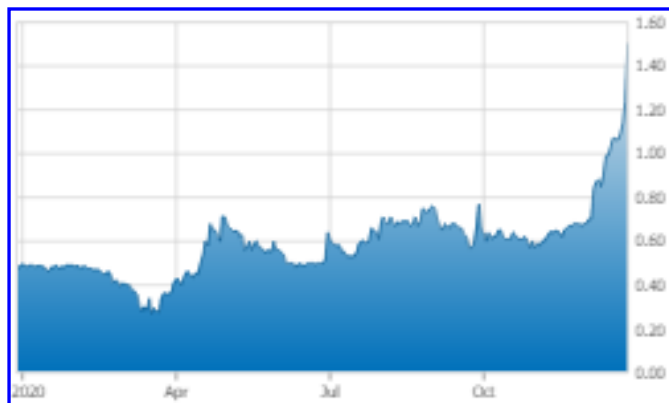


**Investment Alert – December 28, 2020**

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



## **Global Atomic Corp. (C\$ 1.50)**

TSX : GLO  
OTCQX: : GLATF  
Frankfurt : G12

H + L prices (12 months) : C\$ 1.88 – 0.23

Net shares issued : 151.8 million

Fully diluted shares : 168.7 million

Market Capitalization : C\$ 227.60 million  
(US\$ 176.9 million)

**2021 price target: C\$ 3.00**

## **INVESTMENT ALERT**

### **Global Atomic receives Mining Permit for Dasa Project in Niger**

On December 27, 2020, **Global Atomic** announced the **Presidential Decree** granting the **Mining Permit** has been approved by the Council of Ministers for the Company's flagship discovery **Dasa Uranium Project** in **Niger**. President and CEO of **Global Atomic** Stephen G. Roman stated "the early receipt of the Mining Permit is testament to the relationship the Company has built with the Government of Niger since it entered the country in 2005 and Niger's support for its domestic mining industry".

With this Permit granted and continuing positive results from its ongoing work program, the Company is enthusiastic to advance the **Dasa Project** now completing the final design and engineering required to build the Project, Stephen Roman says.

The **Phase I operation scenario** outlined key elements in the **PEA** released May 2020 includes:

- 12 year, Phase I operation, producing 44 million lbs U<sub>3</sub>O<sub>8</sub> at 5,396 parts per million (0.54%)
- Annual production of 4.4 million pounds U<sub>3</sub>O<sub>8</sub>
- Cash cost of \$16.72 per pound
- All-in sustaining cost (AISC) of \$18.39 per pound
- After-tax NPV8 of \$211-million and after-tax IRR of 26.6 per cent

**Global Atomic** plans to start site construction in Q1, 2022 and be in production by Q3, 2024 and to start a Direct Ore operation by mid-2023.

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**.

In addition to the **Dasa Uranium Project** in **Niger**, **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.

#### Investment comments:

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

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On April 15, 2020, **Global Atomic** announced the **PEA** of the **Phase 1 Mine Plan** for **Dasa**, indicating a **12-year mine life to produce 44.1 million pounds U3O8 at an all-in sustaining cost of \$ 18.39/lb U3O8**.

Having submitted on September 25, 2020 a Mining Permit application for the **Dasa Project**, **Global Atomic** announced on December 23, 2020 that the Presidential Decree had granted the Permit and it had been approved by the Council of Ministers.

Thanks to the Mining Permit having been granted earlier than expected, the Company's share price rallied by 168% from C\$ 0.67 at the time of my **Special Report** in November 2020 to a high of C\$ 1.88. However, thanks to the clear outlook to start site construction for the Project in Q1 2022 and be in production by Q3 2024, I consider the Company still significantly undervalued.

**I have increased my 2021 price target from C\$ 2.00 to C\$ 3.00.**

## 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 Dec. 24 2020	Share price Year-end 2019	Change Year-end 2019 in %	Market valuation (US\$ million)
Global Atomic *	1) Niger	TSX.V GLO	C\$ 1.50	C\$ 0.56	168	177.5
Berkeley Energia	Spain	ASX BKY	A\$ 0.64	A\$ 0.18	256	125.8
Deep Yellow *	Namibia	ASX DYL	A\$ 0.48	A\$ 0.25	90	84.9
GovEx *	Niger/other African countries	TSX.V GXJ	C\$ 0.22	C\$ 0.15	43	79.6
Bannerman Resources	Namibia	ASX BMN	A\$ 0.09	A\$ 0.04	115	65.4
Lotus Resources	2) Malawi	ASX LOT	A\$ 0.11	A\$ 0.07	57	61.4
Forsys Metals	Namibia	TSX FSY	C\$ 0.26	C\$ 0.15	70	33.2
Plateau Energy Metals	3) Peru	TSX.V PLU	C\$ 0.36	C\$ 0.28	31	27.8
Blue Sky Uranium	4) Argentina	TSX BSK	C\$ 0.17	C\$ 0.16	6	15.9
<b>Total market capitalization</b>						<b>671.5</b>

\* featured as a Special Situation and included in the 2020/2021 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

