GLOBAL ATOMIC CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2020 and 2019

(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.

March 29, 2021

"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, 2020 and 2019, 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, 2020 and 2019;
- the consolidated statements of income (loss) for the years then ended;
- the consolidated statements of comprehensive loss 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 significant accounting policies and other explanatory information.

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.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of exploration and evaluation assets *Refer to note 3 – Significant accounting policies, note 5 – Critical accounting estimates and judgments and note 8 – Exploration and evaluation assets to the consolidated financial statements.* The total book value of the Company's exploration and evaluation assets amounted to $37.8 million as at December 31, 2020. At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets, which include events or changes in the circumstances indicating that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. If any such indicator exists, then an impairment test is performed by management. Management assesses the following industry- specific indicators: (i) exploration activities have ceased by taking into consideration the results of exploration activities conducted to date; (ii) no future exploration expenditure is planned; (iii) exploration results have not led to the discovery of commercially viable quantities of mineral resources based on the reports and opinions of geologists, mine engineers and consultants; (iv) permit ownership rights expire; and (v) an exploration property has no material economic value to the Company's business plan. No impairment indicators were identified by management as at December 31, 2020.	Our approach to addressing the matter included the following procedures, among others: ● Assessed the judgment made by management in determining the impairment indicators which included the following: – Obtained the permit ownership rights of the mineral resource properties to assess (i) the right to explore the area; and (ii) permit expiration dates. – Read the Board of Directors' minutes, obtained budget approvals and considered the results of exploration activities to date, to evidence future exploration expenditure planned and that exploration activities have not ceased. – Read the reports and opinions of geologists, mine engineers and consultants and assessed whether exploration results have not led to the discovery of commercially viable quantities of mineral resources, or whether an exploration property had no material economic value to the Company's business plan. – Assessed whether there are other changes in circumstances indicating that the carrying values of the exploration and evaluation assets may not be recoverable, based on the evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in its assessment of indicators of impairment related to exploration and evaluation assets, and these have resulted in a high degree of subjectivity in performing audit procedures.	

Other information

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Michael Hawtin.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 29, 2021

Global Atomic Corporation

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note reference	As at December 31, 2020	2019
ASSETS			
Current assets			
Cash		$ 2,448,235	$ 3,890,665
Accounts and other receivables	6,13	272,917	414,476
Prepaid expenses		73,066	34,310
		2,794,218	4,339,451
Non-current assets			
Plant and equipment	7	72,721	176,163
Advance payments for exploration and evaluation		864,320	703,450
Exploration and evaluation assets	8,23	37,812,477	32,515,297
Investment in joint venture	9	11,497,351	15,870,717
Total assets		$ 53,041,087	$ 53,605,078
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	10,13	$ 1,183,226	$ 489,972
Current portion of lease liability	11	47,923	109,861
		1,231,149	599,833
Non-current liabilities			
Long-term lease liability	11	-	47,922
Total liabilities		1,231,149	647,755
Equity			
Share capital	14	51,316,643	47,998,176
Share purchase warrants	15	522,856	69,494
Contributed surplus	16	9,089,650	8,880,685
Retained earnings		6,295,844	9,933,550
Accumulated other comprehensive loss		(15,415,055)	(13,924,582)
Total equity		51,809,938	52,957,323
Total liabilities and equity		$ 53,041,087	$ 53,605,078
Commitments and contingent liabilities	23		

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	Year ended December 31, 2020	2019
Revenues		$ 707,552	$ 239,451
Income from operations		707,552	239,451
General and administration	12,13,16	3,397,564	4,222,848
Finance expense		16,787	24,548
Foreign exchange loss		4,371	46,426
Share of net (earnings) loss from joint venture	9	1,012,580	(7,671,204)
Other income	13	(86,044)	(120,000)
Net income (loss) before income taxes		(3,637,706)	3,736,833
Current income tax expense	20	-	-
Deferred income tax expense	20	-	-
Net income (loss)		$ (3,637,706)	$ 3,736,833
Basic net income (loss) per share	18	($0.024)	$0.026
Diluted net income (loss) per share	18	($0.024)	$0.025
Basic weighted-average number of shares outstanding	18	149,403,862	143,434,883
Diluted weighted-average number of shares outstanding	18	149,403,862	150,561,905

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

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

	Year ended December 31,	
	2020	**2019**
Net income (loss) for the year	$ (3,637,706)	$ 3,736,833
Other comprehensive income (loss) for the year		
Items that may be subsequently classified to statements of income		
Currency translation adjustment of Niger operations	1,870,313	(1,945,954)
Currency translation adjustment of joint venture	(3,347,518)	(2,065,816)
	(1,477,205)	(4,011,770)
Items that will not be subsequently classified to statements of income		
Remeasurements of post employment benefit obligation of joint venture	(16,585)	(3,095)
Currency translation adjustment of joint venture	3,317	681
	(13,268)	(2,414)
Other comprehensive loss for the year	(1,490,473)	(4,014,184)
Comprehensive loss for the year	$ (5,128,179)	$ (277,351)

