



GLOBAL ATOMIC CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2020 & 2019**

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Global Atomic Corporation (the "Corporation" or "Global Atomic") for the three and six months ended June 30, 2020 and 2019 have been prepared by the management of Global Atomic Corporation, reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors.

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

August 13, 2020

"Stephen G. Roman"
Stephen G. Roman
Chairman, President & CEO

"Rein A. Lehari"
Rein A. Lehari
Chief Financial Officer

Global Atomic Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note reference	As at	
		June 30, 2020	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents		\$ 4,884,278	\$ 3,890,665
Accounts receivable	4,9	692,510	414,476
Prepaid expenses		32,685	34,310
		5,609,473	4,339,451
Non-current assets			
Plant and equipment		126,668	176,163
Advance payments for exploration and evaluation		295,965	703,450
Exploration and evaluation assets	5,17	35,532,041	32,515,297
Investment in joint venture	6	12,856,825	15,870,717
Total assets		\$ 54,420,972	\$ 53,605,078
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7,9	\$ 501,973	\$ 489,972
Current portion of lease liability	8	103,744	109,861
		605,717	599,833
Non-current liabilities			
Long-term lease liability	8	-	47,922
Total liabilities		605,717	647,755
Equity			
Share capital	10	50,957,045	47,998,176
Share purchase warrants	11	524,570	69,494
Contributed surplus		9,010,597	8,880,685
Retained earnings		7,346,914	9,933,550
Accumulated other comprehensive loss		(14,023,871)	(13,924,582)
Total equity		53,815,255	52,957,323
Total liabilities and equity		\$ 54,420,972	\$ 53,605,078

Commitments and contingent liabilities

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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
Consolidated Statements of Income (Loss)
(Expressed in Canadian Dollars)

	Note reference	Three months ended June 30,		Six months ended June 30,	
		2020	2019	2020	2019
Revenues	9	\$ 225,456	\$ -	\$ 449,653	\$ 53,678
Income from operations		225,456	-	449,653	53,678
General and administration	13	948,460	1,327,038	1,501,288	1,782,908
Finance (income) expense		4,412	-	8,856	-
Foreign exchange (gain) loss		7,063	141	(18,129)	60,572
Share of net loss (income) from joint venture	6	363,072	(3,608,756)	1,604,274	(5,619,023)
Other income	9	(30,000)	(30,000)	(60,000)	(60,000)
Net income (loss) before income taxes		(1,067,551)	2,311,577	(2,586,636)	3,889,221
Current income tax expense		-	-	-	-
Deferred income tax expense		-	-	-	-
Net income (loss)		\$ (1,067,551)	\$ 2,311,577	\$ (2,586,636)	\$ 3,889,221
Basic net income per share	14	(\$0.007)	\$0.016	(\$0.017)	\$0.027
Diluted net income per share	14	(\$0.007)	\$0.015	(\$0.016)	\$0.026
Basic weighted-average number of shares outstanding	14	150,610,282	142,721,198	149,338,279	141,827,544
Diluted weighted-average number of shares outstanding	14	159,229,299	152,871,304	158,801,398	149,566,812

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

Global Atomic Corporation
Consolidated Statements of Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net income (loss) for the period	\$ (1,067,551)	\$ 2,311,577	\$ (2,586,636)	\$ 3,889,221
Other comprehensive income (loss) for the period				
Items that may be subsequently classified to statements of income				
Share of currency translation adjustment of Niger operations	(448,679)	(152,027)	1,310,329	(1,300,045)
Share of currency translation adjustment of joint venture	(1,224,095)	(619,853)	(1,409,618)	(1,774,383)
	<u>(1,672,774)</u>	<u>(771,880)</u>	<u>(99,289)</u>	<u>(3,074,428)</u>
Comprehensive income (loss) for the period	\$ <u>(2,740,325)</u>	\$ <u>1,539,697</u>	\$ <u>(2,685,925)</u>	\$ <u>814,793</u>

