



# **GLOBAL ATOMIC CORPORATION**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 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 nine months ended September 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.

November 11, 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)**

		<b>As at</b>	
	Note reference	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		\$ 3,828,157	\$ 3,890,665
Accounts receivable	4,9	393,872	414,476
Prepaid expenses		22,899	34,310
		<u>4,244,928</u>	<u>4,339,451</u>
Non-current assets			
Plant and equipment		101,897	176,163
Advance payments for exploration and evaluation		848,622	703,450
Exploration and evaluation assets	5,17	36,531,590	32,515,297
Investment in joint venture	6	9,934,450	15,870,717
<b>Total assets</b>		<b>\$ 51,661,487</b>	<b>\$ 53,605,078</b>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities			
Accounts payable and accrued liabilities	7,9	\$ 476,690	\$ 489,972
Current portion of lease liability	8	76,060	109,861
		<u>552,750</u>	<u>599,833</u>
Non-current liabilities			
Long-term lease liability	8	-	47,922
<b>Total liabilities</b>		<b>552,750</b>	<b>647,755</b>
Equity			
Share capital	10	51,031,999	47,998,176
Share purchase warrants	11	524,570	69,494
Contributed surplus		9,035,997	8,880,685
Retained earnings		5,464,442	9,933,550
Accumulated other comprehensive loss		(14,948,271)	(13,924,582)
<b>Total equity</b>		<b>51,108,737</b>	<b>52,957,323</b>
<b>Total liabilities and equity</b>		<b>\$ 51,661,487</b>	<b>\$ 53,605,078</b>

**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	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues	9	\$ 146,225	\$ 19,697	\$ 595,878	\$ 73,375
<b>Income from operations</b>		<b>146,225</b>	<b>19,697</b>	<b>595,878</b>	<b>73,375</b>
General and administration	13	676,197	1,524,448	2,177,485	3,307,358
Finance expense		3,870	-	12,726	-
Foreign exchange (gain) loss		(2,659)	(19,220)	(20,788)	41,351
Share of net loss (earnings) from joint venture	6	1,384,333	(2,245,579)	2,988,607	(7,864,602)
Other income	9	(33,044)	(30,000)	(93,044)	(90,000)
<b>Net income before income taxes</b>		<b>(1,882,472)</b>	<b>790,048</b>	<b>(4,469,108)</b>	<b>4,679,268</b>
Current income tax expense		-	-	-	-
Deferred income tax expense		-	-	-	-
<b>Net income (loss)</b>		<b>\$ (1,882,472)</b>	<b>\$ 790,048</b>	<b>\$ (4,469,108)</b>	<b>\$ 4,679,268</b>
<b>Basic net income per share</b>	14	<b>(\$0.012)</b>	<b>\$0.005</b>	<b>(\$0.030)</b>	<b>\$0.033</b>
<b>Diluted net income per share</b>	14	<b>(\$0.012)</b>	<b>\$0.005</b>	<b>(\$0.028)</b>	<b>\$0.031</b>
<b>Basic weighted-average number of shares outstanding</b>	14	<b>150,695,757</b>	<b>144,532,683</b>	<b>149,402,735</b>	<b>142,762,854</b>
<b>Diluted weighted-average number of shares outstanding</b>	14	<b>157,871,978</b>	<b>153,419,264</b>	<b>157,541,571</b>	<b>150,085,354</b>

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

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

	<u>Three months ended September 30</u>		<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net income (loss) for the year	\$ (1,882,472)	\$ 790,048	\$ (4,469,108)	\$ 4,679,268
Other comprehensive income (loss) for the year				
Items that may be subsequently classified to statements of income				
Share of currency translation adjustment of Niger operations	613,642	(791,693)	1,923,971	(2,091,738)
Share of currency translation adjustment of joint venture	(1,538,042)	484,014	(2,947,660)	(1,290,369)
	<u>(924,400)</u>	<u>(307,679)</u>	<u>(1,023,689)</u>	<u>(3,382,107)</u>
<b>Comprehensive income (loss) for the year</b>	<b>\$ (2,806,872)</b>	<b>\$ 482,369</b>	<b>\$ (5,492,797)</b>	<b>\$ 1,297,161</b>

