



# **GLOBAL ATOMIC CORPORATION**

**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED  
MARCH 31, 2021 & 2020**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

# **Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements**

The accompanying unaudited condensed interim consolidated financial statements of Global Atomic Corporation (the "Corporation" or "Global Atomic") for the three months ended March 31, 2021 and 2020 have been prepared by the management of Global Atomic Corporation, reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors.

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

May 6, 2021

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

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

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

	Note reference	As at	
		31-Mar 2021	31-Dec 2020
<b>ASSETS</b>			
Current assets			
Cash		\$ 14,511,421	\$ 2,448,235
Accounts and other receivables	4,10	483,301	272,917
Prepaid expenses		71,113	73,066
		15,065,835	2,794,218
Non-current assets			
Plant and equipment		102,764	72,721
Advance payments for exploration and evaluation		811,113	864,320
Exploration and evaluation assets	5,17	39,025,204	37,812,477
Investment in joint venture	6	11,568,668	11,497,351
<b>Total assets</b>		<b>\$ 66,573,584</b>	<b>\$ 53,041,087</b>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities			
Accounts payable and accrued liabilities	7,10	\$ 1,578,550	\$ 1,183,226
Current portion of lease liability	8	19,480	47,923
		1,598,030	1,231,149
Non-current liabilities			
Long-term lease liability	8	-	-
<b>Total liabilities</b>		<b>1,598,030</b>	<b>1,231,149</b>
Equity			
Share capital	11	63,250,854	51,316,643
Share purchase warrants	12	3,054,535	522,856
Contributed surplus	13	10,135,039	9,089,650
Retained earnings		6,288,607	6,295,844
Accumulated other comprehensive (loss)		(17,753,481)	(15,415,055)
<b>Total equity</b>		<b>64,975,554</b>	<b>51,809,938</b>
<b>Total liabilities and equity</b>		<b>\$ 66,573,584</b>	<b>\$ 53,041,087</b>
<b>Commitments and contingent liabilities</b>	17		

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

On behalf of the Board:

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

*"Paul Cronin"*  
Paul Cronin  
Non-executive Director

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

	Note reference	Three months ended March 31,	
		2021	2020
Revenues		\$ 443,163	\$ 224,197
<b>Income from operations</b>		<b>443,163</b>	<b>224,197</b>
General and administration	9,10,13	2,011,533	552,826
Finance expense		4,339	4,444
Foreign exchange loss		(29,382)	(25,192)
Share of net (earnings) loss from joint venture	6	(1,501,090)	1,241,202
Other income	10	(35,000)	(30,000)
<b>Net income (loss) before income taxes</b>		<b>(7,237)</b>	<b>(1,519,083)</b>
Current income tax expense		-	-
Deferred income tax expense		-	-
<b>Net income (loss)</b>		<b>\$ (7,237)</b>	<b>\$ (1,519,083)</b>
<b>Basic net income (loss) per share</b>	15	<b>(\$0.000)</b>	<b>(\$0.010)</b>
<b>Diluted net income (loss) per share</b>	15	<b>(\$0.000)</b>	<b>(\$0.010)</b>
<b>Basic weighted-average number of shares outstanding</b>	15	<b>155,714,695</b>	<b>145,588,289</b>
<b>Diluted weighted-average number of shares outstanding</b>	15	<b>155,714,695</b>	<b>153,743,123</b>

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

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

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Net income (loss) for the period	\$ (7,237)	\$ (1,519,083)
Other comprehensive income (loss) for the period		
Items that may be subsequently classified to statements of income		
Currency translation adjustment of Niger operations (Note 5)	(908,654)	1,759,008
Currency translation adjustment of joint venture (Note 6)	(1,429,772)	(185,523)
	<u>(2,338,426)</u>	<u>1,573,485</u>
Comprehensive loss for the period	<u>\$ (2,345,663)</u>	<u>\$ 54,402</u>

