

Global Atomic Announces Q3 2020 Results

Highlighting Significant Progress on its Dasa Uranium Project and an Improving Outlook for its Zinc Recycling Business

Toronto, ON, November 11, 2020: Global Atomic Corporation (“Global Atomic” or the “Company”), (TSX: GLO, FRANKFURT: G12, OTCQX: GLATF) announced today its operating and financial results for the three and nine months ended September 30, 2020.

HIGHLIGHTS

Dasa Uranium Project

- The Environmental Impact Statement (“EIS”) was completed and filed with the Niger Government in July 2020.
- Pilot plant trials were initiated in August 2020 to confirm and optimize the processing plant flow sheet.
- The Mining Permit application was submitted to the Niger Government on September 25, 2020.

Turkish Zinc Joint Venture

- The Company’s share of the Turkish Joint Venture (“Turkish JV”) EBITDA was \$2.5 million in Q3 2020 (\$5.9 million for the 9 months 2020);
- The non-recourse Turkish JV debt was reduced from US \$22.85 million at the end of Q2 2020 to US \$21.15 million (Global Atomic share - \$10.4 million) at the end of Q3 2020 and the cash balance was US \$0.3 million;
- The Company’s share of the Turkish JV loss was \$1.2 million, attributable to a \$1.5 million unrealized foreign exchange loss on the Turkish debt, due to the decline in both the Turkish Lira and the Canadian dollar relative to the US dollar.

Corporate

- Global Atomic continues to receive management fees and sales commissions from the Turkish JV, helping to offset corporate overhead costs.

Stephen G. Roman, Chairman, President and CEO commented “*Global Atomic had an excellent third quarter, 2020. For our uranium business, in addition to achieving the major milestone of submitting our Mining Permit application to the Government of Niger for the Dasa Uranium Project, we also completed several key studies in that process and began our pilot plant trials. For our zinc recycling business, the outlook is improving due to rising zinc prices and a continuing recovery in the Turkish steel industry. Zinc prices have risen by approximately 50% since the end of March.*”



OUTLOOK

Dasa Uranium Project, Niger

- Public consultation meetings took place in early October in the Dasa area and the town of Agadez, Niger. Receipt of an Environmental Certificate of Conformity from the Niger Government is expected shortly.
- Global Atomic anticipates the Mining Permit will be issued by the end of Q1 2021.
- A structural drilling program is under way and the results will be used to finalize the Dasa mine plan.
- A Pilot Plant project is expected to be complete in Q4 2020 and the results will be used to optimize the Dasa Process Plant flow sheet.
- Various trade-off studies are underway to optimize mining and processing.

Turkish Zinc JV, Iskenderun, Turkey

- Following process adjustments completed in August, the plant has attained planned efficiency levels.
- Feedstock of EAFD has increased and the Iskenderun plant is now anticipated to operate at between 63% and 64% capacity during 2020.
- Zinc prices continued to increase over Q3 2020 and averaged \$1.11/lb in September, strengthening even further thereafter.
- Further repayments are expected on the Befesa loans in Q4 2020 and the balance is likely to be repaid in 2021, depending on zinc prices and EAFD availability.
- Dividend flow from the Turkish Zinc JV will resume following repayment of the Befesa debt.



Summarized income statement and financial position information is shown as follows:

(all amounts in C\$)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Revenues	\$ 146,225	\$ 19,697	\$ 595,878	\$ 73,375
General and administration	676,197	1,524,448	2,177,485	3,307,358
Share of equity loss (earnings)	1,384,333	(2,245,579)	2,988,607	(7,864,602)
Other income	(33,044)	(30,000)	(93,044)	(90,000)
Finance expense	3,870	-	12,726	-
Foreign exchange loss (gain)	(2,659)	(19,220)	(20,788)	41,351
Net income (loss)	\$ (1,882,472)	\$ 790,048	\$ (4,469,108)	\$ 4,679,268
Other comprehensive income (loss)	\$(924,400)	\$(307,679)	\$(1,023,689)	\$(3,382,107)
Comprehensive income (loss)	\$ (2,806,872)	\$ 482,369	\$ (5,492,797)	\$ 1,297,161
<i>Basic net income per share</i>	<i>(\$0.012)</i>	<i>\$0.005</i>	<i>\$(0.030)</i>	<i>\$ 0.033</i>
<i>Diluted net income per share</i>	<i>(\$0.012)</i>	<i>\$0.005</i>	<i>\$(0.030)</i>	<i>\$ 0.031</i>
Basic weighted-average number of shares outstanding	150,695,797	144,532,683	149,402,735	142,762,854
Diluted weighted-average number of shares outstanding	157,871,978	153,419,264	157,541,571	150,085,354
Cash dividends declared	\$0.000	\$0.000	\$0.000	\$0.000
	September 30, 2020	December 31, 2019		
Cash	\$ 3,828,157	\$ 3,890,665		
Exploration & evaluation assets	36,531,590	32,515,297		
Investment in joint venture	9,934,450	15,870,717		
Other assets	1,367,290	1,328,399		
Total assets	\$ 51,661,487	\$ 53,605,078		
Total liabilities	\$ 552,750	\$ 647,755		
Shareholders' equity	\$ 51,108,737	\$ 52,957,323		

The consolidated financial statements reflect the equity method of accounting for Global Atomic's interest in BST. The Company's share of net earnings and net assets are disclosed in the notes to the financial statements.