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
<b>Balance, December 31, 2019</b>		<b>\$ 47,998,176</b>	<b>\$ 69,494</b>	<b>\$ 8,880,685</b>	<b>\$ 9,933,550</b>	<b>\$ (13,924,582)</b>	<b>\$ 52,957,323</b>
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	196,485	(69,465)	-	-	-	127,020
Warrants expired	11	-	(29)	29	-	-	-
Stock option expense	12	-	-	227,064	-	-	227,064
Stock options exercised	10,12	174,396	-	(71,781)	-	-	102,615
Net income (loss)		-	-	-	(4,469,108)	-	(4,469,108)
Other comprehensive income (loss)		-	-	-	-	(1,023,689)	(1,023,689)
<b>Balance, September 30, 2020</b>		<b>\$ 51,031,999</b>	<b>\$ 524,570</b>	<b>\$ 9,035,997</b>	<b>\$ 5,464,442</b>	<b>\$ (14,948,271)</b>	<b>\$ 51,108,737</b>
<b>Balance, December 31, 2018</b>		<b>\$ 45,068,251</b>	<b>\$ 853,409</b>	<b>\$ 7,748,771</b>	<b>\$ 6,196,717</b>	<b>\$ (9,910,398)</b>	<b>\$ 49,956,750</b>
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	572,153	(199,813)	-	-	-	372,340
Warrants expired	11	-	(315,081)	315,081	-	-	-
Stock option expense	12	-	-	1,019,279	-	-	1,019,279
Stock options exercised	10,12	1,189,550	-	(498,415)	-	-	691,135
Net income (loss)		-	-	-	4,679,268	-	4,679,268
Other comprehensive income (loss)		-	-	-	-	(3,382,107)	(3,382,107)
<b>Balance, September 30, 2019</b>		<b>47,981,133</b>	<b>373,506</b>	<b>8,584,716</b>	<b>10,875,985</b>	<b>(13,292,505)</b>	<b>54,522,835</b>
Shares issued	10	-	-	-	-	-	-
Share issue costs	10	-	-	-	-	-	-
Broker warrants issued	10,11	-	-	-	-	-	-
Warrants exercised	10,11	13,829	(4,830)	-	-	-	8,999
Warrants expired	11	-	(299,182)	299,182	-	-	-
Stock option expense	12	-	-	-	-	-	-
Stock options exercised	10,12	3,214	-	(3,213)	-	-	1
Net income (loss)		-	-	-	(942,435)	-	(942,435)
Other comprehensive income (loss)		-	-	-	-	(632,077)	(632,077)
<b>Balance, December 31, 2019</b>		<b>\$ 47,998,176</b>	<b>\$ 69,494</b>	<b>\$ 8,880,685</b>	<b>\$ 9,933,550</b>	<b>\$ (13,924,582)</b>	<b>\$ 52,957,323</b>

