



# PRESS RELEASE

## GLOBAL ATOMIC PROVIDES CORPORATE UPDATE

**Toronto, ON, December 4, 2018:** Global Atomic Corporation (“Global Atomic” or the “Company”), (TSX-V: GLO, FRANKFURT: G12) is pleased to provide the following update regarding the filing of the Company’s Preliminary Economic Assessment (“PEA”) on Sedar, interim unaudited Financial Statements and MD&A for the three and nine month period ended September 30, 2018 and the closing of its non-brokered Private Placement.

### Preliminary Economic Assessment

Further to the Company’s news release dated October 23, 2018 a summary of the PEA is provided below, including opportunities being explored through an alternate mining strategy to accelerate development of the Project for early mining. *All figures are stated in U.S. dollars, unless otherwise stated.*

### Highlights

- The objective of the PEA was to study the DASA Project as an integrated underground mining operation, processing mineralized material through an on-site mill (the “**DASA Standalone Scenario**”) initially operating at 2,500 tpd and ramping up to 3,000 tpd. Highlights include:
  - *High grade resource:* 69 million lbs U<sub>3</sub>O<sub>8</sub> recovered at an average grade of 2,380 ppm U<sub>3</sub>O<sub>8</sub> over a 15 year mine life.
  - *Scalable production:* Annual production sustained from 4 Mlb to 7 Mlb U<sub>3</sub>O<sub>8</sub> over the mine life.
  - *Low cost operation:* All-in sustaining cost (“AISC”) of US\$28.51/lb U<sub>3</sub>O<sub>8</sub>.
  - *Initial CAPEX:* US\$320 million, including US\$141 million for an on-site mill; US\$467 million including sustaining capital and reclamation.
  - Significant NPV and project return at expected long-term uranium price:

### NPV and IRR – DASA Standalone Scenario

		Uranium Price (US\$/lb U <sub>3</sub> O <sub>8</sub> )		
		\$45.00	\$50.00	\$55.00
<b>Pre-Tax</b>				
NPV @ 8%	US\$ M	\$342	\$539	\$735
IRR (100% Equity)		27%	37%	46%
<b>Post-Tax</b>				
NPV @ 8%	US\$ M	\$172	\$299	\$437
IRR (100% Equity)		18%	25%	32%

*The PEA was completed in accordance with NI 43-101, Canadian Institute of Mining, Milling and Petroleum (“CIM”) standards. The PEA is preliminary in nature and includes Inferred Mineral Resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that PEA results will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.*

- An alternate mine plan scenario, the “**Alternate Mining Strategy**”, based on the July 2017 MOU signed with Orano Mining (“Orano”), in which high grade mineralized material is sold to Orano targeting early cash flow, identified a significant value opportunity. Highlights include:



- *Fast track to cash flow:* Accelerated underground development with minimal infrastructure.
- *Reduced initial capital:* US\$35 million to start mining, no mill required.
- *High grade material:* Potential to ship 360,000 tonnes annually for the 5 year contract containing on average 2.8 million lbs U<sub>3</sub>O<sub>8</sub> grading 3,698 ppm
- *Low cost mining:* Minimizing operating costs, US\$10.94 per lb U<sub>3</sub>O<sub>8</sub> before transport and processing, indicates this scenario is potentially profitable at low uranium prices.
- The Company expects to permit the Alternate Mining Strategy Q4 2019, with ramp development beginning as early as 2020.
- Management also identified the following additional value opportunities which are currently being explored to improve overall project economics:
  - Improve modelled uranium recovery with further metallurgical test work.
  - Mine plan optimizations to reduce dilution and minimize underground development.
  - Improve grade and increase Mineral Resources with further infill drilling.
  - Value opportunities currently being explored are expected to be reflected in an updated Feasibility Study targeted for 2019.