## Global Atomic has a unique business model for success:

### URANIUM

GLOBALATOMIC



### ZINC RECOVERY

Iskenderun,  
Turkey

Processing Electric  
Arc Furnace Dust to  
produce zinc oxide

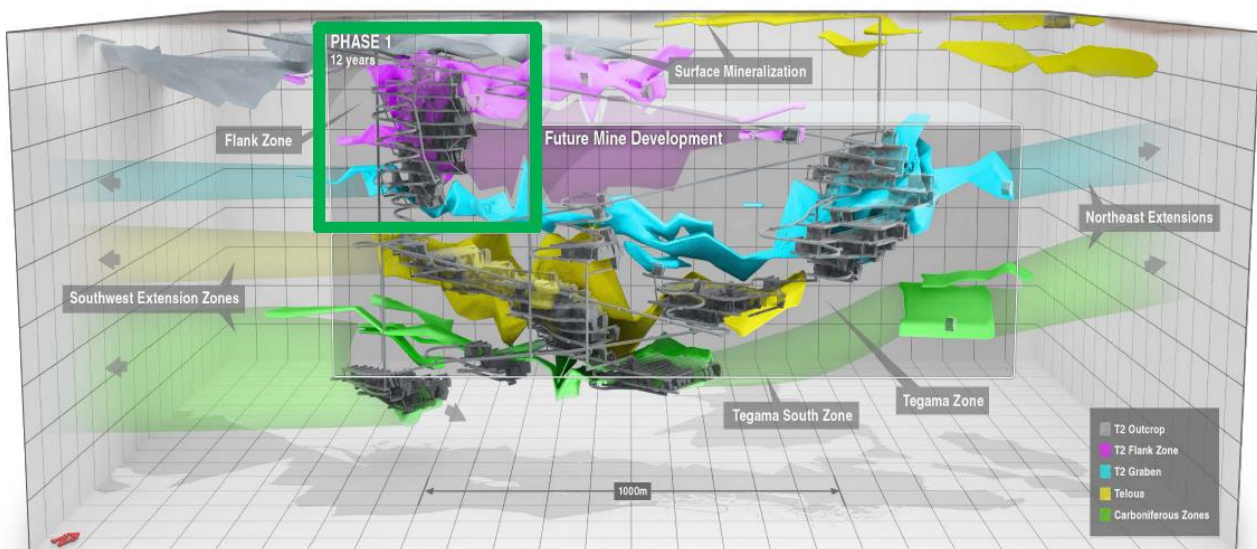
PROVIDING STABLE CASH-FLOW WHILE WE BRING URANIUM TO MARKET

PROFITABLE ZINC RECYCLING IS FUELLING  
OUR LOW-CARBON FUTURE

## THE DASA PROJECT IS COMPELLING

TSX: **GLO**

## The Dasa Project is high grade and long life:



Dasa Project schematic long-section and hypothetical underground infrastructure

**PHASE I DEFINES THE INITIAL 12 YEARS OF THIS LARGE, HIGH-GRADE DASA PROJECT**



Dasa is an impressive project as per the May 2020 PEA (Preliminary Economic Assessment) using a uranium price of \$35/lb

**5,396 ppm** + **12 years** → **44 Mlbs U<sub>3</sub>O<sub>8</sub>**  
 Mine life LOM production

Compelling project economics after-tax

**\$203M** + **\$18.39/lb** → **\$210.7M**  
 Start-Up CapEx AISC Cost NPV<sub>8</sub>

→ **26.6%**  
 IRR



The Dasa Project has strong base case economics @ \$35/lb that improve significantly using higher uranium prices

#### Economic sensitivity with varying uranium prices\*

Uranium price (per pound)	\$25/lb	\$30/lb	\$35/lb	\$40/lb	\$45/lb	\$50/lb
Before-tax NPV @ 8%	\$41 M	\$139 M	\$260 M	\$365 M	\$485 M	\$601 M
After-tax NPV @ 8%	\$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%

\*The schedule for all uranium price sensitivities used the base case model.

#### 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

## ZINC RECYCLING

Zinc from BST helps fund the Dasa Project.



new zinc oxide recovery plant (2019), Iskenderun, Turkey

Joint venture with **BEFESA** (51%), a market leader in zinc recovery

- Processing Electric Arc Furnace Dust ("EAFD") containing 25% to 30% zinc sourced from local steel mills
- Produces a 70% zinc oxide concentrate, which is sold to smelters
- Recovering high grade zinc & removing toxic elements

## CASH FLOW FROM ZINC RECYCLING UNDERPINS DASA PROJECT DEVELOPMENT



The plant expansion and modernization completed in 2019 means no major capital needed for the zinc business

- Capacity to process 110,000 tonnes EAFD p.a., up from 65,000 tonnes previously
- Payback of expansion capital expected in 2 years @\$0.85/lb, faster as zinc price rises
- Dividend flow from Turkish JV will resume following repayment of the non-recourse, modernization debt

Note: The plant was shut down most of 2019 for the expansion and modernization project.