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	<u>Three months ended September 30</u>		<u>Nine months ended September 30,</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash generated from (used in)</b>					
<b>Operating activities</b>					
Net income (loss)		\$ (1,882,472)	\$ 790,048	\$ (4,469,108)	\$ 4,679,268
Share of net loss (earnings) from joint venture	6	1,384,333	(2,245,579)	2,988,607	(7,864,602)
Stock option expense	16	57,740	1,019,279	227,064	1,019,279
Depreciation expense		31,646	-	83,696	-
Interest expense on lease liability		1,539	-	5,945	-
		(407,214)	(436,252)	(1,163,796)	(2,166,055)
Non-cash working capital items:					
Accounts receivable	4	298,638	120,366	20,604	(112,025)
Prepaid expenses		9,786	(3,475)	11,411	(8,636)
Accounts payable and accrued liabilities	7	(28,300)	(326,076)	(16,299)	(388,007)
Cash flows generated from (used in) operating activities - net		(127,090)	(645,437)	(1,148,080)	(2,674,723)
<b>Financing activities</b>					
Private placement of common shares	10	-	-	3,323,000	1,256,000
Share issue costs	10	-	-	(135,488)	(69,830)
Warrants exercised	15	-	369,340	127,020	372,340
Stock options exercised	10,12	42,614	-	102,615	691,135
Payment of lease liability		(29,223)	-	(87,668)	-
Cash flows generated from financing activities - net		13,391	369,340	3,329,479	2,249,645
<b>Investing activities</b>					
Advance payments for exploration and evaluation expenditures		(519,264)	10,426	(111,779)	(91,004)
Purchase property, plant & equipment		(5,156)	-	(17,858)	(2,366)
Exploration and evaluation expenditures		(392,886)	(155,930)	(2,107,851)	(1,768,446)
Cash flows used in investing activities - net		(917,306)	(145,504)	(2,237,487)	(1,861,816)
<b>Net change in cash and cash equivalents</b>		(1,031,004)	(421,601)	(56,088)	(2,286,894)
<b>Effect of exchange rate changes on cash and cash equivalents</b>		(25,117)	(207,381)	(6,420)	(214,084)
<b>Cash and cash equivalents, beginning of period</b>		4,884,278	5,828,970	3,890,665	7,700,966
<b>Cash and cash equivalents, end of period</b>		\$ 3,828,157	\$ 5,199,988	\$ 3,828,157	\$ 5,199,988

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

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

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**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 nine months ended September 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 (“GAFC”), 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 September 30, 2020 and 2019 were authorized for issuance on November 11, 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.

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,



**Global Atomic Corporation**  
**Notes to the Unaudited Condensed Interim Consolidated Financial Statements**  
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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**

	September 30, 2020	December 31, 2019
Management fees & sales commissions receivable <sup>(a)</sup> (Notes 6, 9)	\$ 192,828	\$ 173,195
Harmonized sales tax receivable	50,656	174,610
Due from related party (Note 9)	146,635	66,635
Other	3,753	36
<b>Total accounts receivable</b>	<b>\$ 393,872</b>	<b>\$ 414,476</b>

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

**5. Exploration and Evaluation Assets**

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

**Adrar Emoles Exploration Permits**

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

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

On January 29, 2016, the Republic of Niger Ministry of Mines approved the Corporation's renewal of Adrar Emoles 3 and 4 Permits, subject to the relinquishment of a further 50% of the remaining surface area as per the requirements of the Niger Mining Code for a period of three years commencing the date of renewal. 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 Emoles 3. As at September 30, 2020, the Corporation has incurred exploration expenditures primarily on the Adrar Emoles 3 permit; with only limited expenditures in respect of the Adrar Emoles 4 permit (Note 17).

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**Global Atomic Corporation**  
**Notes to the Unaudited Condensed Interim Consolidated Financial Statements**  
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**(Expressed in Canadian Dollars)**

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**Tin Negoran Exploration Permits**

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

On January 18, 2013, the Niger Ministry of Mines approved the Corporation's renewal of all four Exploration Permits, subject to the relinquishment of 50% of the surface area as per the requirements of the Niger Mining Code. There were no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas. The Tin Negoran Exploration Permits were renewed until January 18, 2016 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 Republic of Niger Ministry of Mines approved the Corporation's renewal of Tin Negoran 1, 2, 3 and 4 Permits, subject to the relinquishment of a further 50% of the remaining surface area as per the requirements of the Niger Mining Code for a period of three years commencing the date of renewal. 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 September 30, 2020 (Note 17).

**Mining Code of the Republic of Niger**

The Mining Code of the Republic of Niger provides that a company may only renew its exploration permits twice in order to perform exploration and evaluation activities. Accordingly, the renewal of Adrar Emoles 3 and 4 and Tin Negoran 1, 2, 3 and 4 Permits completed on January 29, 2016 may be the last renewal of such permits. Notwithstanding, the Mining Code further provides for an extension of one year to complete technical requirements for a feasibility study, 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 Mining Code of the Republic of Niger, the resource must be transferred to a newly incorporated Niger mining corporation upon the issuance of a mining permit. The Niger government is granted 10% of the common shares of the new Niger mining corporation at no cost and on a carried interest basis going forward. In turn, Global Atomic is entitled to recover the total costs incurred prior to the formation of the Niger mining corporation. The Republic of Niger has the right to elect to increase its interest in the common shares of the Niger mining corporation by up to 30% by committing to fund its proportional share of future debt and equity requirements.

