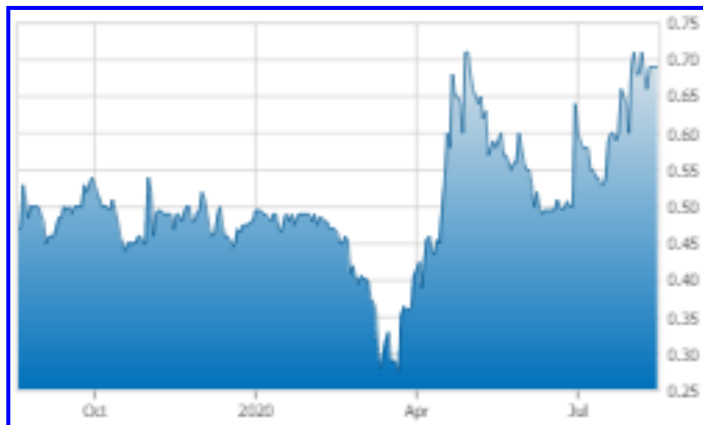


# Uraniumletter INTERNATIONAL

*the international independent information and advice bulletin for uranium resource investments*

**Special Situation – August 2020 Update**

[www.globalatomiccorp.com](http://www.globalatomiccorp.com)



**GLOBALATOMIC**

**Global Atomic Corp. (C\$ 0.70)**

TSX : GLO  
OTCQX: : GLATF  
Frankfurt : G12

H + L prices (12 months) : C\$ 0.90 – 0.24

Net shares issued : 151.6 million  
Fully diluted shares : 168.9 million

Market Capitalization : C\$ 106.1 million  
(US\$ 80.5 million)

**2020 price target: C\$ 1.00**

## **Company profile**

**Global Atomic Corporation** is providing a unique combination of high-grade uranium development in the **Republic of Niger** and cash flowing zinc concentrate production in **Turkey**.

The Company's **Uranium Division** includes 6 exploration permits in **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.

**Global Atomic's** management is conducting a number of studies to optimize the development of the high-grade **Dasa** underground deposit, including the opportunity to ship mineralized material to **Orano Mining's** operations in **Arlit** under an MoU signed with Orano in July 2017.

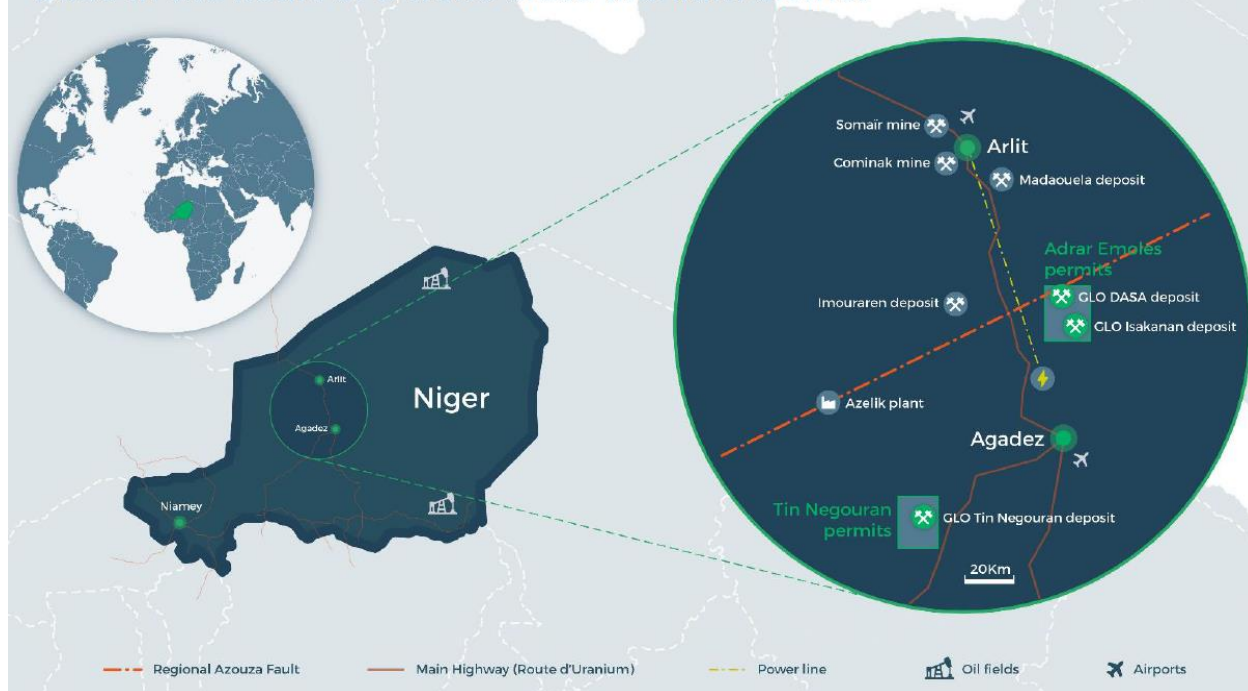
On July 18, 2019, **Global Atomic** announced a new Resource Estimate. The **Indicated Resources** increased by **56% to 101.6 million pounds eU3O8 at 1,752 ppm** and the **Inferred Resources** increased by **81% to 87.6 million pounds U3O8 at 1,781 ppm**.