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

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

	Note reference	Share Capital	Share Purchase Warrants	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive	
<b>Balance, December 31, 2020</b>		<b>\$ 51,316,643</b>	<b>\$ 522,856</b>	<b>\$ 9,089,650</b>	<b>\$ 6,295,844</b>	<b>\$ (15,415,055)</b>	<b>\$ 51,809,938</b>
Shares issued	11,12	9,856,516	2,643,484	-	-	-	12,500,000
Shares to be issued	11	(268,923)	-	-	-	-	(268,923)
Share issue costs	11,12	(1,231,881)	-	-	-	-	(1,231,881)
Broker warrants issued	12	-	411,051	-	-	-	411,051
Warrants exercised	12	2,972,057	(522,856)	-	-	-	2,449,201
Warrants expired	12	-	-	-	-	-	-
Stock option expense	13	-	-	1,295,215	-	-	1,295,215
Stock options exercised	13	606,442	-	(249,826)	-	-	356,616
Net income (loss)	-	-	-	-	(7,237)	-	(7,237)
Other comprehensive loss	-	-	-	-	-	(2,338,426)	(2,338,426)
<b>Balance, March 31, 2021</b>		<b>\$ 63,250,854</b>	<b>\$ 3,054,535</b>	<b>\$ 10,135,039</b>	<b>\$ 6,288,607</b>	<b>\$ (17,753,481)</b>	<b>\$ 64,975,554</b>
<b>Balance, December 31, 2019</b>		<b>\$ 47,998,176</b>	<b>\$ 69,494</b>	<b>\$ 8,880,685</b>	<b>\$ 9,933,550</b>	<b>\$ (13,924,582)</b>	<b>\$ 52,957,323</b>
Stock options exercised		99,413	-	(39,413)	-	-	60,000
Net income (loss)		-	-	-	(1,519,083)	-	(1,519,083)
Other comprehensive loss		-	-	-	-	1,573,485	1,573,485
<b>Balance, March 31, 2020</b>		<b>\$ 48,097,589</b>	<b>\$ 69,494</b>	<b>\$ 8,841,272</b>	<b>\$ 8,414,467</b>	<b>\$ (12,351,097)</b>	<b>\$ 53,071,725</b>
Shares issued	11,12	2,830,647	492,353	-	-	-	3,323,000
Shares to be issued	11	268,923	-	-	-	-	268,923
Share issue costs	11,12	(167,705)	-	-	-	-	(167,705)
Broker warrants issued	12	-	31,917	-	-	-	31,917
Warrants exercised	12	202,621	(70,879)	-	-	-	131,742
Warrants expired	12	-	(29)	29	-	-	-
Stock option expense	13	-	-	284,804	-	-	284,804
Stock options exercised	13	84,568	-	(36,455)	-	-	48,113
Net income (loss)	-	-	-	-	(2,118,623)	-	(2,118,623)
Other comprehensive loss	-	-	-	-	-	(3,063,958)	(3,063,958)
<b>Balance, December 31, 2020</b>		<b>\$ 51,316,643</b>	<b>\$ 522,856</b>	<b>\$ 9,089,650</b>	<b>\$ 6,295,844</b>	<b>\$ (15,415,055)</b>	<b>\$ 51,809,938</b>

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

		<b>Three months ended March 31,</b>	
	Note reference	<b>2021</b>	<b>2020</b>
<b>Cash generated from (used in)</b>			
<b>Operating activities</b>			
Net income (loss)		\$ (7,237)	\$ (1,519,083)
Share of net (earnings) loss from joint venture	6	(1,501,090)	1,241,202
Stock option expense	13	1,295,215	
Depreciation expense		29,994	27,431
Interest expense on lease liability		779	2,422
		(182,339)	(248,028)
Non-cash working capital items:			
Accounts receivable	4	(210,384)	(162,219)
Prepaid expenses		1,953	(9,374)
Accounts payable and accrued liabilities	10	419,188	41,998
Cash flows used in operating activities		28,418	(377,623)
<b>Financing activities</b>			
Private placement of common shares	11	12,500,000	-
Share issue costs	11	(820,830)	-
Warrants exercised	12	2,449,201	-
Stock options exercised	13	356,616	60,000
Payment of lease liability		(29,222)	(29,222)
Non-cash financing activities items:		14,455,765	30,778
Common shares to be issued	11	(268,923)	-
Cash flows generated from financing activities		14,186,842	30,778
<b>Investing activities</b>			
Advance payments for exploration and evaluation expenditures		5,821	26,747
Purchase property, plant & equipment		(62,711)	(11,997)
Exploration and evaluation expenditures	5	(2,831,580)	(419,962)
Cash flows used in investing activities		(2,888,469)	(405,212)
<b>Net change in cash</b>		11,326,791	(752,057)
<b>Effect of exchange rate changes on cash</b>		736,395	(48,006)
<b>Cash, beginning of period</b>		2,448,235	3,890,665
<b>Cash, end of period</b>		\$ 14,511,421	\$ 3,090,602
Interest paid during the year		\$ 779	\$ -