### **Financial Statements and MD&A For Periods Ended September 30, 2018**

On November 28, 2018, the Company filed its financial statements and MD&A for the three and nine months ended September 30, 2018. The following summary was provided. *All figures are in Canadian dollars, unless otherwise noted.*

#### *Highlights*

- Consolidated net income for the Company was \$5.6 million for the 9 months ended September 30, 2018 compared to \$5.8 million for the same period in 2017.
- Net income for Q3 2018 was \$0.8 million compared to \$3.0 million in 2017, which results were impacted by a maintenance shutdown and the decline in zinc prices during Q3 2018.
- The Befesa Silvermet Turkey, S.L. (“BST”) joint venture shipped 24.6 million pounds of zinc contained in concentrate during the 9 months ended September 30, 2018 compared with 26.2 million pounds in 2017. Global Atomic holds a 49% interest in the BST joint venture.
- Global Atomic’s 49% share of EBITDA in the BST joint venture for the 9 months ended September 30, 2018 was \$10.7 million compared to \$9.6 million in the same period in 2017. Q3 2018 EBITDA was \$1.6 million compared to \$4.4 million in the same period in 2017.
- The expansion and modernization of the Turkish processing plant began in Q2 2018. US\$4.4 million of the estimated US\$26 million cost has been incurred. On completion, annual production capacity will double to 66 million pounds zinc (100%) and reduce operating costs. Start-up of the new facility is scheduled for September 2019.
- Additional drilling and technical studies at the Company’s DASA uranium deposit were initiated in early 2018.
- Near surface drilling confirmed the Company’s understanding of structure and high grade continuity at the Flank Zone at DASA.



- An updated Mineral Resource Estimate was completed on the Niger DASA uranium project in Q2, which:
  - Tripled Indicated Resources to 64.8 million pounds and improved grade 18% to 3,068 ppm eU<sub>3</sub>O<sub>8</sub>.
  - Inferred Resources were increased to 48.4 million pounds grading 2,600 ppm eU<sub>3</sub>O<sub>8</sub>.
- The Company raised \$8.6 million in an equity financing in November 2018.
- Application has been made and the Ministry of Mines of the Republic of Niger has accepted the related payments for the extension of the Adrar Emoies 3 and 4 Exploration Permits for a period of 18 months during which time Global Atomic will complete its Feasibility Study. This application is expected to be finalized shortly. In addition, the Company will file applications for the extension of its other 4 Exploration Permits.

### Outlook

- A Feasibility study is underway and a final technical report for DASA is expected in H1 2019.
- Permitting will commence on completion of the final technical report.
- Site preparations for mining activities are scheduled to begin in early 2020.
- Expansion and modernization of the Turkish process plant is scheduled for completion in September 2019. Existing cash flow and available funding is expected to be sufficient to complete this work.

### **Base Metals Division Results**

The BST joint venture owns and operates an Electric Arc Furnace Dust (“EAFD”) processing plant in Iskenderun, Turkey, which processes EAFD obtained from electric arc steel producers. The EAFD, containing 25% to 30% zinc, is processed through a kiln to produce a zinc concentrate, grading 68% to 70% zinc for sale to zinc smelters. The following table summarizes comparative operational metrics of the processing plant in Iskenderun.

	Three months ended September 30,		Nine months ended September 30,	
	2018 100%	2017 100%	2018 100%	2017 100%
Exchange rate (TL/C\$, average)	4.34	2.81	3.58	2.75
Exchange rate (C\$/US\$, average)	1.31	1.25	1.29	1.31
Exchange rate (TL/C\$, period-end)	4.66	2.85	4.66	2.85
Exchange rate (C\$/US\$, period-end)	1.29	1.25	1.29	1.25
EAFD processed (DMT)	12,465	18,504	44,848	46,858
Average zinc price (US\$/LB.)	1.15	1.34	1.37	1.26
Production (DMT)	3,768	6,700	13,804	16,716
Shipments (DMT)	3,625	6,852	16,148	16,746
Shipments (zinc content, 000 lb.)	5,395	10,599	24,658	26,168

Global Atomic holds a 49% interest in the BST joint venture and as such, the investment is accounted for using the equity basis of accounting and the Company’s share of BST’s earnings is shown as a single line in its income statement. The following table summarizes comparative results for the three and nine months ended September 30, 2018 and 2017 of the BST joint venture at 100%.