**Global Atomic's** **Base Metals Division** holds a 49% interest in **Befesa Silvermet Turkey ("BST")**, which operates a processing facility located in Iskenderun, 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, 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 Asia.



## Dasa in the heart of a world-class uranium district



### ► Dasa Uranium Deposit – Niger

- An environmental Impact Statement (“EIS”) was completed and filed with the Niger Government;
- The Company will combine the PEA and EIS into a **Final Technical Report (“FTR”)**. The **FTR** is the key mining permit application document that will be submitted to the Government of Niger in **Q3,2020**.
- **Global Atomic** anticipates the Mining Permit to be issued in **2021**.


### ► Highlights Q 2 and H1 ended June 30, 2020

- A Preliminary Economic Assessment (“PEA”) of the Phase 1 Mine Plan for **Dasa** was summarized on April 15, 2020, indicating a 12-year mine life to produce 44.1 million pounds U3O8. Phase I is part of the long-term development of a 250 million pound deposit and the initial mine plan would be the start of the longer term development of the mine.
- The PEA estimates cash costs of \$ 16.72/lb U3O8 and an all-in sustaining cost of \$ 18.39/lb U3O8.
- Based on a U3O8 price of \$ 35/lb, the after-tax NPV at 8% was estimated at \$ 211 million for an after-tax IRR of 26.6%. The average head grade of uranium processed in the **Phase One** plan is 5,396 ppm.
- A Hydro geological water well drilling and testing program has been completed to support the Mining Permit application.
- A preliminary geotechnical report was completed and identified the drilling required to finalize geotechnical inputs to the final mine design.
- The new **Turkish JV plant** continues to ramp up with improved operating efficiencies.
- The Company’s share of the Turkish Joint Venture (“Turkish JV”) EBITDA was \$ 0.9 million.
- The Turkish JV non-recourse debt was US \$ 22.85 million. **Global Atomic** share - \$11.2 million
- The Company’s share of the Turkish JV loss was \$ 1.2 million, attributable to its \$ 1.5 million unrealized foreign exchange loss on the Turkish debt, due to the decline of both the Turkish Lira and Canadian dollar relative to the US dollar
- **Global Atomic** continues to receive management fees and sales commissions from the Turkish JV, helping to offset corporate overhead costs.

## Optimized PEA Highlights (1)

Phase 1 plan is a low Capex development targeting profitable production over a twelve year mine life