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

Global Atomic Corporation
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note reference	Share Capital	Share Purchase Warrants	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance, December 31, 2019		\$ 47,998,176	\$ 69,494	\$ 8,880,685	\$ 9,933,550	\$ (13,924,582)	\$ 52,957,323
Shares issued	10	2,830,647	492,353	-	-	-	3,323,000
Share issue costs	10	(167,705)	-	-	-	-	(167,705)
Broker warrants issued	10,11	-	32,217	-	-	-	32,217
Warrants exercised	10,11	196,514	(69,494)	-	-	-	127,020
Warrants expired	11	-	-	-	-	-	-
Stock option expense	12	-	-	169,325	-	-	169,325
Stock options exercised	10,12	99,413	-	(39,413)	-	-	60,000
Net income (loss)		-	-	-	(2,586,636)	-	(2,586,636)
Other comprehensive income (loss)		-	-	-	-	(99,289)	(99,289)
Balance, June 30, 2020		\$ 50,957,045	\$ 524,570	\$ 9,010,597	\$ 7,346,914	\$ (14,023,871)	\$ 53,815,255
Balance, December 31, 2018		\$ 45,068,251	\$ 853,409	\$ 7,748,771	\$ 6,196,717	\$ (9,910,398)	\$ 49,956,750
Shares issued	10	1,256,000	-	-	-	-	1,256,000
Share issue costs	10	(104,821)	-	-	-	-	(104,821)
Broker warrants issued	10,11	-	34,991	-	-	-	34,991
Warrants exercised	10,11	4,600	(1,600)	-	-	-	3,000
Warrants expired	11	-	(315,081)	315,081	-	-	-
Stock options exercised	10,12	1,189,550	-	(498,415)	-	-	691,135
Net income (loss)		-	-	-	3,889,221	-	3,889,221
Other comprehensive income (loss)		-	-	-	-	(3,074,428)	(3,074,428)
Balance, June 30, 2019		47,413,580	571,719	7,565,437	10,085,938	(12,984,826)	52,651,848
Warrants exercised	10,11	581,382	(203,043)	-	-	-	378,339
Warrants expired	11	-	(299,182)	299,182	-	-	-
Stock option expense	12	-	-	1,019,279	-	-	1,019,279
Stock options exercised	10,12	3,214	-	(3,213)	-	-	1
Net income (loss)		-	-	-	(152,388)	-	(152,388)
Other comprehensive income (loss)		-	-	-	-	(939,756)	(939,756)
Balance, December 31, 2019		\$ 47,998,176	\$ 69,494	\$ 8,880,685	\$ 9,933,550	\$ (13,924,582)	\$ 52,957,323

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

Global Atomic Corporation
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note reference	Three months ended June 30,		Six months ended June 30,	
		2020	2019	2020	2019
Cash generated from (used in)					
Operating activities					
Net income (loss)		\$ (1,067,551)	\$ 2,311,577	\$ (2,586,636)	\$ 3,889,221
Share of net loss (earnings) from joint venture	6	363,072	(3,608,756)	1,604,274	(5,619,023)
Stock option expense	16	169,325	-	169,325	-
Depreciation expense		30,924	-	60,271	-
Interest expense on lease liability		1,984	-	4,406	-
		(502,246)	(1,297,179)	(748,360)	(1,729,802)
Non-cash working capital items:					
Accounts receivable	4	(115,815)	(352,804)	(278,034)	(232,107)
Prepaid expenses		10,999	(3,762)	1,625	(23,132)
Accounts payable and accrued liabilities	7	(37,328)	4,748	12,065	71,572
Cash flows generated from (used in) operating activities - net		(644,390)	(1,648,997)	(1,012,704)	(1,913,469)
Financing activities					
Private placement of common shares	10	3,323,000	-	3,323,000	1,256,000
Share issue costs	10	(135,488)	-	(135,488)	(69,830)
Warrants exercised	15	127,020	3,000	127,020	3,000
Stock options exercised	10,12	-	429,999	60,000	691,135
Payment of lease liability		(29,223)	-	(58,445)	-
Cash flows generated from financing activities - net		3,285,309	432,999	3,316,087	1,880,305
Investing activities					
Advance payments for exploration and evaluation expenditures		402,571	(101,430)	382,362	(101,430)
Purchase property, plant & equipment		(705)	4	(12,702)	(2,366)
Exploration and evaluation expenditures		(1,295,002)	(661,134)	(1,714,965)	(1,612,516)
Cash flows used in investing activities - net		(893,136)	(762,560)	(1,345,304)	(1,716,312)
Net change in cash and cash equivalents		1,747,783	(1,978,558)	958,079	(1,749,476)
Effect of exchange rate changes on cash and cash equivalents		45,893	(122,519)	35,534	(122,519)
Cash and cash equivalents, beginning of period		3,090,602	7,930,048	3,890,665	7,700,966
Cash and cash equivalents, end of period		\$ 4,884,278	\$ 5,828,971	\$ 4,884,278	\$ 5,828,971