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	14	2,830,647	492,353	-	-	-	3,323,000
Shares to be issued	14	268,923	-	-	-	-	268,923
Share issue costs	14,15	(167,705)	-	-	-	-	(167,705)
Broker warrants issued	15	-	31,917	-	-	-	31,917
Warrants exercised	15	202,621	(70,879)	-	-	-	131,742
Warrants expired	15	-	(29)	29	-	-	-
Stock option expense	16	-	-	284,804	-	-	284,804
Stock options exercised	16	183,981	-	(75,868)	-	-	108,113
Net income (loss)		-	-	-	(3,637,706)	-	(3,637,706)
Other comprehensive loss		-	-	-	-	(1,490,473)	(1,490,473)
Balance, December 31, 2020		**$ 51,316,643**	**$ 522,856**	**$ 9,089,650**	**$ 6,295,844**	**$ (15,415,055)**	**$ 51,809,938**
Balance, December 31, 2018		**$ 45,068,251**	**$ 853,409**	**$ 7,748,771**	**$ 6,196,717**	**$ (9,910,398)**	**$ 49,956,750**
Shares issued	14	1,256,000	-	-	-	-	1,256,000
Share issue costs	14,15	(104,821)	-	-	-	-	(104,821)
Broker warrants issued	15	-	34,991	-	-	-	34,991
Warrants exercised	15	585,982	(204,643)	-	-	-	381,339
Warrants expired	15	-	(614,263)	614,263	-	-	-
Stock option expense	16	-	-	1,019,279	-	-	1,019,279
Stock options exercised	16	1,192,764	-	(501,628)	-	-	691,136
Net income		-	-	-	3,736,833	-	3,736,833
Other comprehensive loss		-	-	-	-	(4,014,184)	(4,014,184)
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	Year ended December 31, 2020	2019
Cash generated from (used in)			
Operating activities			
Net income (loss)		$ (3,637,706)	$ 3,736,833
Share of net (earnings) loss from joint venture	9	1,012,580	(7,671,204)
Stock option expense	16	284,804	1,019,279
Depreciation expense	7	119,907	119,719
Interest expense on lease liability		7,030	13,933
		(2,213,385)	(2,781,440)
Non-cash working capital items:			
Accounts receivable	6	141,559	(131,396)
Prepaid expenses		(38,756)	(7,012)
Accounts payable and accrued liabilities	10	683,817	(230,150)
Cash flows used in operating activities		(1,426,765)	(3,149,998)
Financing activities			
Private placement of common shares	14	3,323,000	1,256,000
Common shares to be issued	14	268,923	-
Share issue costs	14	(135,488)	(69,830)
Warrants exercised	15	131,442	381,339
Stock options exercised	16	108,113	691,136
Payment of lease liability		(116,890)	(116,890)
Cash flows generated from financing activities		3,579,100	2,141,755
Investing activities			
Advance payments for exploration and evaluation expenditures		(108,517)	(423,377)
Purchase property, plant & equipment	7	(16,900)	(3,851)
Exploration and evaluation expenditures	8	(3,462,580)	(2,227,802)
Cash flows used in investing activities		(3,587,997)	(2,655,030)
Net change in cash		(1,435,662)	(3,663,273)
Effect of exchange rate changes on cash		(6,768)	(147,028)
Cash, beginning of period		3,890,665	7,700,966
Cash, end of period		$ 2,448,235	$ 3,890,665
Interest paid during the year		$ 7,030	$ 13,933
Interest received during the year		-	-
Income taxes paid during the year		-	-

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

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 years ended December 31, 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 9).

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, the related Exploration Permits, and a Mining Permit in Niger, on which it has conducted exploration activities for uranium. In recent years, the GAFC 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 2^{nd} quarter of 2020, but has not yet determined whether the 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.

The Company's consolidated financial statements are prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board 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. On January 21, 2021, the Exploration Permits were extended to December 17, 2023. Of the total exploration commitment, US$5,293,750 related to the Adrar Emoles 3 permit and GAFC has spent such funds. On December 23, 2020, GAFC was granted a Mining Permit for the Dasa Project on behalf of a Niger mining company to be incorporated. The Mining Permit has an initial term of 10 years and is renewable until the resource has been fully depleted. The Mining Permit will be transferred to the Niger mining company upon its incorporation. Upon incorporation, the Republic of Niger is granted for $nil proceeds a 10% carried interest in the common shares of the Niger mining company. 10% of the common shares of the new company are issued to the government at no cost nor further actions, and, if additional common shares are issued in the future, the government is issued its pro rata share at no cost, so that it maintains its 10% interest. The Republic of Niger also has the option, exercisable at the time of incorporation, to subscribe for up to an additional 30% in the common shares of the Niger mining company, provided it commits to fund its proportionate share of capital costs and operating deficits for such additional interest.