**Global Atomic Corporation**  
**Notes to the Unaudited Condensed Interim Consolidated Financial Statements**  
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**6. Investment in Joint Venture**

At September 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:

**Summarized consolidated statements of financial position:**

	September 30, 2020	December 31, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 433,389	\$ 1,001,910
Other current assets (excluding cash and cash equivalents)	11,590,637	11,145,023
<b>Non-current assets (1)</b>	<b>41,888,501</b>	<b>54,119,457</b>
	<b>\$ 53,912,527</b>	<b>\$ 66,266,390</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 3,440,692	\$ 7,589,945
Income tax payable	-	-
Loans payable (2)	7,466,517	3,082,229
<b>Long-term liabilities (3)</b>	<b>22,730,930</b>	<b>23,204,997</b>
	<b>\$ 33,638,139</b>	<b>\$ 33,877,171</b>
<b>Net assets</b>	<b>\$ 20,274,388</b>	<b>\$ 32,389,219</b>
<b>The Company's equity share of net assets of joint venture</b>	<b>\$ 9,934,450</b>	<b>\$ 15,870,717</b>

Note 1: Non-current assets comprise \$27.5 million property, plant and equipment plus \$14.3 million deferred tax asset. The decline in recorded amounts at September 30, 2020 results from depreciation expense during the period (\$2.4 million) plus the 27% decline in the Turkish Lira exchange rate from 4.58 per Canadian dollar at December 31, 2019 to 5.80 per Canadian dollar at September 30, 2020

Note 2: At September 30, 2020, loans payable totaled US \$5.55 million (US \$2.0 million at December 31, 2019). The loans are revolving credit lines that bear interest at 3.75%.

Note 3: Included in long-term liabilities is a US \$15,600,000 (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%.

**Global Atomic Corporation**  
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**(Expressed in Canadian Dollars)**

**Summarized consolidated statements of income (loss):**

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Revenues	\$ 5,555,087	\$ 544,874	\$ 22,649,656	\$ 5,901,562
Cost of sales	3,681,069	1,172,162	18,111,776	6,480,080
Depreciation	802,560	25,511	2,412,597	74,395
Management fees and sales commissions	294,929	24,522	1,202,901	148,483
Foreign exchange loss (gain) (1)	3,804,002	(205,074)	7,303,759	(979,811)
Interest expense (income)	457,675	(25,551)	1,370,798	86,237
Other expenses (income)	(49,097)	(7,752)	(49,097)	(14,855)
Loss on property disposition	-	(15,228)	-	994
Tax expense	(610,882)	(5,006,531)	(1,603,879)	(15,944,169)
Net income	\$ (2,825,169)	\$ 4,582,815	\$ (6,099,199)	\$ 16,050,208
The Company's equity share of net income of joint venture	\$ (1,384,333)	\$ 2,245,579	\$ (2,988,607)	\$ 7,864,602
Other comprehensive loss	\$ (3,138,861)	\$ 987,784	\$ (6,015,633)	\$ (2,633,406)
The Company's equity share of other comprehensive loss of joint venture	\$ (1,538,042)	\$ 484,014	\$ (2,947,660)	\$ (1,290,369)

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 for the 9 months ended September 30, 2020 of \$7,303,759 (Q3 - \$3,804,002) is a net amount, reflecting a foreign exchange gain on revenues of \$1,367,023 (Q3 - \$611,932) offsetting a foreign exchange loss of \$8,670,782 (Q3 - \$4,415,934). The foreign exchange loss is an unrealized loss and results from the translation of US dollar 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 (\$16.6 million) remains as a carried forward amount at September 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 net earnings of joint venture	(2,988,607)
Dividends from joint venture	-
Company's share of other comprehensive loss of joint venture	(2,947,660)
Carrying value of the Company's investment in joint venture at September 30, 2020	\$ 9,934,450
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