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

Global Atomic Corporation
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Six Months ended June 30, 2020 and 2019
(Expressed in Canadian Dollars)

1. Nature of Operations

Global Atomic Corporation 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 (“Uranium Business”).

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

The 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 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 three and six months ended June 30, 2020 and 2019 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 6).

The Corporation’s mineral resource properties are located in Niger. Through its wholly-owned subsidiary, Global Atomic Fuels Corporation (“G AFC”), the Corporation holds six Mining Agreements and related Exploration Permits in Niger, on which it has conducted exploration activities for uranium. In recent years, the Company has focused its exploration activities on the Dasa discovery on the Adrar Emoles 3 property. The Company has previously disclosed resource estimates, and completed an updated preliminary economic assessment on the Dasa resource in Q2 2020, but has not yet determined whether Dasa resource 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.

2. Basis of Presentation and Statement of Compliance

(a) Statement of Compliance

The unaudited condensed interim consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (“IFRIC”) interpretations applicable to companies reporting under IFRS, including IAS 34, Interim Financial Reporting and include the operating results of Global Atomic and its subsidiaries and joint ventures. Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Corporation’s annual financial statements for the year ended December 31, 2019, which were prepared in accordance with IFRS.

These unaudited condensed interim consolidated financial statements as at and for the period ended June 30, 2020 and 2019 were authorized for issuance on August 13, 2020 by the Global Atomic Board of Directors.

(b) Continuation of Operations

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and the Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

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

3. Significant Accounting Policies, Accounting Standards and Amendments

The accounting policies adopted are consistent with those of the Company's financial statements for the year ended December 31, 2019.

4. Accounts Receivable

	June 30, 2020	December 31, 2019
Management fees & sales commissions receivable ^(a) (Notes 6, 9)	\$ 251,426	\$ 173,195
Harmonized sales tax receivable	300,696	174,610
Due from related party (Note 9)	126,635	66,635
Other	13,753	36
Total accounts receivable	\$ 692,510	\$ 414,476

(a) Management fees and sales commissions are receivable from BST and Befesa, respectively, and are deemed collectible with no allowance for doubtful debts provided as at June 30, 2020 and December 31, 2019.

5. Exploration and Evaluation Assets

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

Adrar Emoies Exploration Permits

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

On January 17, 2013, the Niger Ministry of Mines approved the Corporation's renewal of both Exploration Permits, subject to the relinquishment of 50% of the surface area as per the requirements of the Niger Mining Code. There were no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas. The Adrar Emoies 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 Niger Ministry of Mines approved the Corporation's renewal of Adrar Emoies 3 and 4 Permits, subject to the relinquishment of a further 50% of the remaining surface area as per the requirements of the Niger Mining Code for a period of three years commencing the date of renewal. On December 17, 2018, the Permits were extended for two years and now expire on 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 over the remaining period, except in the case of Adrar Emoies 3. As at June 30, 2020, the Corporation has incurred exploration expenditures primarily on the Adrar Emoies 3 permit; with only limited expenditures in respect of the Adrar Emoies 4 permit (Note 17).