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# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

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### 1. Nature of Operations

Global Atomic Corporation and its subsidiaries (collectively, the “Company” or “Global Atomic”) have two principal lines of business:

1. **EAFD Business** – recovery of zinc concentrates from electric arc furnace dust (“EAFD”). EAFD is obtained from steel companies in Turkey and is put through a Waelz kiln process; the obtained zinc is then treated by zinc smelters.
2. **Uranium Business** - the acquisition, exploration and development of uranium properties in Niger.

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 three months ended March 31, 2021 and 2020 reflect the impact of using the equity method to account for Global Atomic’s interest in the joint venture, with the Company’s share of net earnings and net assets separately disclosed (Note 6).

The Corporation’s mineral resource properties are located in Niger. Through its wholly-owned subsidiary, Global Atomic Fuels Corporation (“GAFC”), the Corporation holds six Mining Agreements, the related Exploration Permits, and a Mining Permit, on which it has conducted exploration activities for uranium. In recent years, 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<sup>nd</sup> 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.

### 2. Basis of Presentation and Statement of Compliance

#### (a) Statement of Compliance

The unaudited condensed interim consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (“IFRIC”) interpretations applicable to companies reporting under IFRS, including IAS 34, Interim Financial Reporting and include the operating results of Global Atomic and its subsidiaries and joint ventures. Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Corporation’s annual financial statements for the year ended December 31, 2020, which were prepared in accordance with IFRS.

These unaudited condensed interim consolidated financial statements as at and for the period ended March 31, 2021 and 2020 were authorized for issuance on May 6, 2021 by the Global Atomic Board of Directors.

#### (b) Continuation of Operations

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



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# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

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

### 3. Significant Accounting Policies, Accounting Standards and Amendments

The accounting policies adopted are consistent with those of the Company's financial statements for the year ended December 31, 2020.

### 4. Accounts and Other Receivables

	March 31, 2021	December 31, 2020
Management fees & sales commissions receivable <sup>(a)</sup> (Note 6)	\$ 323,584	\$ 157,611
Harmonized sales tax receivable	159,681	115,270
Other	36	36
Total accounts and other receivables	\$ 483,301	\$ 272,917

(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 March 31, 2021 and December 31, 2020.

### 5. 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. 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 March 31, 2021, 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 17).

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

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# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

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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. 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.

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. 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 March 31, 2021.

The Company's exploration activities are as follows:

		<b>March 31, 2021</b>		<b>December 31, 2020</b>
<b>Exploration and evaluation assets - beginning</b>	<b>\$</b>	<b>37,812,477</b>	<b>\$</b>	<b>32,515,297</b>
Management fees, salaries and benefits		1,063,292		937,524
Equipment, fuel and maintenance		54,482		63,196
Camp costs		59,889		114,439
Drilling, assays and related costs		1,575,113		2,201,685
Security costs		76,008		140,225
Taxes and other fees		-		77
Travel & other costs		65		5,174
Depreciation on plant and equipment		-		260
Exchange differences		(1,616,122)		1,834,600
<b>Exploration and evaluation assets - ending</b>	<b>\$</b>	<b>39,025,204</b>	<b>\$</b>	<b>37,812,477</b>

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 17.

Exchange differences include unrealized gains (losses) related to the conversion of assets from the functional currency of the West African CFA Franc to the Canadian dollar presentation currency, which unrealized amounts are included in comprehensive income (loss).

# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

### 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 exploration expenditures 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.