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**7. Accounts Payable and Accrued Liabilities**

	September 30, 2020	December 31, 2019
Trade payables	\$ 251,776	\$ 276,649
Due to related parties (Note 9)	17,914	18,323
Accrued expenses and other liabilities	207,000	195,000
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 476,690</b>	<b>\$ 489,972</b>

**8. Lease Liability**

	September 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.	\$ 76,060	\$ 157,783
Less: current portion	(76,060)	(109,861)
	<b>\$ -</b>	<b>\$ 47,922</b>

**9. Related Party Transactions**

	September 30, 2020	December 31, 2019
<b>a) Due from related parties</b>		
Befesa and BST <sup>(i)</sup>	\$ 192,828	\$ 173,195
Harte Gold Corp. <sup>(ii)</sup>	146,635	66,635
	<b>\$ 339,463</b>	<b>\$ 239,830</b>

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

- 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 nine months ended September 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 \$1,197,675 (2019 - \$2,183,940). At September 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.

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**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	196,485
Options exercised	370,455	174,396
Balance, September 30, 2020	151,756,572	\$ 51,031,999

- (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 common share 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.

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**11. Share Purchase Warrants**

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

	Nine months ended September 30, 2020		Year Ended 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	(410,315)	(69,465)	(1,271,135)	(204,643)
Expired	(180)	(29)	(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 September 30, 2020:

Issue Date	Expiry Date	Outstanding	Exercise Price	Remaining Life (Years)
15-May-20	15-May-22	2,769,167	0.85	1.62
15-May-20	15-May-22	149,000	0.67	1.62
		<b>2,918,167</b>	<b>\$0.84</b>	<b>1.62</b>

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**12. Stock Options**

The following table reflects the continuity of stock options for the nine months ended September 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)	(370,455)	0.277
Forfeited	(550,000)	0.391
Balance, September 30, 2020	14,046,819	\$ 0.335

- (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, 370,455 stock options were exercised. The weighted average share price at the date of exercise was \$0.52.

The following table reflects the actual stock options issued and outstanding as of September 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	1.61	2,818,182	2,818,182	-
April 4, 2023	0.250	2.51	5,079,190	5,079,190	-
December 19, 2023	0.350	3.22	2,569,900	2,569,900	-
August 14, 2024	0.500	3.87	2,179,547	2,179,547	-
March 31, 2025	0.400	4.50	250,000	250,000	-
March 31, 2025	0.500	4.50	750,000	-	750,000
June 25, 2025	0.500	4.74	400,000	50,000	350,000
	\$ 0.335	2.87	14,046,819	12,946,819	1,100,000



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**13. General and administration**

	Three months ended September 30		Nine months ended September 30,	
	2020	2019	2020	2019
Management fees	\$ 203,750	\$ 190,648	\$ 645,264	\$ 1,170,749
Stock option expense	57,739	1,019,279	227,064	1,019,279
Professional fees	71,068	120,909	247,699	240,022
Travel expenses	523	6,276	16,411	20,849
Occupancy costs	44,336	18,448	169,132	214,636
Depreciation	31,645	-	91,916	-
Office and general expenses	201,169	84,320	574,905	283,573
Listing fees	20,844	24,543	81,811	149,217
Investor relations	45,123	60,025	123,283	209,033
	<b>\$ 676,197</b>	<b>\$ 1,524,448</b>	<b>\$ 2,177,485</b>	<b>\$ 3,307,358</b>

**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 September 30		Nine months ended September 30,	
	2020	2019	2020	2019
Net income	\$ (1,882,472)	\$ 790,048	\$ (4,469,108)	\$ 4,679,268
Weighted-average number of shares outstanding	151,842,540	144,532,683	149,402,735	142,762,854
Basic net income per share	\$ (0.012)	\$ 0.005	\$ (0.030)	\$ 0.033

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.