  
**US\$211 M**  
 NPV<sub>8</sub> (post tax) at US\$35/lb

  
**27%**  
 IRR (post tax) at US\$35/lb

  
**US\$203 M**  
 Initial CapEx

  
**4 years**  
 Payback at US\$35/lb

  
**12 years**  
 Mine life

  
**5,396 ppm U<sub>3</sub>O<sub>8</sub>**  
 Average LOM grade

  
**4.4 Mlbs U<sub>3</sub>O<sub>8</sub>**  
 Average annual steady-state uranium production

  
**44 Mlbs U<sub>3</sub>O<sub>8</sub>**  
 LOM uranium produced

**US\$16.72/lb**  
 C1 Cost



**US\$18.39/lb**  
 AISC Cost

## Optimized PEA Highlights (2)

Strong base case economics improve significantly using long-term uranium prices

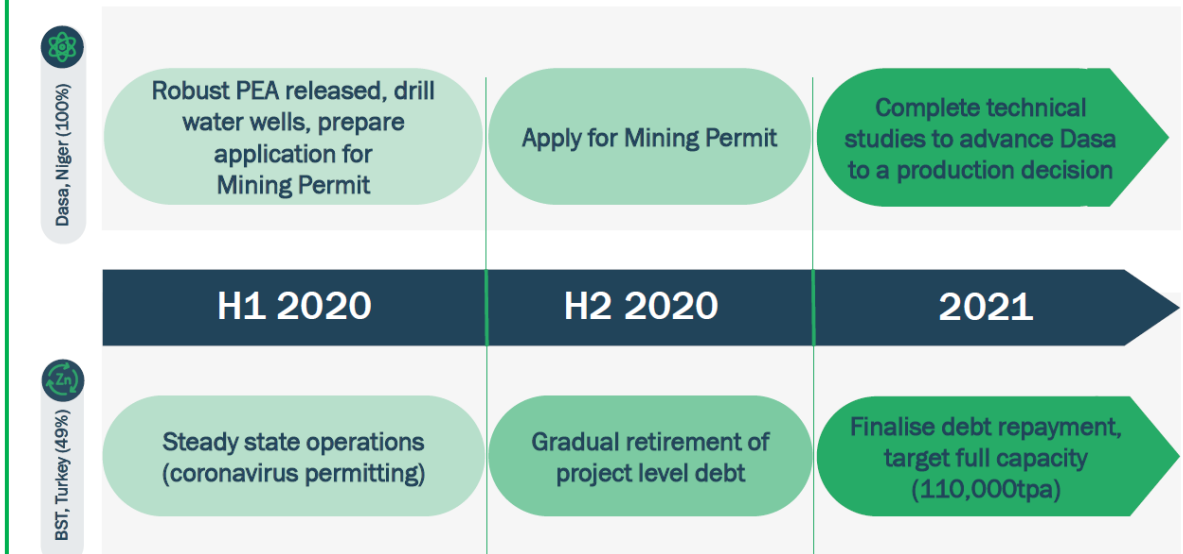
Economic sensitivity with varying uranium prices <sup>(1)</sup>						
Uranium price (per pound)	\$25/lb	\$30/lb	\$35/lb	\$40/lb	\$45/lb	\$50/lb
Before-tax NPV <sub>8</sub>	\$41 M	\$139 M	\$260 M	\$365 M	\$485 M	\$601 M
After-tax NPV <sub>8</sub>	\$34 M	\$113 M	\$211 M	\$294 M	\$391 M	\$485 M
After-tax IRR	11.5%	18.5%	26.6%	32.6%	39.7%	46.3%

<sup>1</sup> Sensitivities used the base case mining model at US\$35 per pound uranium

Economic sensitivity with varying discount rates using base-case uranium price \$35/lb				
Discount rate (%)	5%	8%	10%	12%
Before-tax NPV	\$341 M	\$260 M	\$215 M	\$177 M
After-tax NPV	\$279 M	\$211 M	\$173 M	\$141 M

## Timeline

### Significant near-term value catalysts



### Outlook - Turkish JV, Iskenderun

- The modernized Turkish JV plant in Iskenderun is anticipated to operate at approximately 60% capacity during 2020; operations in 2021 will be driven by COVID-19 impact on the Turkish steel industry and the availability of Electric Arc Furnase Dust (“EAFD”)
- Zinc prices have recently increased to above \$ 1.00/lb
- Repayments will continue on the Befesa loan through 2020 and 2021, to eliminate Turkish JV Project debt
- Dividend flow from the Turkish JV will resume following repayment of the non-recourse modernization debt.