### 6. Investment in Joint Venture

At March 31, 2021, 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:

	March 31, 2021	December 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,058,919	\$ 4,996,951
Other current assets (excluding cash and cash equivalents)	8,028,506	10,187,113
<b>Non-current assets <sup>(1)</sup></b>	<b>36,080,124</b>	<b>42,013,934</b>
	<b>\$ 49,167,549</b>	<b>\$ 57,197,998</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 3,165,969	\$ 3,920,913
Loans payable <sup>(2)</sup>	9,504,077	11,365,967
<b>Long-term liabilities <sup>(3)</sup></b>	<b>12,887,976</b>	<b>18,447,136</b>
	<b>\$ 25,558,022</b>	<b>\$ 33,734,016</b>
<b>Net assets</b>	<b>\$ 23,609,527</b>	<b>\$ 23,463,982</b>
<b>The Company's equity share of net assets of joint venture</b>	<b>\$ 11,568,668</b>	<b>\$ 11,497,351</b>

Note 1: Non-current assets comprise \$23.4 million property, plant and equipment plus \$12.7 million deferred tax asset. A part of the decline during the quarter in recorded amounts results from the 11% decline in the Turkish Lira exchange rate.

Note 2: At March 31, 2021, loans payable on 100% basis totaled US \$7.5 million (US \$8.15 million at December 31, 2020). The loans are with Turkish banks and bear fixed interest rates between 1.45% and 3.75%.

# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

### 6. Investment in Joint Venture (Continued)

Note 3: Included in long-term liabilities on 100% basis is a US \$9.15 million (US \$13.6 at December 31, 2020) 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.

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

	Year ended March 31,	
	2021	2020
Revenues	\$ 15,798,634	\$ 8,284,270
Cost of sales	7,987,519	7,149,307
Depreciation	729,357	897,412
Management fees and sales commissions	905,742	450,427
Foreign exchange loss	1,894,620	2,517,239
Interest expense	280,818	485,035
Tax expense (recovery)	937,130	(682,083)
Net income (loss)	\$ 3,063,450	\$ (2,533,067)
The Company's equity share of net income (loss) of joint venture	\$ 1,501,090	\$ (1,241,202)
Other comprehensive loss	\$ (2,917,902)	\$ (378,618)
The Company's equity share of other comprehensive loss of joint venture	\$ (1,429,772)	\$ (185,523)

The comprehensive loss reflects the impact of exchange rate movements between periods and arise due to the conversion of the Turkish Lira functional currency balance sheet to the Canadian dollar presentation currency, being unrealized losses.

#### Statements of investment in joint venture:

Opening net assets of the Company's investments in joint venture at January 1, 2021	\$ 11,497,351
Company's share of net earnings of joint venture	1,501,090
Dividends from joint venture	-
Company's share of other comprehensive loss of joint venture	(1,429,772)
Carrying value of the Company's investment in joint venture at March 31, 2021	\$ 11,568,669
Opening net assets of the Company's investments in joint venture at January 1, 2020	\$ 15,870,717
Company's share of net earnings of joint venture	(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

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## Global Atomic Corporation

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

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#### 7. Accounts Payable and Accrued Liabilities

	March 31, 2021	December 31, 2020
Trade payables	\$ 759,258	\$ 324,635
Due to related parties (Note 10)	17,914	17,914
Accrued expenses and other liabilities	801,378	840,677
Total accounts payable and accrued liabilities	\$ 1,578,550	\$ 1,183,226

#### 8. Lease Liability

	March 31, 2021	December 31, 2020
Property and office space lease bearing interest at an estimated rate of 6.507%. The lease extends to Q2 2021.	\$ 19,480	\$ 47,923
Less: current portion	(19,480)	(47,923)
	\$ -	\$ -

#### 9. General and administration

	Three months ended March 31,	
	2021	2020
Management fees	\$ 199,500	\$ 164,014
Stock option expense	1,285,715	-
Professional fees	124,444	70,069
Travel expenses	6,678	14,060
Occupancy costs	30,994	81,562
Depreciation	29,994	29,347
Office and general expenses	74,219	105,436
Listing fees	67,388	35,776
Investor relations	50,816	52,562
Salaries and benefits	141,785	-
	\$ 2,011,533	\$ 552,826

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## Global Atomic Corporation

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

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#### 10. Related Party Transactions

	March 31, 2021	December 31, 2020
<b>a) Due from related parties</b>		
Befesa and BST <sup>(i)</sup>	\$ 323,584	\$ 157,611
	\$ 323,584	\$ 157,611
<b>b) Due to related parties</b>		
Romex Mining Corporation	\$ 17,914	\$ 17,914

- 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.