	Three months ended September 30		Nine months ended September 30,	
	2020	2019	2020	2019
Net income	\$ (1,882,472)	\$ 790,048	\$ (4,469,108)	\$ 4,679,268
Weighted-average number of shares outstanding	151,842,540	144,532,683	149,402,735	142,762,854
Adjustments for stock options & warrants	-	8,886,581	-	7,322,500
Weighted-average number of shares outstanding for diluted income per share	151,842,540	153,419,264	149,402,735	150,085,354
Diluted net income per share	\$ (0.012)	\$ 0.005	\$ (0.030)	\$ 0.031

Adjustments excluded for stock options & warrants <sup>(a) (b)</sup> 7,175,949 - 8,138,836 -

(a) Dilutive stock options and warrants were determined using the Company's average share price for the period. For the three and nine months ended September 30, 2020, the average share price used was \$0.656 and \$0.579, respectively.

(b) These adjustments were excluded as they were anti-dilutive.

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**15. Segmented Information**

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

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

<b>Assets</b>	<b>September 30, December 31,</b>	
	<b>2020</b>	<b>2019</b>
Corporate	\$ 3,726,100	\$ 4,051,390
EAFD Business (at 49%)	9,934,450	15,870,717
Uranium Business	38,000,937	33,682,971
	<b>\$ 51,661,487</b>	<b>\$ 53,605,078</b>

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

<b>Three months ended September 30, 2020</b>	<b>(at 100%)</b>		<b>(at 49%)</b>					
	<b>EAFD</b>		<b>EAFD</b>		<b>Uranium</b>		<b>Corporate</b>	<b>Total</b>
	<b>Business</b>		<b>Business</b>		<b>Business</b>			
			<b>Adjustments</b>					
Revenues	\$ 5,555,087	\$ 2,721,993	\$ (2,721,993)	\$ -	\$ 146,225	\$ -	\$ 146,225	\$ 146,225
Cost of sales	3,681,069	1,803,724	(1,803,724)	-	-	-	-	-
Income (loss) from operations	1,874,018	918,269	(918,269)	-	146,225	-	146,225	146,225
Share of net earnings from joint venture	-	-	1,384,333	-	-	-	1,384,333	-
Depreciation	802,560	393,254	(393,254)	-	-	-	-	-
General and administration	-	-	-	168,279	507,918	-	676,197	-
Management fees and sales commissions	294,929	144,515	(144,515)	-	-	-	-	-
Foreign exchange loss (gain)	3,804,002	1,863,961	(1,863,961)	(5,810)	3,151	-	(2,659)	-
Interest expense (income)	457,675	224,261	(224,261)	1,607	2,263	-	3,870	-
Other expense (income)	(49,097)	(24,058)	24,058	-	(33,044)	-	(33,044)	-
Tax expense	(610,882)	(299,331)	299,331	-	-	-	-	-
Net income (loss)	\$ (2,825,169)	\$ (1,384,333)	\$ -	\$ (164,076)	\$ (334,063)	\$ -	\$ (1,882,472)	-

<b>Three months ended September 30, 2019</b>	<b>(at 100%)</b>		<b>(at 49%)</b>					
	<b>EAFD</b>		<b>EAFD</b>		<b>Uranium</b>		<b>Corporate</b>	<b>Total</b>
	<b>Business</b>		<b>Business</b>		<b>Business</b>			
			<b>Adjustments</b>					
Revenues	\$ 544,874	\$ 266,988	\$ (266,988)	\$ -	\$ 19,697	\$ -	\$ 19,697	\$ 19,697
Cost of sales	1,172,162	574,359	(574,359)	-	-	-	-	-
Income (loss) from operations	(627,288)	(307,371)	307,371	-	19,697	-	19,697	19,697
Share of net earnings from joint venture	-	-	(2,245,579)	-	-	-	(2,245,579)	-
Depreciation	25,511	12,500	(12,500)	-	-	-	-	-
General and administration	-	-	-	246,833	1,277,615	-	1,524,448	-
Management fees and sales commissions	24,522	12,016	(12,016)	-	-	-	-	-
Foreign exchange loss (gain)	(205,074)	(100,486)	100,486	(20,632)	1,412	-	(19,220)	-
Interest expense (income)	(25,551)	(12,520)	12,520	-	-	-	-	-
Other expense (income)	(7,752)	(3,798)	3,798	-	(30,000)	-	(30,000)	-
Loss on property disposition	(15,228)	(7,462)	7,462	-	-	-	-	-
Tax expense	(5,006,531)	(2,453,200)	2,453,200	-	-	-	-	-
Net income (loss)	\$ 4,582,815	\$ 2,245,579	\$ -	\$ (226,201)	\$ (1,229,330)	\$ -	\$ 790,048	-