### BST, Iskenderun, Turkey (49% Global Atomic)

### New efficient kiln doubles capacity

**BEFESA**

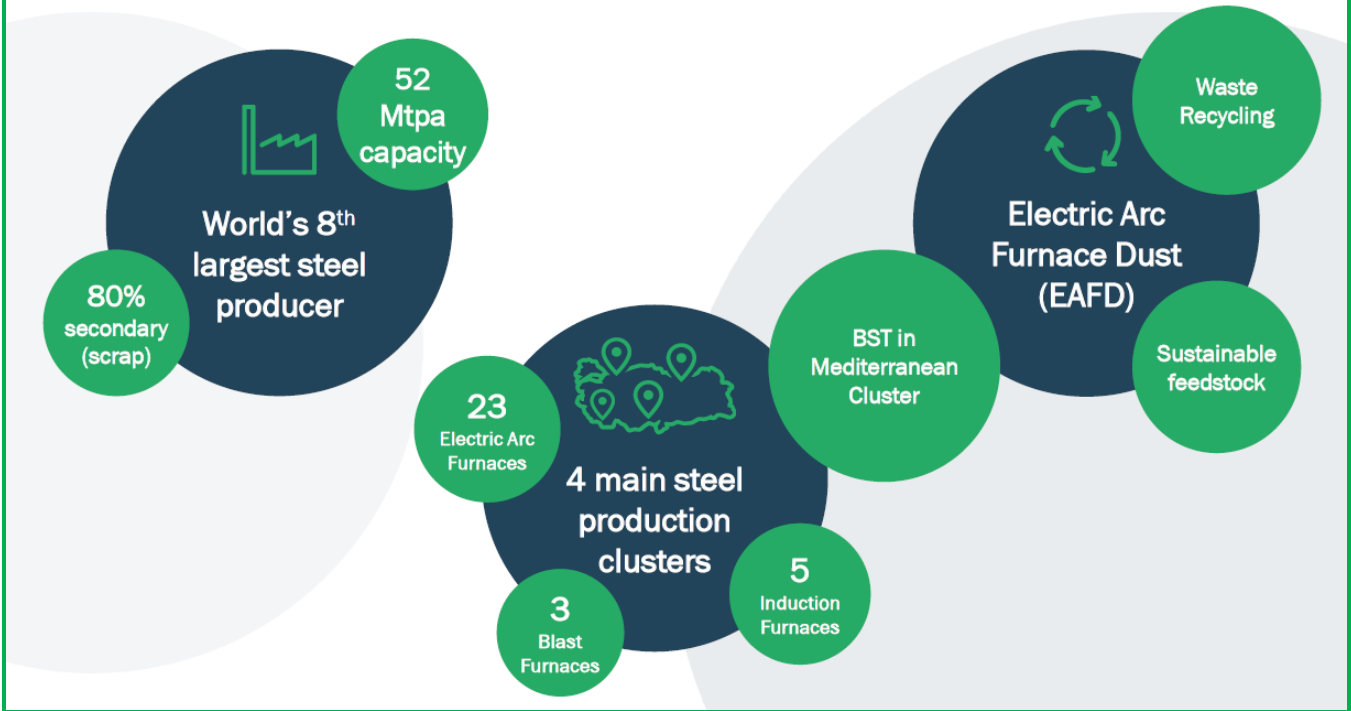
- 51% and operator
- market leader in EAFD recycling