During the three months ended March 31, 2021, 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 \$1,743,478, including \$939,728 share-based compensation expense (2019 - \$255,000). At March 31, 2021, the amount payable related to these services was \$677,366. (December 31, 2020 – \$600,000). 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.

# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

### 11. Share Capital

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

	Number of Shares	Amount
Balance, December 31, 2019	145,437,469	\$ 47,998,176
Private placement of common shares (a)	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 (b)	-	268,923
Balance, December 31, 2020	151,783,172	\$ 51,316,643
Common shares to be issued (b)		\$ (268,923)
Private placement of common shares (c)	6,250,000	9,856,516
Share issue costs	-	(1,231,881)
Warrants exercised	2,911,567	2,972,057
Options exercised	1,159,545	606,442
Balance, March 31, 2021	162,104,284	\$ 63,250,854

- (a) On May 15, 2020, the Company closed a private placement of 5,538,333 units at a price of \$0.60 per unit for gross proceeds of \$3,323,000. Each unit comprised one common share and one-half share purchase warrant, with each full warrant exercisable at \$0.85 per common share for a period of 24 months. Of the total proceeds, \$492,353 was allocated to warrants and \$2,830,647 to the common shares. In connection with the private placement, finder's fees of \$114,500 plus 149,000 warrants were paid. The warrants are exercisable at \$0.67 per common share for a period of 24 months.
- (b) 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; the number of shares and amounts are included in "Warrants exercised" and "Options exercised" in the table above.
- (c) On March 16, 2021, the Company closed a private placement of 6,250,000 units at a price of \$2.00 per unit for gross proceeds of \$12,500,000. Each unit comprised one common share and one-half share purchase warrant, with each full warrant exercisable at \$3.00 per common share for a period of 18 months. Of the total proceeds, \$411,051 was allocated to warrants and \$2,643,484 to the common shares. In connection with the private placement, finder's fees of \$750,000 plus miscellaneous legal and administrative fees, plus 375,000 warrants were paid. The finder's warrants are exercisable at \$2.00 per common share for a period of 18 months.

## Global Atomic Corporation

### Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

#### 12. Share Purchase Warrants

The following table reflects the continuity of stock options for the three months ended March 31, 2021 and year ended December 31, 2020:

	Three months ended		Year Ended	
	March 31, 2021		December 31, 2020	
	Number	Value	Number	Value
Balance, beginning of period	2,911,567	\$ 522,856	410,495	\$ 69,494
Issued	3,500,000	3,054,535	2,918,167	524,270
Exercised	(2,911,567)	(522,856)	(416,915)	(70,879)
Expired	-	-	(180)	(29)
Balance, end of period	3,500,000	\$ 3,054,535	2,911,567	\$ 522,856

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

	Expiring		Total
	Sept 16 2022	Sept 16 2022	
Number of warrants issued	375,000	3,125,000	<b>3,500,000</b>
Share price	\$2.26	\$2.26	
Exercise price	\$2.00	\$3.00	
Risk-free interest rate	0.24%	0.24%	
Expected dividend yield	0%	0%	
Stock price volatility	98%	98%	
Expected life of warrants in years	1.5	1.5	
Warrant value	\$1.10	\$0.85	
Total Value of Warrants	\$411,050.99	\$2,643,483.98	<b>\$3,054,535</b>

The following table reflects the actual share purchase warrants issued and outstanding as of March 31, 2021:

Issue Date	Expiry Date	Outstanding	Exercise Price	Proceeds	Remaining Life (Years)
16-Mar-21	16-Sep-22	375,000	\$2.00	\$750,000	1.46
16-Mar-21	16-Sep-22	3,125,000	\$3.00	\$9,375,000	1.46
		3,500,000	\$2.89	\$10,125,000	1.46



# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

### 13. Stock Options

The following table reflects the continuity of stock options for the three months ended March 31, 2021:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2019	13,567,274	\$ 0.321
Granted (a)	1,000,000	0.475
Granted (b)	400,000	0.500
Exercised	(390,455)	0.277
Forfeited	(659,091)	0.372
Balance, December 31, 2020	13,917,727	\$ 0.336
Granted (c)	150,000	1.930
Granted (d)	75,000	2.150
Granted (e)	1,230,000	2.670
Exercised	(1,159,545)	0.310
Balance, March 31, 2021	14,213,182	\$ 0.567