(Expressed in Canadian Dollars)

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, 2020 and 2019 were approved by the Global Atomic Board of Directors on March 29, 2021.

3. Significant Accounting Policies

Significant accounting policies used in the preparation of these consolidated financial statements are as follows.

(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, 2020	Effective Interest As at December 31, 2019
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%

(a) Befesa Silvermet Turkey, S.L. ("BST") is a joint venture between Silvermet (Malta) Limited and Befesa.
(b) 100% owned by BST.

3. Significant Accounting Policies (Continued)

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.

(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 9). 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

Cash includes liquid cash balances. Cash excludes cash subject to restrictions. As at December 31, 2020 and December 31, 2019, Global Atomic's cash balance consists of cash on hand held with banks.

(e) Revenue recognition

Revenue consists of management fees and sales commissions charged to the joint venture. Management fees charged to the joint venture are recognized in revenue based on 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.

(f) Foreign exchange

Amounts included in these consolidated financial statements are expressed in Canadian dollars ("C$") unless otherwise noted. C$ is used as the 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's Niger operation's functional currency is the West African CFA Franc ("CFA"); Silvermet (Malta) Ltd. and BST's functional currencies are US$; and the Turkish entities' 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 operations, whose foreign exchange gains/losses are presented in the statements of comprehensive income (loss) as items that may be reclassified subsequently to the consolidated statements of income.

3. Significant Accounting Policies (Continued)

(g) Stock-based compensation

The Company has a stock option plan which is described in Note 16. 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 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 Uranium Business and the EAFD Business. The Company's Uranium Business 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 two reportable operating segments are the Uranium Business and the EAFD Business. 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.

3. Significant Accounting Policies (Continued)

(k) 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.

(l) Financial instruments

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

<u>Financial assets</u>

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 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.

The Company has classified cash and accounts and other receivables as financial assets carried at amortized cost.

<u>Financial liabilities</u>

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 other financial liabilities.

<u>Impairment</u>

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.

(m) 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.

3. Significant Accounting Policies (Continued)

(n) 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.

(o) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset;
ii. the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
iii. the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(p) 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
Computer equipment	3 years

When assets are retired, or sold, the resulting gains or losses are reflected in the consolidated statements of 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.

3. Significant Accounting Policies (Continued)

(q) 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 and exploration 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. 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.

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

- Exploration activities have ceased by taking into considerations the results of exploration activities conducted to date;
- No future exploration expenditures is planned;
- Exploration results have not led to the discovery of commercially viable quantities of mineral resources based on the reports and opinions of geologists, mine engineers and consultants;
- Permit ownership rights expire; and
- An exploration property has no material economic value to the Company's business plan.

The aggregate costs related to abandoned mineral claims are charged as an expense within the consolidated statements of 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.

(r) 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.

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 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. Significant Accounting Policies (Continued)

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	- 4-10 years
Office equipment and other	- 4-10 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.

(b) Revenue recognition

Sales of zinc concentrate are recognized in revenue on a provisional pricing basis when title transfers, collectability is reasonably assured, the zinc concentrate has been received at the destination smelter, and the rights and obligations of ownership pass to the customer. Final pricing is not determined until after the zinc concentrate weights and grades have been agreed to, and dependent on the terms of the contract, is typically based on the average London Metals Exchange price for some period after arrival at the smelter. 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. New Accounting Standards and Amendments

Certain pronouncements have been issued by the IASB that are effective for annual periods beginning on or after January 1, 2020. The Company has assessed the amendments and determined that there is no material impact on the accounting and presentation of the consolidated financial statements.

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2020. There are currently no such pronouncements that are expected to have a significant impact on the Company's consolidated financial statements upon adoption.

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) 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 over time when new information becomes available and may cause original estimates to change.

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

- Exploration activities have ceased by taking into considerations activities the results of exploration activities conducted to date;
- No future exploration expenditures is planned;
- Exploration results have not led to the discovery of commercially viable quantities of mineral resources based on the reports and opinions of geologists, mine engineers and consultants;
- Permit ownership rights expire; and/or
- An exploration property has no material economic value to the Company's business plan.

No impairment indicators were identified by management as at December 31, 2020.

(c) 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 16. Changes in assumptions used to estimate fair value could result in materially different results.

(d) COVID – 19

The global outbreak of a coronavirus ("COVID-19") has had a significant impact on the global economy including that of Canada, Turkey and Niger through restrictions put in place by the governments regarding travel, business operations and isolation orders to reduce the rate of spread of new infections. The Company's operations are subject to the risk of emerging infectious diseases such as COVID-19, which may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats.

Since the outbreak of COVID-19 in March 2020, the Company and its joint venture partner have focused their efforts to safeguard the health and well-being of its employees, consultants, and community members to ensure their safety during the global COVID-19 pandemic. The Company's offices in various countries continue to follow stringent COVID-19 workplace and response protocols and are abiding by local and national public health guidelines, which include personnel health screening, attendance monitoring, physical distancing measures, use of personal protective equipment, enhanced cleaning and disinfection procedures, and active case monitoring and reporting protocols.