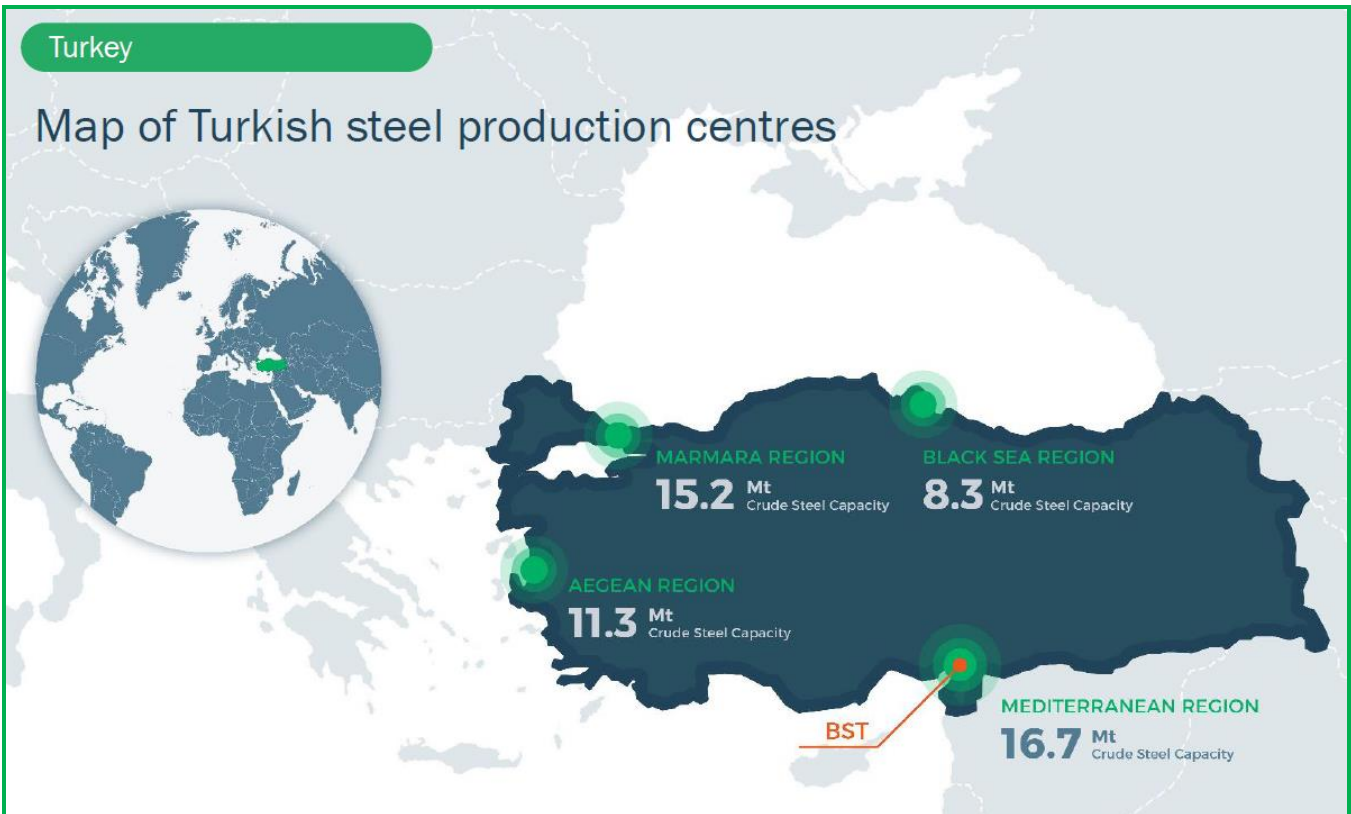
Turkey

### Home of a robust steel industry



Turkey

### Map of Turkish steel production centres



## **Management**

**Stephen G. Roman, Chairman, President & CEO**, has 35+ years of experience and was former senior officer and Director of Denison Mines. He discovered the Gold Eagle Mine which was sold to Goldcorp (\$1.5 billion), and was engaged with Verena Minerals / Belo Sun –Volta Grande, Black Fox, Gabriel Resources. Mr. Roman was the PDAC “Bill Dennis Award” winner, Prospector of the Year, 2016.

**Ronald S. Halas, P.Eng., Chief Operating Officer**, has over 30 years of diverse experience, including open pit and underground mining in both base and precious metals and has worked with major mining companies such as Kinross, IAMGOLD, Vale, PT Freeport Indonesia, Placer Dome and Cominco. His extensive experience in mine feasibility study, development and operations has been gained in Canada, Indonesia, New Caledonia, Suriname, Brazil and Mauritania.

**Rein A. Lehari, Chief Financial Officer**, was CFO, President and Director of Silvermet prior to its merger with Global Atomic in 2017. He was previously a partner at PricewaterhouseCoopers and the CFO for Harte Gold. Mr. Lehari became President of Reindalyne Enterprises Inc, in 2002, which provides financial consulting services.

**Tim Campbell, Vice President & Secretary**, has 20+ years' experience in government relations, community consultation, First Nations, permitting, as well as corporate finance, go-public transactions and regulatory compliance.

**George Flach, P.Geo., Vice President, Exploration, Director**, has 30+ years of experience in the discovery and development of gold projects in West Africa, including the 20 Moz Gold Fields Tarkwa, 4 Moz Bogosu and 2 Moz Benso mines in Ghana, and the 2 Moz Goulagou mine in Burkina Faso.

**Fergus Kerr, BSc, P.Eng., ARSM Mining Consultant**, has 35+ years of experience as a mining engineer and uranium specialist. He was General Manager at Denison's Elliot Lake uranium mine and subsequently, Mine Manager at Inco's Sudbury operations.

**Peter Wollenberg, Ph.D., P.Geo., Director Exploration, Resource Development**, has 30+ years of experience in uranium mining and is the former Director North American exploration, AREVA Resources Canada. Previously, he worked on AREVA's Niger projects.

**Ms Trace Arlaud, M.Eng, Director**, is an expert in mining, geology, geotechnical engineering, mining engineering and project management, with 27 years of experience. She has had impressive success in uranium extraction.. Ms Arlaud has reported and presented her work to corporate and private boards in Australia, Russia, Europe, Kazakhstan, China, Africa and the United States.

**Bob Tait, F.CIRI, Vice President Investor Relations**, has 30 years leading investor relations at companies on the TSX, NYSE and JSE. He spent 10 of these years in mining with IAMGOLD, First Uranium and Eldorado Gold.