Tin Negoran Exploration Permits

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For the Three and Six Months ended June 30, 2020 and 2019
(Expressed in Canadian Dollars)

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

On January 18, 2013, the Niger Ministry of Mines approved the Corporation's renewal of all four Exploration Permits, subject to the relinquishment of 50% of the surface area as per the requirements of the Niger Mining Code. There were no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas. The Tin Negoran Exploration Permits were renewed until January 18, 2016 with required exploration expenditures on the Tin Negoran 1, 2, 3 and 4 Permits of US\$378,197, US\$336,879, US\$850,070 and US\$461,592, respectively. Minimal expenditures were made on the Tin Negoran Permits during this period.

On January 29, 2016, the Niger Ministry of Mines approved the Corporation's renewal of Tin Negoran 1, 2, 3 and 4 Permits, subject to the relinquishment of a further 50% of the remaining surface area as per the requirements of the Niger Mining Code for a period of three years commencing the date of renewal. Required expenditures remained the same. On December 17, 2018, the Permits were further extended until January 29, 2021. There are no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas. Limited expenditures have been made on these permits as of June 30, 2020 (Note 17).

Niger Mining Code

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

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

6. Investment in Joint Venture

At June 30, 2020, the Corporation holds a 49% interest in the BST joint venture, with the remaining 51% held by Befesa. The BST joint venture is governed by the Shareholders Agreement between the joint venture partners that requires unanimous approval for certain key strategic, operating, investing and financing policies of the BST joint venture. The investment in the BST joint venture is accounted for using the equity method. There are no publicly quoted market prices for BST.

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

Global Atomic Corporation
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Six Months ended June 30, 2020 and 2019
(Expressed in Canadian Dollars)

Summarized consolidated statements of financial position:

	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 2,573,076	\$ 1,001,910
Other current assets (excluding cash and cash equivalents)	11,806,522	11,145,023
Non-current assets	47,592,922	54,119,457
	\$ 61,972,520	\$ 66,266,390
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,154,008	\$ 7,589,945
Income tax payable	-	-
Loans payable (1)	8,161,536	3,082,229
Long-term liabilities (2)	24,418,558	23,204,997
	\$ 35,734,102	\$ 33,877,171
Net assets	\$ 26,238,418	\$ 32,389,219
The Company's equity share of net assets of joint venture	\$ 12,856,825	\$ 15,870,717

Note 1: At June 30, 2020, loans payable totaled US \$6.0 million (US \$2.0 million at December 31, 2019). The loans bear interest at rates of 3.3% to 3.8% and mature in August/September 2020, but are expected to rollover for another year.

Note 2: Included in long-term liabilities is a US \$16,850,000 (US \$16,850,000 at December 31, 2019) loan payable to Befesa. The loan was taken out in tranches which mature over the period May through December 2022, and bear interest at Libor + 4.0%.

Summarized consolidated statements of income (loss):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenues	\$ 8,810,299	\$ 171,612	\$ 17,094,569	\$ 5,356,688
Cost of sales	7,281,400	1,359,891	14,430,707	5,307,918
Depreciation	712,625	20,964	1,610,037	48,884
Management fees and sales commissions	457,545	8,235	907,972	123,961
Foreign exchange loss (gain) (1)	982,518	(435,357)	3,499,757	(774,737)
Interest expense (income)	428,088	80,705	913,123	111,788
Other expenses (income)	-	(563)	-	(7,103)
Loss on property disposition	-	16,012	-	16,222
Tax expense	(310,914)	(8,243,081)	(992,997)	(10,937,638)
Net income (loss)	\$ (740,963)	\$ 7,364,806	\$ (3,274,030)	\$ 11,467,393
The Company's equity share of net income (loss) of joint venture	\$ (363,072)	\$ 3,608,756	\$ (1,604,274)	\$ 5,619,023
Other comprehensive loss	\$ (2,498,153)	\$ (1,265,006)	\$ (2,876,771)	\$ (3,621,190)
The Company's equity share of other comprehensive loss of joint venture	\$ (1,224,095)	\$ (619,853)	\$ (1,409,618)	\$ (1,774,383)

Note 1: The foreign exchange gain in 2019 relates entirely to revenues, due to translation of US\$ based sales into Turkish Lira on the date of sale, and the subsequent receipt after the Turkish Lira has depreciated. In 2020, the foreign exchange loss of \$3,499,757 is a net amount, reflecting a foreign exchange gain on revenues of \$755,091 offsetting a foreign exchange loss of \$4,254,847. The foreign exchange loss is an unrealized loss and results from the translation of US dollar

Global Atomic Corporation
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(Expressed in Canadian Dollars)

denominated debt into Turkish Lira and then into Canadian dollars in a period during which both the Turkish Lira and Canadian dollar depreciated significantly against the US dollar.