Dasa Uranium Project, Niger

The PEA results were prepared based on a U₃O₈ price of \$35/pound resulting in a Phase 1 Development Plan after-tax internal rate of return of 26.6% and net present value of US \$211 million using an 8% discount rate. The average cash cost over this project phase is US \$16.72/pound and the AISC is US \$18.39/pound. The positive outcome of the PEA supported the Company's decision to move the Dasa project into production.

The Company completed its EIS and filed it with the Niger Government during Q3 2020 and follow on public consultation meetings were held in early October. All issues have been addressed. The application for the Mining Permit was also filed in Q3 2020 and the Mining Permit is expected to be issued by the end of Q1 2021.

Various optimization and trade-off studies are underway:

- a pilot plant project started in August 2020 and reports will be available in early 2021, providing further assurance on the flow sheet and optimizing reagent use
- A structural drilling program began in early November 2020 and will provide data needed for final mine plan engineering and portal location
- Trade-off studies are underway to optimize mining methods and related parameters
- Trade-off studies are underway to optimize tailings storage



- Alternative backfill plans are being tested so that the final selection can be optimized

With the completion of these studies, final engineering, equipment selection and contractor selection will proceed. The objective is to mobilize to site and begin construction in Q1 2022, subject to availability of financing and uranium market conditions.

Turkish Zinc JV, Iskenderun, Turkey

The following table summarizes comparative operational metrics of the Iskenderun facility.

	Three months ended September 30,		Nine months ended September 30,	
	2020 100%	2019 100%	2020 100%	2019 100%
Exchange rate (TL/C\$, average)	5.44	4.30	4.98	4.24
Exchange rate (C\$/US\$, average)	1.33	1.32	1.35	1.33
Exchange rate (TL/C\$, period-end)	5.80	4.27	5.80	4.27
Exchange rate (C\$/US\$, period-end)	1.33	1.32	1.33	1.32
Average zinc price (US\$/LB.)	1.06	1.16	\$0.97	\$1.21
EAFD processed (DMT)	12,269	5,703	51,295	10,178
Production (DMT)	4,593	1,181	18,755	2,472
Shipments (DMT)	4,189	430	19,941	1,983
Shipments (zinc content, 000 lb.)	6,296	636	30,641	1,983

The Turkish Zinc JV owns and operates an EAFD processing plant in Iskenderun, Turkey. The plant processes EAFD containing 25% to 30% zinc that is obtained from electric arc steel mills and produces a concentrate grading 68% to 70% zinc that is then sold to zinc smelters.

Global Atomic holds a 49% interest in the Turkish Zinc JV and, as such, the investment is accounted for using the equity basis of accounting. Under this basis of accounting, the Company's share of the JV's earnings is shown as a single line in its income statement.

In 2018, the Turkish Zinc JV approved a capital project to modernize and expand the Iskenderun plant. The project began in 2018 and was completed in 2019. Prior to February 2019, all work involved manufacturing of components for the new plant. In January 2019, the Iskenderun plant shut down so that the site reconstruction could begin. Commissioning of the new plant was completed in August and production ramp up began in September. The Iskenderun plant now has the capacity to process 110,000 tonnes EAFD per annum, an increase from the 65,000 tonne per annum previous capacity.



The following table summarizes comparative results for 2020 and 2019 of the JV at 100%.

	Three months ended September 30,		Nine months ended September 30,	
	2020 100%	2019 100%	2020 100%	2019 100%
Net sales revenues	\$ 5,555,087	\$ 171,612	\$ 22,649,656	\$ 5,356,688
Cost of sales	3,681,069	1,376,112	18,111,776	5,324,139
Foreign exchange loss (gain)	(611,932)	(435,357)	(1,367,023)	(774,737)
EBITDA⁽¹⁾	\$ 2,485,950	\$ (769,143)	\$ 5,904,903	\$ 807,286
Management fees & sales commissions	294,929	8,236	1,202,901	123,961
Depreciation	802,560	20,964	2,412,597	48,884
Interest expense	457,675	80,704	1,370,798	111,788
Foreign exchange loss on debt	4,415,934	-	8,670,782	-
Other expense (income)	(49,097)	(773)	(49,097)	(7,103)
Tax expense	(610,882)	(8,243,080)	(1,603,879)	(10,937,637)
Net income	\$ (2,825,169)	\$ 7,364,806	\$ (6,099,199)	\$ 11,467,393
Global Atomic's equity share	\$ (1,384,333)	\$ 3,608,755	\$ (2,988,608)	\$ 5,619,023
Global Atomic's share of EBITDA	1,218,116	-376,880	\$ 2,893,402	\$ 395,570

(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), foreign exchange loss (gain) on debt, depreciation, management fees, sales commissions, losses (gains) on sale of property, plant and equipment and impairment charges.