- (a) 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.
- (b) 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.
- (c) On February 16, 2021, Global Atomic granted 75,000 options to an employee of the Company, exercisable at \$1.93 per common share through February 16, 2026. 25,000 options vested immediately, with the balance vesting over time through 2023.
- (d) On March 1, 2021, Global Atomic granted 150,000 options to a consultant of the Company, exercisable at \$2.15 per common share through March 1, 2026. 50,000 options vested immediately, with the balance vesting over time through 2023.
- (e) On March 29, 2021, Global Atomic granted 1,230,000 options to directors, officers and employees of the Company, exercisable at \$2.67 per common share through March 29, 2026. 410,000 options vested immediately, with the balance vesting over time through 2023.

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

	Expiring on									
	April 24, 2022	April 4, 2023	December 19, 2023	August 14, 2024	August 14, 2024	March 31, 2025	March 31, 2025	February 16, 2026	March 1, 2026	March 29, 2026
Share price	\$0.261	\$0.225	\$0.300	\$0.470	\$0.500	\$0.370	\$0.370	\$1.930	\$2.150	\$2.670
Exercise price	\$0.275	\$0.250	\$0.350	\$0.500	\$0.500	\$0.400	\$0.500	\$1.930	\$2.150	\$2.670
Risk-free interest rate	1.03%	2.03%	1.90%	1.20%	0.36%	0.55%	0.55%	0.49%	0.73%	0.92%
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Stock price volatility	127%	127%	124%	163%	171%	177%	177%	103%	104%	104%
Expected life of options in years	5.0	5.0	5.0	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	400,000	250,000	750,000	75,000	150,000	1,230,000
Number of options vested	8,750,000	5,554,190	2,669,900	2,329,546	50,000	250,000	0	25,000	50,000	410,000
Value attributed to the option grant	\$650,000	\$1,054,740	\$626,952	\$1,019,279	\$188,875	\$87,972	\$262,340	\$109,999	\$245,405	\$2,487,257

# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

The following table reflects the actual stock options issued and outstanding as of March 31, 2021:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
April 24, 2022	\$ 0.275	1.07	2,400,000	2,400,000	-
April 4, 2023	\$ 0.250	2.01	4,683,736	4,683,736	-
December 19, 2023	\$ 0.350	2.72	2,174,900	2,174,900	-
August 14, 2024	\$ 0.500	3.38	2,099,546	2,099,546	-
March 31, 2025	\$ 0.400	4.00	250,000	250,000	-
March 31, 2025	\$ 0.500	4.00	750,000	250,000	500,000
June 25, 2025	\$ 0.500	4.24	400,000	50,000	350,000
February 16, 2026	\$ 1.930	4.88	75,000	25,000	50,000
March 1, 2026	\$ 2.150	4.92	150,000	50,000	100,000
March 29, 2026	\$ 2.670	5.00	1,230,000	410,000	820,000
	\$0.568	2.67	14,213,182	12,393,182	1,820,000

#### 14. 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	March 31, 2021	December 31, 2020
EAFD Business (at 49%)	\$ 11,568,668	\$ 11,497,351
Uranium Business	41,938,655	39,008,068
	53,507,323	50,505,419
Corporate	13,066,261	2,535,668
	\$ 66,573,584	\$ 53,041,087

**Global Atomic Corporation**  
**Notes to the Unaudited Condensed Interim Consolidated Financial Statements**  
**For the Three Months ended March 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