The Turkish entities qualified for an investment tax credit incentive on the investment in the new plant, of which TL 77.2 million (CDN \$16.6 million) remains as a carried-forward amount at June 30, 2020.

Statements of investment in joint venture:

Opening net assets of the Company's investments in joint venture at January 1, 2020	\$ 15,870,717
Company's share of loss of joint venture	(1,604,274)
Dividends from joint venture	-
Company's share of other comprehensive loss of joint venture	(1,409,618)
Carrying value of the Company's investment in joint venture at June 30, 2020	\$ 12,856,825
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Opening net assets of the Company's investments in joint venture at January 1, 2019	\$ 10,267,743
Company's share of net earnings of joint venture	7,671,204
Dividends from joint venture	-
Company's share of other comprehensive loss of joint venture	(2,068,230)
Carrying value of the Company's investment in joint venture at December 31, 2019	\$ 15,870,717

7. Accounts Payable and Accrued Liabilities

	June 30, 2020	December 31, 2019
Trade payables	\$ 302,059	\$ 276,649
Due to related parties (Note 9)	17,914	18,323
Accrued expenses and other liabilities	182,000	195,000
Total accounts payable and accrued liabilities	\$ 501,973	\$ 489,972

8. Lease Liability

	June 30, 2020	December 31, 2019
Property and office space lease bearing interest at an estimated rate of 6.507%. The lease extends through fiscal 2021.	\$ 103,744	\$ 157,783
Less: current portion	(103,744)	(109,861)
	\$ -	\$ 47,922

9. Related Party Transactions

Global Atomic Corporation
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Six Months ended June 30, 2020 and 2019
(Expressed in Canadian Dollars)

a) Due from related parties	June 30, 2020	December 31, 2019
Befesa and BST ⁽ⁱ⁾	\$ 251,426	\$ 173,195
Harte Gold Corp. ⁽ⁱⁱⁱ⁾	126,635	66,635
	\$ 378,061	\$ 239,830

b) Due to related parties	June 30, 2020	December 31, 2019
Romex Mining Corporation	\$ 17,914	\$ 18,323
	\$ 17,914	\$ 18,323

- 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. Harte Gold Corp. is related as it had directors and officers in common during the period. The intercompany charges relate to a share of the office rent.

During the six months ended June 30, 2020, the Corporation paid key management personnel, including officers, directors, or their related entities for management services. Compensation of key management personnel and directors for services provided was \$811,075 (2019 - \$1,175,490). At June 30, 2020, the amount payable related to these services was \$nil (December 31, 2019 – \$nil). These transactions were in the normal course of operations.

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

10. Share Capital

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

	Number of Shares	Amount
Balance, December 31, 2018	137,709,516	\$ 45,068,251
Private placement of common shares(a)	3,925,000	\$ 1,256,000
Share issue costs	-	(104,821)
Warrants exercised	1,271,135	585,982
Options exercised	2,531,818	1,192,764
Balance, December 31, 2019	145,437,469	\$ 47,998,176
Private placement of common shares(b)	5,538,333	\$ 2,830,647
Share issue costs	-	(167,705)
Warrants exercised	410,315	196,514
Options exercised	200,000	99,413
Balance, June 30, 2020	151,586,117	\$ 50,957,045

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- (a) On January 21, 2019, the Company closed a private placement of 3,925,000 common shares at a price of \$0.32 per common share for gross proceeds of \$1,256,000. In connection with the private placement, finder's fees of \$62,800 plus 196,250 warrants were paid. The warrants are exercisable at \$0.32 per common share for a period of 18 months.
- (b) On May 15, 2020, the Company closed a private placement of 5,538,333 common shares at a price of \$0.60 per unit for gross proceeds of \$3,323,000. Each unit comprised one common share and one-half share purchase warrant, with each full warrant exercisable at \$0.85 per common share for a period of 24 months. Of the total proceeds, \$492,353 was allocated to warrants and \$2,830,647 to the common shares. In connection with the private placement, finder's fees of \$114,500 plus 149,000 warrants were paid. The warrants are exercisable at \$0.67 per common share for a period of 24 months.