At present, there do not appear to be any imminent COVID-19 related circumstances that are expected to disrupt the Company's operations. However, given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity, and scope of this pandemic and the potential impact it could have on the Company's operating and financial results.

(Expressed in Canadian Dollars)

6. Accounts and Other Receivables

		December 31, 2020		December 31, 2019
Management fees & sales commissions receivable[(a)] (Note 9)	$	157,611	$	173,195
Harmonized sales tax receivable		115,270		174,610
Due from related party (Note 13)		-		66,635
Other		36		36
Total accounts and other receivables	$	272,917	$	414,476

(a) Management fees and sales commissions are receivable from BST and Befesa respectively, and are determined to be fully collectible with insignificant credit losses provided as at December 31, 2020 and December 31, 2019.

7. Plant and Equipment

Plant and equipment balances as at December 31, 2020 and 2019 are as follows:

		Camp and buildings		Equipment & vehicles		Office furniture		Right of use asset		Total
COST										
Balance at December 31, 2018	$	112,563	$	97,798	$	1,662	$	-	$	212,023
Adoption of IFRS 16		-		-		-		260,740		260,740
Additions		-		3,579		272		-		3,851
Exchange differences		-		(1,990)		(14)		-		(2,004)
Balance at December 31, 2019		112,563		99,387		1,920		260,740		474,610
Additions		-		13,898		3,002		-		16,900
Exchange differences		111,782		58,328		1,765		-		171,875
Balance at December 31, 2020	$	224,345	$	171,613	$	6,687	$	260,740	$	663,385
ACCUMULATED DEPRECIATION										
As at December 31, 2018	$	(112,563)	$	(62,726)	$	(1,523)	$	-	$	(176,812)
Depreciation		-		(13,690)		(53)		(107,892)		(121,635)
Exchange differences		-		-		-		-		-
As at December 31, 2019		(112,563)		(76,416)		(1,576)		(107,892)		(298,447)
Depreciation		-		(13,382)		(549)		(107,892)		(121,823)
Exchange differences		(111,782)		(56,923)		(1,689)		-		(170,394)
As at December 31, 2020	$	(224,345)	$	(146,721)	$	(3,814)	$	(215,784)	$	(590,664)
NET BOOK VALUE										
As at December 31, 2018	$	-	$	35,072	$	139	$	-	$	35,211
As at December 31, 2019	$	-	$	22,971	$	344	$	152,848	$	176,163
As at December 31, 2020	$	-	$	24,892	$	2,873	$	44,956	$	72,721

8. 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:

Adrar Emoles Exploration Permits

In October 2007, GAFC 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, GAFC 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 GAFC'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. On January 21, 2021, the Exploration Permits for Adrar Emoles 3 and 4 were extended to December 17, 2023 (Note 24). There are no amounts capitalized as exploration and evaluation expenditures that specifically relate to the relinquished permit areas.

Certain permits require further exploration expenditures prior to their expiry. As at December 31, 2020, GAFC 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 23).

On December 23, 2020, the Republic of Niger Ministry of Mines granted a Mining Permit to GAFC for the Dasa Project on behalf of a Niger mining company to be incorporated. The Mining Permit has an initial term of 10 years and is renewable in successive 5 year terms, until the resource has been fully depleted. The Mining Permit will be transferred to the Niger mining company upon its incorporation, which is expected to occur during 2021. Upon incorporation, the Republic of Niger is granted a 10% carried interest in the common shares of the Niger mining company. The Republic of Niger also has the option, exercisable at the time of incorporation, to subscribe for up to an additional 30% in the common shares of the Niger mining company, provided it commits to fund its proportionate share of capital costs and operating deficits for such additional interest.

On January 28, 2021, GAFC received its Certificate of Environmental Compliance for the Dasa Project from Republic of Niger Ministry of Environment, Urban Health and Sustainable Development (Note 24). As a result, the Company now has all permits and approvals required for the development of the Dasa Project.

Tin Negoran Exploration Permits

In February 2007, GAFC 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 GAFC 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 GAFC's renewal of all four Exploration Permits for a three year period, 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 four 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, for the 4 permits over the period January 18, 2013 through January 18, 2016. Minimal expenditures were made on Tin Negoran exploration permits during this period.

(Expressed in Canadian Dollars)

8. Exploration and Evaluation Assets (Continued)

On January 29, 2016, the Republic of Niger Ministry of Mines approved GAFC'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. On January 21, 2021, Tin Negoran Exploration Permits for were further extended to December 17, 2023 (Note 24). 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, 2020 (Note 23).