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Nine months ended September 30, 2020	(at 100%)		(at 49%)				Total
	EAFD		EAFD		Uranium		
	Business	Business	Adjustments	Business	Corporate		
Revenues	\$ 22,649,656	\$ 11,098,331	\$ (11,098,331)	\$ -	\$ 595,878	\$ 595,878	
Cost of sales	18,111,776	8,874,770	(8,874,770)	-	-	-	
Income (loss) from operations	4,537,880	2,223,561	(2,223,561)	-	595,878	595,878	
Share of net earnings from joint venture	-	-	2,988,607	-	-	2,988,607	
Depreciation	2,412,597	1,182,173	(1,182,173)	-	-	-	
General and administration	-	-	-	604,496	1,572,989	2,177,485	
Management fees and sales commissions	1,202,901	589,421	(589,421)	-	-	-	
Foreign exchange loss (gain)	7,303,759	3,578,842	(3,578,842)	(23,199)	2,411	(20,788)	
Interest expense (income)	1,370,798	671,691	(671,691)	4,963	7,763	12,726	
Other expense (income)	(49,097)	(24,058)	24,058	-	(93,044)	(93,044)	
Loss on property disposition	-	-	-	-	-	-	
Tax expense	(1,603,879)	(785,901)	785,901	-	-	-	
Net income (loss)	\$ (6,099,199)	\$ (2,988,607)	\$ -	\$ (586,260)	\$ (894,241)	\$ (4,469,108)	
<b>Nine months ended September 30, 2019</b>	<b>(at 100%)</b>	<b>(at 49%)</b>		<b>Uranium</b>			
	<b>EAFD</b>	<b>EAFD</b>	<b>Adjustments</b>	<b>Business</b>	<b>Corporate</b>	<b>Total</b>	
	<b>Business</b>	<b>Business</b>					
Revenues	\$ 5,901,562	\$ 2,891,765	\$ (2,891,765)	\$ -	\$ 73,375	\$ 73,375	
Cost of sales	6,480,080	3,175,239	(3,175,239)	-	-	-	
Income (loss) from operations	(578,518)	(283,474)	283,474	-	73,375	73,375	
Share of net earnings from joint venture	-	-	(7,864,602)	-	-	(7,864,602)	
Depreciation	74,395	36,454	(36,454)	-	-	-	
General and administration	-	-	-	758,642	2,548,716	3,307,358	
Management fees and sales commissions	148,483	72,757	(72,757)	-	-	-	
Foreign exchange loss (gain)	(979,811)	(480,107)	480,107	37,683	3,668	41,351	
Interest expense (income)	86,237	42,256	(42,256)	-	-	-	
Other expense (income)	(14,855)	(7,279)	7,279	-	(90,000)	(90,000)	
Loss on property disposition	994	487	(487)	-	-	-	
Tax expense	(15,944,169)	(7,812,644)	7,812,644	-	-	-	
Net income (loss)	\$ 16,050,208	\$ 7,864,602	\$ -	\$ (796,325)	\$ (2,389,009)	\$ 4,679,268	

## 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.

As at September 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.

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**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	\$ 10,223,463	\$ -
Adrar Emoles 4	January 28, 2021	4,087,300	47,683	4,039,617
<b>Total Adrar Emoles</b>		<b>9,381,050</b>	<b>10,271,146</b>	<b>4,039,617</b>
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
<b>Total Tin Negoran</b>		<b>1,949,908</b>	<b>171,598</b>	<b>1,778,310</b>
<b>Total Permit Expenditure</b>		<b>\$ 11,330,958</b>	<b>\$ 10,442,744</b>	<b>\$ 5,817,927</b>

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.