11. Share Purchase Warrants

Share purchase warrant transactions during the six months ended June 30, 2020 and year ended December 31, 2019 were as follows:

	Six months ended		Year Ended	
	June 30, 2020		December 31, 2019	
	Number	Value	Number	Value
Balance, beginning of period	410,495	\$ 69,494	6,835,337	\$ 853,409
Issued	2,918,167	524,570	196,250	34,991
Exercised	(410,495)	(69,494)	(1,271,135)	(204,643)
Expired	-	-	(5,349,957)	(614,263)
Balance, end of period	2,918,167	\$ 524,570	410,495	\$ 69,494

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

	Expiring on	
	May 15, 2022	May 15, 2022
Share price	\$0.56	\$0.56
Exercise price	\$0.85	\$0.67
Risk-free interest rate	0.30%	0.30%
Expected dividend yield	0%	0%
Stock price volatility	81%	81%
Expected life of warrants in years	2.0	2.0

The following warrants were outstanding at June 30, 2020:

Issue Date	Expiry Date	Outstanding	Exercise Price	Remaining Life (Years)
15-May-20	15-May-22	2,769,167	0.85	1.87
15-May-20	15-May-22	149,000	0.67	1.87
		2,918,167	\$0.84	1.87

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12. Stock Options

The following table reflects the continuity of stock options for the six months ended June 30, 2020:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2018	13,769,546	\$ 0.282
Granted (a)	2,329,546	0.500
Exercised (b)	(2,531,818)	0.273
Balance, December 31, 2019	13,567,274	\$ 0.321
Granted (c)	1,000,000	0.475
Granted (d)	400,000	0.500
Exercised (e)	(200,000)	0.300
Forfeited	(400,000)	0.350
Balance, June 30, 2020	14,367,274	\$ 0.336

- (a) On August 14, 2019, Global Atomic granted 2,329,546 options to directors, officers, employees, and consultants of the Company, exercisable at \$0.50 per common share through August 14, 2024. These options vest immediately.
- (b) During 2019, 2,531,818 stock options were exercised. The weighted average share price at the date of exercise was \$0.45.
- (c) On March 31, 2020, Global Atomic granted 1,000,000 options to an officer of the Company, exercisable at \$0.40-0.50 per common share through March 31, 2025. 250,000 options vested immediately, with the balance vesting over time through 2023.
- (d) On June 25, 2020, Global Atomic granted 400,000 options to a director and consultant of the Company, exercisable at \$0.50 per common share through June 25, 2025. 50,000 options vested immediately, with the balance vesting over time through 2023.
- (e) During 2020, 200,000 stock options were exercised. The weighted average share price at the date of exercise was \$0.37.

The following table reflects the actual stock options issued and outstanding as of June 30, 2020:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
April 23, 2022	\$ 0.275	1.86	2,818,182	2,818,182	-
April 4, 2023	0.250	2.76	5,249,645	5,249,645	-
December 19, 2023	0.350	3.47	2,569,900	2,569,900	-
August 14, 2024	0.500	4.13	2,329,546	2,329,546	-
March 31, 2025	0.400	4.75	250,000	250,000	-
March 31, 2025	0.500	4.75	750,000	-	750,000
June 25, 2025	0.500	4.99	400,000	50,000	350,000
	\$ 0.320	3.13	14,367,273	13,267,273	1,100,000

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13. General and administration