The Company's exploration activities are as follows:

		December 31, 2020		December 31, 2019
Exploration and evaluation assets - beginning	**$**	**32,515,297**	**$**	**32,065,797**
Management fees, salaries and benefits		937,524		1,064,257
Equipment, fuel and maintenance		63,196		33,538
Camp costs		114,439		108,367
Drilling, assays and related costs		2,201,685		845,445
Security costs		140,225		95,194
Taxes and other fees		77		1,088
Travel & other costs		5,174		79,964
Depreciation on plant and equipment		260		1,916
Exchange differences		1,834,600		(1,780,269)
Exploration and evaluation assets - ending	**$**	**37,812,477**	**$**	**32,515,297**

The above table reflects the fair value of the exploration and evaluation assets acquired on December 22, 2017 and subsequent expenditures. For permit related expenditures incurred during the term of the current Exploration Permit period, refer to Note 23.

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 GAFC's last renewal of such permits. Although initially scheduled to expire on January 29, 2019, the expiry date for the six Exploration Permits has been extended for a further 2 years to January 29, 2021 and subsequently, for a further 3 years to December 17, 2023. GAFC 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 December 17, 2023.

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 GAFC is entitled to be repaid 100% 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.

(Expressed in Canadian Dollars)

9. Investment in Joint Venture

At December 31, 2020, 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 is as follows:

Summarized consolidated statements of financial position:

	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 4,996,951	$ 1,001,910
Other current assets (excluding cash and cash equivalents)	10,187,113	11,145,023
Non-current assets (1)	42,013,934	54,119,457
	$ 57,197,998	$ 66,266,390
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 3,920,913	$ 7,589,945
Loans payable (2)	11,365,967	3,082,229
Long-term liabilities (3)	18,447,136	23,204,997
	$ 33,734,016	$ 33,877,171
Net assets	$ 23,463,982	$ 32,389,219
The Company's equity share of net assets of joint venture	$ 11,497,351	$ 15,870,717

Note 1: Non-current assets comprise $27.0 million property, plant and equipment plus $14.2 million deferred tax asset. A significant part of the decline year-over-year in recorded amounts results from the 27% decline in the Turkish Lira exchange rate.

Most of the deferred tax balance relates to investment incentive credits that were received on the construction of the new plant. As of December 31, 2020, Turkish Lira 77.4 million ($13.3 million) are available to offset future income taxes payable and can be carried forward indefinitely.

Note 2: At December 31, 2020, loans payable on 100% basis totaled US $8.15 million (US $2.0 million at December 31, 2019). The loans are with Turkish banks and bear fixed interest rates between 1.45% and 3.75%.

Note 3: Included in long-term liabilities on 100% basis is a US $13,600,000 (US $16,850,000 at December 31, 2019) loan payable to Befesa. The Befesa loan has no fixed repayment date, and bears interest at Libor + 4.0%, reset at the beginning of each year.

(Expressed in Canadian Dollars)

9. Investment in Joint Venture (Continued)

Summarized consolidated statements of income (loss):

	Year ended December 31, 2020	2019
Revenues	$ 33,330,563	$ 10,475,245
Cost of sales	23,537,347	9,620,079
Depreciation	3,183,605	1,424,310
Management fees and sales commissions	1,560,743	499,815
Foreign exchange loss	5,323,407	188,612
Interest expense	1,754,562	559,544
Other expenses (income)	14,690	(19,367)
(Gain) loss on property disposition	(64,040)	203,004
Tax expense (recovery)	86,738	(17,656,270)
Net income (loss)	$ (2,066,489)	$ 15,655,518
The Company's equity share of net income (loss) of joint venture	$ (1,012,580)	$ 7,671,204
Other comprehensive loss	$ (6,858,747)	$ (4,220,878)
The Cormpany's equity share of other comprehensive loss of joint venture	$ (3,360,786)	$ (2,068,230)

Statements of investment in joint venture:

Opening net assets of the Company's investments in joint venture at January 1, 2020	$ 15,870,717
Cormpany's share of net earnings of joint venture	(1,012,580)
Dividends from joint venture	-
Company's share of other comprehensive loss of joint venture	(3,360,786)
Carrying value of the Company's investment in joint venture at December 31, 2020	$ 11,497,351

Opening net assets of the Company's investments in joint venture at January 1, 2019	$ 10,267,743
Cormpany'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

(Expressed in Canadian Dollars)

10. Accounts Payable and Accrued Liabilities

	December 31, 2020	December 31, 2019
Trade payables	$ 324,635	$ 276,649
Due to related parties (Note 13)	17,914	18,323
Accrued expenses and other liabilities	840,677	195,000
Total accounts payable and accrued liabilities	$ 1,183,226	$ 489,972

11. Lease Liability

	December 31, 2020	December 31, 2019
Property and office space lease bearing interest at an estimated rate of 6.507%. The lease extends through fiscal 2021.	$ 47,923	$ 157,783
Less: current portion	(47,923)	(109,861)
	$ -	$ 47,922