BST processed 51,295 tonnes EAFD through Q3 2020, which represents approximately 62% of plant capacity. In Q3, EAFD tonnes processed were negatively impacted due to a shutdown in August for scheduled maintenance as well as completion of final adjustments to the plant. Since restarting the plant in September, operating efficiencies have improved to the planned level for the new plant. 2019 production is not comparable, as the plant was shut down for reconstruction after January 2019.

The current outlook is that the plant will process between 65,000 and 70,000 tonnes EAFD in 2020. The zinc content in concentrate shipments during the first 9 months of 2020 was 30.6 million pounds. Based on the current outlook for 2020, zinc content of concentrate shipments for the year are expected to exceed 40 million pounds.

The total cost for the plant modernization and expansion was approximately US \$26.6 million, which was funded by cash on hand, available credit lines from the BST JV's Turkish bank and non-recourse loans from Befesa. At September 30, 2020, the Befesa loans totalled US \$15.6 million, bearing interest at Libor + 4.0% and mature between May and December 2022. The Turkish bank loans were renewed in August and September and converted to revolving lines of credit. The outstanding balance at September 30, 2020 was US \$5.55 million and bears interest at 3.75%.

The loans are denominated in US dollars but converted to Turkish Lira for functional accounting purposes. For presentation purposes, the equity interests are then converted to Canadian dollars. The foreign exchange loss for the 9 months to September 30, 2020 related to the joint venture debt was C\$8.7 million (\$4.4 million for the 3 months ended September 30, 2020).

This foreign exchange loss is an unrealized loss, and largely relates to the devaluation of the Turkish Lira relative to the US dollar from 5.95 at December 31, 2019 to 7.74 at September 30, 2020. In economic terms, all revenues are received in US dollars and these will be used to pay down the US denominated



debt, so no real exchange gains/losses will be realized in US dollar terms. The accounting exchange losses relate to the debt are shown below EBITDA as a financing related cost.

Tax expense (income) shown in the income statement is a non-cash deferred tax amount. The tax credit arises due to the recognition of tax loss carry-forward balances that have been generated in the Turkish operations. The Turkish entities qualified for an investment tax credit incentive on the new plant, of which TL 77.2 million (\$13.3 million) remains as a carry-forward balance at the end of Q3 2020.

Overall, the Company's share of EBITDA was \$1.2 million in Q3 2020 (\$2.9 million for 9 months 2020) and its share of net loss was \$1.4 million (\$3.0 million for 9 months 2020), driven largely by the unrealized foreign exchange loss recognized on the debt balances.

QP Statement

The scientific and technical disclosures in this news release have been reviewed and approved by Ronald S. Halas, P.Eng. and George A. Flach, P.Geo. who are "qualified persons" under National Instrument 43-101 – Standards of Disclosure for Mineral Properties.

About Global Atomic

Global Atomic Corporation (www.globalatomiccorp.com) is a publicly listed company that provides a unique combination of high-grade uranium mine development and cash-flowing zinc concentrate production.

The Company's Uranium Division includes four deposits with the flagship project being the large, high-grade Dasa Project, discovered in 2010 by Global Atomic geologists through grassroots field exploration. The Company is moving the Dasa Project ahead rapidly, having recently completed the key milestone of submitting the mining permit application to the Niger government.

Global Atomic's Base Metals Division holds a 49% interest in the Befesa Silvermet Turkey, S.L. ("BST") Joint Venture, which operates a new, state of the art processing facility, located in Iskenderun, Turkey. The plant recovers zinc from Electric Arc Furnace Dust ("EAFD") to produce 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, with approximately 50% of the European EAFD market and facilities located throughout Europe and Asia.

Key contacts:

Stephen G. Roman
Chairman, President and CEO
Tel: +1 (416) 368-3949
Email: sg@globalatomiccorp.com

Bob Tait
VP Investor Relations
Tel: +1 (416) 558-3858
Email: bt@globalatomiccorp.com

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Forward-looking statements are based on the opinions and estimates of management at the date such statements are made. Although management of Global Atomic has attempted to identify important factors that could cause actual results to be materially different from those 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 upon forward-looking statements. Global Atomic does not undertake to update any forward-looking statements, except in accordance with applicable securities law. Readers should also review the risks and uncertainties sections of Global Atomic's annual and interim MD&As.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy and accuracy of this news release.