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Management fees	\$ 277,500	\$ 774,911	\$ 441,514	\$ 980,101
Stock option expense	169,325	-	169,325	-
Professional fees	106,562	119,112	176,631	119,112
Travel expenses	1,828	(68,666)	15,888	14,573
Occupancy costs	43,234	123,619	124,796	196,188
Depreciation	30,924	-	60,271	-
Office and general expenses	268,298	126,429	373,736	199,252
Interest expense	-	-	-	-
Listing fees	25,191	108,994	60,967	124,674
Proxy services	-	-	-	-
Investor relations	25,598	142,639	78,160	149,008
	\$ 948,460	\$ 1,327,038	\$ 1,501,288	\$ 1,782,908

14. 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 period.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net income	\$ (1,067,551)	\$ 2,311,577	\$ (2,586,636)	\$ 3,889,221
Weighted-average number of shares outstanding	150,610,282	142,721,198	149,338,279	141,827,544
Basic net income per share	\$ (0.007)	\$ 0.016	\$ (0.017)	\$ 0.027

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. 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.

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	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net income	\$ (1,067,551)	\$ 2,311,577	\$ (2,586,636)	\$ 3,889,221
Weighted-average number of shares outstanding	150,610,282	142,721,198	149,338,279	141,827,544
Adjustments for stock options & warrants	8,619,017	10,150,106	9,463,119	7,739,268
Weighted-average number of shares outstanding for diluted income per share	159,229,299	152,871,304	158,801,398	149,566,812
Diluted net income per share	\$ (0.007)	\$ 0.015	\$ (0.016)	\$ 0.026

15. Segmented Information

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

Assets	June 30, December 31,	
	2020	2019
Corporate	\$ 5,011,605	\$ 4,051,390
EAFD Business (at 49%)	12,856,825	15,870,717
Uranium Business	36,552,542	33,682,971
	\$ 54,420,972	\$ 53,605,078

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

Three months ended June 30, 2020	(at 100%)		(at 49%)		Adjustments	Uranium Business	Corporate	Total
	EAFD Business	EAFD Business	EAFD Business	EAFD Business				
Revenues	\$ 8,810,299	\$ 4,317,047	\$ (4,317,047)	\$ -	\$ -	\$ 225,456	\$ 225,456	
Cost of sales	7,281,400	3,567,886	(3,567,886)	-	-	-	-	
Income (loss) from operations	1,528,899	749,161	(749,161)	-	-	225,456	225,456	
Share of net earnings from joint venture	-	-	363,072	-	-	-	363,072	
Depreciation	712,625	349,186	(349,186)	-	-	-	-	
General and administration	-	-	-	187,706	760,754	948,460		
Management fees and sales commissions	457,545	224,197	(224,197)	-	-	-	-	
Foreign exchange loss (gain)	982,518	481,434	(481,434)	138	6,925	7,063		
Interest expense (income)	428,088	209,763	(209,763)	1,734	2,678	4,412		
Other expense (income)	-	-	-	-	(30,000)	(30,000)		
Tax expense	(310,914)	(152,347)	152,347	-	-	-	-	
Net income (loss)	\$ (740,963)	\$ (363,072)	\$ -	\$ (189,578)	\$ (514,901)	\$ (1,067,551)		

Three months ended June 30, 2019	(at 100%)		(at 49%)		Adjustments	Uranium Business	Corporate	Total
	EAFD Business	EAFD Business	EAFD Business	EAFD Business				
Revenues	\$ 171,612	\$ 84,090	\$ (84,090)	\$ -	\$ -	\$ -	\$ -	
Cost of sales	1,359,891	666,347	(666,347)	-	-	-	-	
Income (loss) from operations	(1,188,279)	(582,257)	582,257	-	-	-	-	
Share of net earnings from joint venture	-	-	(3,608,756)	-	-	-	(3,608,756)	
Depreciation	20,964	10,272	(10,272)	-	-	-	-	
General and administration	-	-	-	311,024	1,016,014	1,327,038		
Management fees and sales commissions	8,235	4,035	(4,035)	-	-	-	-	
Foreign exchange loss (gain)	(435,357)	(213,325)	213,325	3,306	(3,165)	141		
Interest expense (income)	80,705	39,545	(39,545)	-	-	-	-	
Other expense (income)	(563)	(276)	276	-	(30,000)	(30,000)		
Loss on property disposition	16,012	7,846	(7,846)	-	-	-	-	
Tax expense	(8,243,081)	(4,039,110)	4,039,110	-	-	-	-	
Net income (loss)	\$ 7,364,806	\$ 3,608,756	\$ -	\$ (314,330)	\$ (982,849)	\$ 2,311,577		