12. General and administration

	December 31, 2020	December 31, 2019
Management fees	$ 1,179,022	$ 1,363,621
Stock option expense	284,804	1,019,279
Professional fees	397,982	305,097
Travel expenses	74,730	274,469
Occupancy costs	200,737	165,608
Depreciation	121,563	119,719
Office and general expenses	384,444	312,400
Listing fees	121,454	234,993
Investor relations	148,436	312,450
Salaries and benefits	484,392	115,212
	$ 3,397,564	$ 4,222,848

(Expressed in Canadian Dollars)

13. Related Party Transactions

a) Due from related parties		**December 31, 2020**		**December 31, 2019**
Befesa and BST[(i)]	$	157,611	$	173,195
Harte Gold Corp.[(ii)]		-		66,635
	$	157,611	$	239,830

b) Due to related parties		**December 31, 2020**		**December 31, 2019**
Romex Mining Corporation	$	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. During the years ended December 31, 2020 and 2019, the Company received reimbursement for rent and other expenses from Harte Gold Corp. (“Harte Gold”), which had certain key management, personnel and directors, in common to Global Atomic, as well as reimbursing Harte Gold for certain expenses incurred on behalf of Global Atomic. The Company charged a total of $80,000 to Harte Gold concerning these expenses for the year ended December 31, 2020 (2019 - $126,072). Harte Gold also paid expenses of $nil on behalf of the Company for the year ended December 31, 2020 (2019 - $58,958).

During the year ended December 31, 2020, 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 $1,927,775, including $254,025 share-based compensation expense (2019 - $2,654,540, including $855,200 share-based compensation). 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.

(Expressed in Canadian Dollars)

14. 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	416,915	202,621
Options exercised	390,455	183,981
Common shares to be issued (c)	-	268,923
Balance, December 31, 2020	151,783,172	$ 51,316,643

(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.

(c) In December 2020, proceeds of $268,923 relating to the exercise of certain warrants and options were received. The issuance of common shares relating to the exercise of these warrants and options was completed in January 2021.

15. Share Purchase Warrants

The following table reflects the continuity of stock options for the years ended December 31, 2020 and 2019:

	Year Ended December 31, 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	524,270	196,250	34,991
Exercised	(416,915)	(70,879)	(1,271,135)	(204,643)
Expired	(180)	(29)	(5,349,957)	(614,263)
Balance, end of period	2,911,567	$ 522,856	410,495	$ 69,494

(Expressed in Canadian Dollars)

15. Share Purchase Warrants (Continued)

Using the Black-Scholes valuation method, the following assumptions were used to determine the value of warrants issued in the year:

	Expiring	
	May 15 2022	May 15 2022
Share price	$0.56	$0.56
Exercise price	$0.67	$0.85
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 table reflects the actual share purchase warrants issued and outstanding as of December 31, 2020:

Issue Date	Expiry Date	Outstanding	Exercise Price	Remaining Life (Years)
15-May-20	15-May-22	142,400	0.67	1.37
15-May-20	15-May-22	2,769,168	0.85	1.37
		2,911,568	**$0.84**	**1.37**

16. Stock Options

The following table reflects the continuity of stock options for the years ended December 31, 2020 and 2019:

	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	(390,455)		0.277
Forfeited	(659,091)		0.372
Balance, December 31, 2020	13,917,727	$	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.

(Expressed in Canadian Dollars)

16. Stock Options (Continued)

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	August 14, 2024	March 31, 2025	March 31, 2025	August 14, 2024
Share price	$0.261	$0.225	$0.300	$0.470	$0.370	$0.370	$0.500
Exercise price	$0.275	$0.250	$0.350	$0.500	$0.400	$0.500	$0.500
Risk-free interest rate	1.03%	2.03%	1.90%	1.20%	0.55%	0.55%	0.36%
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%
Stock price volatility	127%	127%	124%	163%	177%	177%	171%
Expected life of options in years	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Number of options granted	8,750,000	5,554,190	3,069,900	2,329,546	250,000	750,000	400,000
Number of options vested	8,750,000	5,554,190	2,669,900	2,329,546	250,000	0	50,000
Value attributed to the option grant	$650,000	$1,054,740	$626,952	$1,019,279	$87,972	$262,340	$188,875

The following table reflects the actual stock options issued and outstanding as of December 31, 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	1.36	2,689,091	2,689,091	-
April 4, 2023	0.250	2.26	5,079,190	5,079,190	-
December 19, 2023	0.350	2.97	2,569,900	2,569,900	-
August 14, 2024	0.500	3.62	2,179,547	2,179,546	-
March 31, 2025	0.400	4.25	250,000	250,000	-
March 31, 2025	0.500	4.25	750,000	-	750,000
June 25, 2025	0.500	4.48	400,000	50,000	350,000
	$ 0.335	2.63	13,917,727	12,817,727	1,100,000

17. 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 and Corporate are as follows:

Assets	December 31, 2020	December 31, 2019
EAFD Business (at 49%)	11,497,351	15,870,717
Uranium Business	39,008,068	33,682,971
	50,505,419	49,553,688
Corporate	2,535,668	4,051,390
	$ 53,041,087	$ 53,605,078