	Three months ended September 30,		Nine months ended September 30,	
	2018 100%	2017 100%	2018 100%	2017 100%
Net sales revenues	\$ 4,711,348	\$ 15,201,707	\$ 32,697,283	\$ 32,887,118
Cost of sales	3,642,417	6,491,911	16,293,483	13,597,799
Foreign exchange loss (gain)	(2,195,446)	(221,742)	(5,479,654)	(212,103)
EBITDA <sup>(1)</sup>	\$ 3,264,377	\$ 8,931,538	\$ 21,883,454	\$ 19,501,422
Management fees & sales commissions	274,125	630,384	1,280,582	1,401,067
Depreciation	84,929	145,058	317,113	430,362
Interest expense (income)	19,812	(6,333)	74,401	(41,455)
Tax expense	653,250	1,767,137	4,442,887	4,130,422
Net income	\$ 2,232,261	\$ 6,395,292	\$ 15,768,471	\$ 13,581,026
Global Atomic's equity share	\$ 1,093,809	\$ 3,133,693	\$ 7,726,551	\$ 6,654,703

(1) EBITDA is a non-IFRS measure, does not have a standardized meaning prescribed by IFRS and may not be comparable to similar terms and measures presented by other issuers. EBITDA comprises earnings before income taxes, interest expense (income) and financing expense (income), amortization expense, and other expenses including management fees, sales commissions; gain on sale of property, plant and equipment and impairment charges.

### **Private Placement**

The Company is also pleased to announce that it has completed its previously disclosed (November 16, 2018) non-brokered private placement (the "offering") raising aggregate gross proceeds of \$8,591,000. Securities issued pursuant to the offering are subject to statutory hold period ending March 17, 2019.

The Company paid finder's fees on certain subscriptions comprised of 6% cash and 6% common share purchase warrants with the aggregate finder's fees paid totaling \$467,414 and 1,491,380 warrants. Of the total cash finder's fee payable, \$351,600 was settled through the issuance of 1,172,000 of common shares of the Company at a price of \$0.30 per share. The finder's warrants are exercisable at \$0.30 for a period of eighteen (18) months from closing.

Proceeds from the financing will be used to fund technical studies and permitting related to commercial production, exploration at DASA and for general corporate purposes.

### **About Global Atomic**

Global Atomic Corporation is a TSX Venture listed company providing a unique combination of high grade uranium development and cash flowing zinc concentrate production.

The Company's Uranium Division includes six exploration permits in the Republic of Niger covering an area of approximately 750 km<sup>2</sup>. Uranium mineralization has been identified on each of the permits, with the most significant discovery being the DASA deposit situated on the Adrar Emoles III concession, discovered in 2010 by Global Atomic geologists through grassroots field exploration.



Global Atomic's Base Metals Division holds a 49% interest in Befesa Silvermet Turkey, S.L. ("BST") joint venture, which operates a processing facility, located in Iskenderun, Turkey, that converts Electric Arc Furnace Dust ("EAFD") into a high-grade zinc oxide concentrate which is sold to zinc smelters around the world. The Company's joint venture partner, Befesa Zinc S.A.U. ("Befesa", listed on the Frankfurt exchange under 'BFSA'), holds a 51% interest in and is the operator of the BST joint venture. Befesa is a market leader in EAFD recycling, capturing approximately 50% of the European EAFD market with facilities located throughout Europe and Korea.

BST is well underway with an expansion project to significantly modernize and expand its processing plant in Turkey. The expansion is targeted to double annual production of zinc from 30 million lbs to 60 million lbs and is supported by EAFD supply currently available for processing in Turkey. The new plant is scheduled for completion by September 2019.

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*Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Although management of Global Atomic has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Global Atomic does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. Readers should also review the risks and uncertainties sections of Global Atomic's annual and interim MD&As.*

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