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

Three months ended March 31, 2021	(at 100%)		(at 49%)		Uranium Business	Corporate	Total
	EAFD Business	EAFD Business	Adjustments				
Revenues	\$ 15,798,634	\$ 7,741,331	\$ (7,741,331)	\$ -	\$ 443,163	\$ 443,163	
Cost of sales	7,987,519	3,913,884	(3,913,884)	-	-	-	
Income (loss) from operations	7,811,115	3,827,447	(3,827,447)	-	443,163	443,163	
Share of net earnings from joint venture	-	-	(1,501,090)	-	-	(1,501,090)	
Depreciation	729,357	357,385	(357,385)	-	-	-	
General and administration	-	-	-	179,097	1,832,436	2,011,533	
Management fees and sales commissions	905,742	443,813	(443,813)	-	-	-	
Foreign exchange loss (gain)	1,894,620	928,364	(928,364)	(33,502)	4,120	(29,382)	
Interest expense (income)	280,818	137,601	(137,601)	2,566	1,773	4,339	
Other expense (income)	-	-	-	-	(35,000)	(35,000)	
Loss on property disposition	-	-	-	-	-	-	
Tax expense	937,130	459,195	(459,195)	-	-	-	
Net income (loss)	\$ 3,063,450	\$ 1,501,090	\$ -	\$ (148,161)	\$ (1,360,166)	\$ (7,237)	
Three months ended March 31, 2020	(at 100%)	(at 49%)		Uranium Business	Corporate	Total	
	EAFD Business	EAFD Business	Adjustments				
Revenues	\$ 8,284,270	\$ 4,059,292	\$ (4,059,292)	\$ -	\$ 224,197	\$ 224,197	
Cost of sales	7,332,814	3,593,079	(3,593,079)	-	-	-	
Income (loss) from operations	951,456	466,213	(466,213)	-	224,197	224,197	
Share of net earnings from joint venture	-	-	1,241,202	-	-	1,241,202	
Depreciation	897,412	439,732	(439,732)	-	-	-	
General and administration	-	-	-	250,133	302,693	552,826	
Management fees and sales commissions	266,920	130,791	(130,791)	-	-	-	
Foreign exchange loss (gain)	2,517,239	1,233,447	(1,233,447)	(17,527)	(7,665)	(25,192)	
Interest expense (income)	485,035	237,667	(237,667)	1,620	2,824	4,444	
Other expense (income)	-	-	-	-	(30,000)	(30,000)	
Tax expense	(682,083)	(334,222)	334,222	-	-	-	
Net income (loss)	\$ (2,533,067)	\$ (1,241,202)	\$ -	\$ (234,226)	\$ (43,655)	\$ (1,519,083)	

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# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

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### 15. 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.

	Three months ended March 31,	
	2021	2020
Net income (loss)	\$ (7,237)	\$ (1,519,083)
Weighted-average number of shares outstanding	155,714,695	145,588,289
Basic net income (loss) per share	\$ (0.000)	\$ (0.010)

#### 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 2021 and 2020, 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.

	Three months ended March 31,	
	2021	2020
Net income (loss)	\$ (7,237)	\$ (1,519,083)
Weighted-average number of shares outstanding	155,714,695	145,588,289
Adjustments for stock options & warrants	-	
Weighted-average number of shares outstanding for diluted income per share	155,714,695	145,588,289
Diluted net income (loss) per share	\$ (0.000)	\$ (0.010)

Adjustments for excluded stock options & warrants <sup>(a) (b)</sup>	2,297,643	8,154,835
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(a) Dilutive stock options and warrants were determined using the Company's average share price for the period. For the three months ended March 31, 2021, the average share price used was \$1.94.

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

### 16. 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 March 31, 2021 and December 31, 2020, the Company did not have any financial assets or liabilities that are measured at fair value.

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# Global Atomic Corporation

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the Three Months ended March 31, 2021 and 2020 (Expressed in Canadian Dollars)

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### 17. Commitments and Contingent Liabilities

#### (a) Exploration permits and required exploration expenditure

Under the terms of its Mining Agreements with the Ministry of Mines of the Republic of Niger, the Company committed to incur certain exploration expenditures on its permits before the permits expire. On December 17, 2018, the Republic of Niger Ministry of Mines approved an extension of the Adrar Emoles 3 and 4 and Tin Negoran 1, 2, 3 and 4 Exploration Permits for a period of two years to January 28, 2021. 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 5).

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Exploration Permit	Expiry Date	Required Exploration Expenditure (US\$)	Spent to Date	Remaining Commitment (US\$)
Adrar Emoles 3	December 17, 2023	\$ 5,293,750	\$ 11,809,064	\$ -
Adrar Emoles 4	December 17, 2023	4,087,300	58,110	4,029,190
Total Adrar Emoles		9,381,050	11,867,173	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	\$ 12,080,448	\$ 5,765,823

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#### (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 March 31, 2021, 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.