(Expressed in Canadian Dollars)

17. Segmented Information (Continued)

The Company's consolidated statements of income by reportable operating segments and Corporate are as follows:

Year ended December 31, 2020	(at 100%) EAFD Business	(at 49%) EAFD Business	Adjustments	Uranium Business	Corporate	Total
Revenues	$ 33,330,563	$ 16,331,976	$ (16,331,976)	$ -	$ 707,552	$ 707,552
Cost of sales	23,537,347	11,533,300	(11,533,300)	-	-	-
Income (loss) from operations	9,793,216	4,798,676	(4,798,676)	-	707,552	707,552
Share of net earnings from joint venture	-	-	1,012,580	-	-	1,012,580
Depreciation	3,183,605	1,559,966	(1,559,966)	-	-	-
General and administration	-	-	-	903,626	2,493,938	3,397,564
Management fees and sales commissions	1,560,743	764,764	(764,764)	-	-	-
Foreign exchange loss (gain)	5,323,407	2,608,472	(2,608,471)	(12,262)	16,632	4,371
Interest expense (income)	1,754,562	859,735	(859,735)	7,178	9,609	16,787
Other expense (income)	14,690	7,198	(7,198)	-	(86,044)	(86,044)
Loss on property disposition	(64,040)	(31,380)	31,380	-	-	-
Tax expense	86,738	42,502	(42,502)	-	-	-
Net income (loss)	$ (2,066,489)	$ (1,012,580)	$ -	$ (898,542)	$ (1,726,583)	$ (3,637,706)

Year ended December 31, 2019	(at 100%) EAFD Business	(at 49%) EAFD Business	Adjustments	Uranium Business	Corporate	Total
Revenues	$ 10,475,245	$ 5,132,870	$ (5,132,870)	$ -	$ 239,451	$ 239,451
Cost of sales	9,620,079	4,713,839	(4,713,839)	-	-	-
Income (loss) from operations	855,166	419,031	(419,031)	-	239,451	239,451
Share of net earnings from joint venture	-	-	(7,671,204)	-	-	(7,671,204)
Depreciation	1,424,310	697,912	(697,912)	-	-	-
General and administration	-	-	-	1,391,034	2,831,814	4,222,848
Management fees and sales commissions	499,815	244,909	(244,909)	-	-	-
Foreign exchange loss (gain)	188,612	92,420	(92,420)	37,352	9,074	46,426
Interest expense (income)	559,544	274,177	(274,177)	-	24,548	24,548
Other expense (income)	(19,367)	(9,490)	9,490	-	(120,000)	(120,000)
Loss on property disposition	203,004	99,472	(99,472)	-	-	-
Tax expense	(17,656,270)	(8,651,573)	8,651,573	-	-	-
Net income (loss)	$ 15,655,518	$ 7,671,204	$ -	$ (1,428,386)	$ (2,505,985)	$ 3,736,833

(Expressed in Canadian Dollars)

18. 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.

	Year ended December 31, 2020	2019
Net income (loss)	$ (3,637,706)	$ 3,736,833
Weighted-average number of shares outstanding	149,403,862	143,434,883
Basic net income per share	$ (0.024)	$ 0.026

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 2020 and 2019, 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 and warrants.

	Year ended December 31, 2020	2019
Net income (loss)	$ (3,637,706)	$ 3,736,833
Weighted-average number of shares outstanding	149,403,862	143,434,883
Adjustments for stock options & warrants	-	7,127,021
Weighted-average number of shares outstanding for diluted income per share	149,403,862	150,561,905
Diluted net income per share	$ (0.024)	$ 0.025
Adjustments for excluded stock options & warrants [(a) (b)]	7,096,957	-

(a) Dilutive stock options and warrants were determined using the Company's average share price for the period. For the year ended December 31, 2020, the average share price used was $0.676.
(b) These adjustments were excluded as they were anti-dilutive.

19. 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, 2020 totaled $51,809,938 (December 31, 2019 - $52,957,323). 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.

(Expressed in Canadian Dollars)

20. Income Tax

For 2020, 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 2019.

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:

		2020		2019
Net income for the year	$	(3,637,706)	$	3,736,833
Income tax provision at Canadian federal and provincial statutory rates		(963,992)		990,261
Effect of change in temporary differences not recognized		620,185		772,499
Non-deductible amounts		75,473		270,109
Joint venture recognized using the equity method		268,334		(2,032,869)
Provision for income taxes	$	-	$	-

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

		2020		2019
Mineral properties	$	8,188,484	$	6,019,262
Non-capital loss carry-forwards		38,139,407		35,184,793
Plant and equipment		619,215		784,770
Share issue costs		843,510		277,269
Total	$	47,790,616	$	42,266,094

The Company has available non-capital losses which may be carried forward to reduce taxable income in future years. Non-capital losses amounting to $38,139,407 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		3,241,592
2038		1,690,365
2039		3,234,374
2040		2,533,582
	$	38,139,407

21. 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 accounts and other receivables, the aggregate carrying amount of which represents the maximum exposure (December 31, 2020 - $2,721,152, December 31, 2019 - $4,305,141). Cash is held with reputable financial institutions (96% in Canada and 4% in Niger), from which management believes the risk of loss to be minimal. Accounts and other receivables 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 and other receivables are in good standing as at December 31, 2020.