## Finance

**Global Atomic** completed a private placement of approximately 5.54 million units on May 15, 2020 at a price of C\$ 0/60 per unit for gross proceeds of C\$ 3.3 million. Each unit comprised one common share and one-half warrant exercisable at C\$ 0.85 per common share over a 24-month period with an accelerator clause if the shares trade above C\$ 1.10 for 20 days.

After raising C\$ 3.3 million, current cash on hand is sufficient to fund the work program into the first quarter of 2021, when **Global Atomic's** expects to receive its Mining Permit.

During the first six months ended June 30, 2020, **Global Atomic** reported revenues of C\$ 449,653 and a comprehensive loss of C\$ 2.69 million.

Exploration & evaluation assets amounted to C\$ 35.5 million and investment in Turkish Zinc C\$ 2.9 million. Other assets represented an amount of C\$ 1.1 million.

**Total assets**, including C\$ 4.9 million cash amounted to C\$ 54.4 million. **Total liabilities** were C\$ 0.6 million. **Shareholders' equity** amounts to C\$ 53.8 million.

### Investment comments:

**Global Atomic** is providing a unique combination of high-grade uranium development in **Niger** and cash flow-ing zone concentrate production in Turkey.

The Company's flagship **Dasa deposit** is currently undergoing a program to study operating scenarios, including the opportunity to ship mineralized material to **Orano Mining's** operations in **Arlit** under an MoU signed with Orano in July 2017.

On July 18, 2019, **Global Atomic** announced a new Resource Estimate. The **Indicated Resources** increased by **56% to 101.6 million pounds eU3O8 at 1,752 ppm** and the **Inferred Resources** increased by 81% to **87.6 million pounds U3O8 at 1,781 ppm**.

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With zinc contained in concentrate to double to 60 million pounds annually at full utilization this will give a boost to **Global Atomic's** 49% share in net income, supported by zinc prices having recently increased to above \$ 1.00/lb.

**Global Atomic** is rated as the world's highest ranked listed uranium exploration/development company by market valuation being focused on **Africa** as the leading destination to search for prospective uranium investment opportunities (see overview). Considering a mining permit to be issued for the **Dasa Uranium Deposit** next year, **Global Atomic**, in my view, continues to offer a highly prospective investment opportunity.

**My 2020 price target remains C\$ 1.00.**

## World Top 10 uranium producing countries

(in million pounds U3O8)

	2019 Production	% of total production
Kazakhstan	59.2	42.6
Canada	17.9	12.9
Australia	16.5	11.9
Namibia	14.2	10.2
Niger	7.8	5.6
Russia	7.5	5.4
Uzbekistan	6.3	4.5
China	4.9	3.5
Ukraine	2.2	1.6
India	1.3	0.9
South Africa	0.8	0.6
Others	0.4	0.3
<b>Total</b>	<b>139.0</b>	<b>100</b>

## World's top listed uranium exploration/development companies focused on emerging countries (by market valuation)

	Country focus	Trade symbol	Share price Aug. 18 2020	Share price Year-end 2019	Change Year-end 2019 in %	Market valuation (US\$ million)
Berkeley Energia	Spain	ASX BKY	A\$ 0.49	A\$ 0.18	172	96.0
Global Atomic *	1) Niger	TSX.V GLO	C\$ 0.69	C\$ 0.56	23	79.0
Lotus Resources	2) Malawi	ASX LOT	A\$ 0.11	A\$ 0.07	57	53.7
GoviEx *	Niger/other African countries	TSX.V GXU	C\$ 0.15	C\$ 0.15	-3	48.0
Deep Yellow *	Namibia	ASX DYL	A\$ 0.23	A\$ 0.25	-8	38.8
Bannerman Resources	Namibia	ASX BMN	A\$ 0.04	A\$ 0.04	0	28.9
Plateau Energy Metals	3) Peru	TSX.V PLU	C\$ 0.35	C\$ 0.28	27	27.7
Forsys Metals	Namibia	TSX FSY	C\$ 0.16	C\$ 0.15	7	20.2
Blue Sky Uranium	4) Argentina	TSX BSK	C\$ 0.14	C\$ 0.16	-16	12.2
<b>Total market capitalization</b>						<b>404.5</b>

\* featured as a **Special Situation** and included in the 2019 Shortlist of investment recommendations

1) also 49% interest in operating zinc project in Turkey

2) acquired 85% stake in major uranium project in Malawi from Paladin Energy; also cobalt project in NSW Australia

3) uranium-lithium project; main focus on lithium

4) uranium-vanadium project