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Six months ended June 30, 2020	(at 100%)		(at 49%)				Total
	EAFD		EAFD		Uranium		
	Business	Business	Adjustments	Business	Corporate		
Revenues	\$ 17,094,569	\$ 8,376,339	\$ (8,376,339)	\$ -	\$ 449,653		\$ 449,653
Cost of sales	14,430,707	7,071,046	(7,071,046)	-	-		-
Income (loss) from operations	2,663,862	1,305,293	(1,305,293)	-	449,653		449,653
Share of net earnings from joint venture	-	-	1,604,274	-	-		1,604,274
Depreciation	1,610,037	788,918	(788,918)	-	-		-
General and administration	-	-	-	436,219	1,065,069		1,501,288
Management fees and sales commissions	907,972	444,906	(444,906)	-	-		-
Foreign exchange loss (gain)	3,499,757	1,714,881	(1,714,881)	(17,388)	(741)		(18,129)
Interest expense (income)	913,123	447,430	(447,430)	3,355	5,501		8,856
Other expense (income)	-	-	-	-	(60,000)		(60,000)
Loss on property disposition	-	-	-	-	-		-
Tax expense	(992,997)	(486,568)	486,568	-	-		-
Net income (loss)	\$ (3,274,030)	\$ (1,604,274)	\$ -	\$ (422,186)	\$ (560,176)		\$ (2,586,636)

Six months ended June 30, 2019	(at 100%)		(at 49%)				Total
	EAFD		EAFD		Uranium		
	Business	Business	Adjustments	Business	Corporate		
Revenues	\$ 5,356,688	\$ 2,624,777	\$ (2,624,777)	\$ -	\$ 53,678		\$ 53,678
Cost of sales	5,307,918	2,600,880	(2,600,880)	-	-		-
Income (loss) from operations	48,770	23,897	(23,897)	-	53,678		53,678
Share of net earnings from joint venture	-	-	(5,619,023)	-	-		(5,619,023)
Depreciation	48,884	23,953	(23,953)	-	-		-
General and administration	-	-	-	511,809	1,271,099		1,782,908
Management fees and sales commissions	123,961	60,741	(60,741)	-	-		-
Foreign exchange loss (gain)	(774,737)	(379,621)	379,621	58,315	2,257		60,572
Interest expense (income)	111,788	54,776	(54,776)	-	-		-
Other expense (income)	(7,103)	(3,480)	3,480	-	(60,000)		(60,000)
Loss on property disposition	16,222	7,949	(7,949)	-	-		-
Tax expense	(10,937,638)	(5,359,444)	5,359,444	-	-		-
Net income (loss)	\$ 11,467,393	\$ 5,619,023	\$ -	\$ (570,124)	\$ (1,159,678)		\$ 3,889,221

16. Financial Instruments

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

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

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As at June 30, 2020 and December 31, 2019, the Corporation did not have any assets or liabilities that were measured at fair value at Level 1 or Level 2.

17. 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 5).

Exploration Permit	Expiry Date	Required Exploration Expenditure (US\$)	Spent to Date	Remaining Commitment (US\$)
Adrar Emoles 3	January 28, 2021	\$ 5,293,750	\$ 9,935,656	\$ -
Adrar Emoles 4	January 28, 2021	4,087,300	47,683	4,039,617
Total Adrar Emoles		9,381,050	9,983,339	4,039,617
Tin Negoran 1	January 28, 2021	\$ 301,367	\$ 42,956	\$ 258,411
Tin Negoran 2	January 28, 2021	336,879	42,918	293,961
Tin Negoran 3	January 28, 2021	850,070	42,969	807,101
Tin Negoran 4	January 28, 2021	461,592	42,754	418,838
Total Tin Negoran		1,949,908	171,598	1,778,310
Total Permit Expenditure		\$ 11,330,958	\$ 10,154,936	\$ 5,817,927

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.