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 (Note 24). As at December 31, 2020, the Company had a cash balance of $2,448,235 (December 31, 2019 - $3,890,665) and accounts receivable of $272,917 (December 31, 2019 - $414,476) to settle current liabilities of $1,231,149 (December 31, 2019 - $599,833). 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.

Market Risk

(a) Interest rate risk

At December 31, 2020 and 2019, the Company had short-term bank deposits at reputable Canadian banks bearing no interest rate. During 2019 and 2020, the BST joint venture secured financing to fund the modernization and expansion of the Iskenderun processing plant. At December 31, 2020, there was $21,750,000 USD in outstanding loans, with $13,600,000 USD at a variable rate (LIBOR + 4%; LIBOR is reset at the beginning of the year), and a total of $8,150,000 USD at fixed rates between 1.75% and 3.75%. With all other factors held constant, a 1% fluctuation in the interest rate would yield an estimated change of $106,575 in share of net earnings from the joint venture.

21. Financial Risk Factors (Continued)

(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 dollars and the majority of 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, 2020 and 2019 would have the impact as follows:

As of December 31, 2020	US Dollar	Euro	Total C$ Equivalent
Cash and cash equivalents	$ 39,329	$ 58,564	$ 141,481
Accounts receivable	123,791	-	157,611
Accounts payable, accrued liabilities and taxes payable	(46,075)	(120,040)	(246,021)
Net monetary exposure	117,045	(61,476)	
Total C$ equivalent	149,022	(95,951)	
Sensitivity in C$ to a 5% change in exchange rate	$ 7,451	$ (4,798)	

As of December 31, 2019	US Dollar	Euro	Total C$ Equivalent
Cash and cash equivalents	$ 71,695	$ 158,590	$ 324,396
Accounts receivable	133,350	-	173,195
Accounts payable, accrued liabilities and taxes payable	(3,030)	(80,339)	(121,098)
Net monetary exposure	202,015	78,251	
Total C$ equivalent	262,376	114,117	
Sensitivity in C$ to a 5% change in exchange rate	$ 13,119	$ 5,706	

(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, 2020, 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 $1,740,000 (2019 - $530,000).

22. 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
- Level 3 – Inputs that are not based on observable market data.

As at December 31, 2020 and 2019, the Company did not have any financial assets or liabilities that are measured at fair value.

(Expressed in Canadian Dollars)

23. 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. On January 21, 2021, the Republic of Niger Ministry of Mines approved a further extension of all six Exploration Permits to December 17, 2023. The permits require the following further exploration expenditures over their remaining terms (Note 8).

Exploration Permit	Expiry Date	Required Exploration Expenditure (US$)	Spent to Date	Remaining Commitment (US$)
Adrar Emoles 3	December 17, 2023	$ 5,293,750	$ 9,574,586	$ -
Adrar Emoles 4	December 17, 2023	4,087,300	58,110	4,029,190
Total Adrar Emoles		9,381,050	9,632,696	4,029,190
Tin Negoran 1	December 17, 2023	$ 301,367	$ 53,359	$ 248,008
Tin Negoran 2	December 17, 2023	336,879	53,342	283,537
Tin Negoran 3	December 17, 2023	850,070	53,413	796,657
Tin Negoran 4	December 17, 2023	461,592	53,161	408,431
Total Tin Negoran		1,949,908	213,275	1,736,633
Total Permit Expenditure		$ 11,330,958	$ 9,845,970	$ 5,765,823

(b) Litigation

The Company may be involved in legal proceedings from time to time arising in the ordinary course of its business. Based on the Company's knowledge and assessment of events at December 31, 2020, the Company does not believe that the outcome of any matters not recorded in the financial statements, individually or in aggregate, would have a material adverse effect.

24. Subsequent Events

On January 21, 2021, 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 to December 17, 2023.

On January 28, 2021, GAFC received its Certificate of Environmental Compliance for the Dasa Project from the Republic of Niger Ministry of Environment, Urban Health and Sustainable Development. As a result, the Company now has obtained all permits and approvals required for the development of the Dasa Project.

Pursuant to an accelerator clause in the warrants, all 2,911,568 warrants that had been outstanding at December 31, 2020 (Note 15) were exercised for proceeds of $2,449,201.

On March 16, 2021, the Company closed a private placement of 6,250,000 Units at $2.00 per Unit for gross proceeds of $12,500,000. Each Unit comprises one common share and one half common share warrant exercisable at any time up to 18 months from closing at a price of $3.00 per full warrant.

25. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.