taxes. For the year ended December 31, 2018, a plus or minus 10% change in the price of zinc, if all other variables were held constant, would affect the Company's share of net earnings from joint venture by approximately \$2,150,000 (2017 - \$1,900,000).

23. Financial Instruments

Certain of the Company'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

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- Level 3 – Inputs that are not based on observable market data.

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

24. 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 Company committed to incur certain exploration expenditures on its permits before the permits expire. On December 17, 2018, the Republic of Niger Ministry of Mines approved an extension of the Adrar Emoles 3 and 4 and Tin Negoran 1, 2, 3 and 4 Exploration Permits for a period of two years to January 28, 2021. The permits require the following further exploration expenditures over their remaining terms (Note 9).

Exploration Permit	Expiry Date	Required Exploration Expenditure (US\$)		Spent to Date		Remaining Commitment (US\$)
Adrar Emoles 3	January 28, 2021	\$	5,293,750	\$	7,045,563	\$ -
Adrar Emoles 4	January 28, 2021		4,087,300		36,721	4,050,579
Total Adrar Emoles			9,381,050		7,082,284	4,050,579
Tin Negoran 1	January 28, 2021	\$	301,367	\$	32,017	\$ 269,350
Tin Negoran 2	January 28, 2021		336,879		31,958	304,921
Tin Negoran 3	January 28, 2021		850,070		31,991	818,079
Tin Negoran 4	January 28, 2021		461,592		31,812	429,780
Total Tin Negoran			1,949,908		127,779	1,822,129
Total Permit Expenditure		\$	11,330,958	\$	7,210,063	\$ 5,872,708

As described in Note 1, the Company is focused on the Adrar Emoles 3 Exploration Permit and has completed the exploration expenditure commitments. The Company may not spend the full committed amounts on the other five permits prior to their expiry. The Company may reapply for new Mining Agreements covering these five permit areas should the existing Mining Agreements terminate after January 2021.

(b) Office lease agreement

The Company has an office lease agreement. The agreement was signed on January 12, 2015 and is for a period of three years commencing on July 1, 2015 and expiring on June 30, 2018. In August 2017, the office lease agreement was extended for a further period of three years commencing on July 1, 2018 and expiring on June 30, 2021. As of December 31, 2017, remaining commitments on the lease agreement are as follows:

2019	\$ 241,958
2020	\$ 241,958
2021	\$ 120,979

Companies with a director or directors in common with the Company share the office space and reimburse the Company for a share of the rent.

25. Subsequent Events

On January 18, 2019, the Company completed a private placement of 3,925,000 common shares at \$0.32 per share for gross proceeds of \$1,256,000. Finder's fees of \$62,800 plus 196,250 warrants were paid in connection with this private placement. The warrants are exercisable at \$0.32 per common share at any time up to July 18, 2020.