# GLOBAL ATOMIC CORPORATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

## FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

**Dated November 14, 2019**

The following discussion of the results of operations and financial condition of Global Atomic Corporation ("Global Atomic" or the "Company", formerly Silvermet Inc.) prepared as of November 14, 2019 summarizes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2019, and the factors reasonably expected to impact on future operations and results ("Management's Discussion and Analysis of Financial Condition and Results of Operations" or "MD&A").

This MD&A is intended to supplement and complement the Company's unaudited interim consolidated financial statements as at and for the three and nine months ended September 30, 2019 ("Financial Statements") and the notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Certain information and discussion included in this MD&A constitutes forward-looking information, which should be considered in view of the cautionary notes contained in the section "Forward-Looking Statements" at the end of this MD&A.

Further information about the Company and its operations can be obtained from the offices of the Company, at www.globalatomiccorp.com or from www.sedar.com.

## HIGHLIGHTS

- The new Turkish EAFD processing plant in Iskenderun was successfully commissioned during August and September
- The new plant has been completed on time and on budget, at a total cost of approximately US $26 million
- The new plant will generate free cash flow on the re-start with enhanced profitability
- Cash flow from the plant will be used to pay down the Befesa debt and dividend payments will resume thereafter
- An updated Mineral Resource Estimate ("MRE") was completed by CSA Global Pty. Ltd. ("CSA Global") for the DASA Project, highlighting the following increase in Indicated and Inferred Resources:
    - Indicated Resource Increased by 56% to 101.6 million pounds eU3O8 at 1,752 ppm
    - Inferred Resource Increased by 81% to 87.6 million pounds eU3O8 at 1,781 ppm
- The DASA Deposit remains open along strike and down dip and further expansion drilling is recommended by CSA Global
- Various trade-off studies have been completed and are currently in process to optimize economics of uranium production at the DASA deposit
- Global Atomic moved its public listing from the TSXV to the TSX on May 8, 2019
- Global Atomic was listed on the OTCQX market under the symbol "GLATF" on October 16, 2019

## OUTLOOK

- The Turkish EAFD processing plant is expected to operate at between 80% and 100% of throughput capacity in 2020, assuming no significant downturn in steel markets
- Cash flow from Turkish operations is available to pay down Befesa; steel market conditions in Turkey and the price of zinc will affect such available cash flow
- Feasibility work is underway on the DASA deposit in order to apply for a Mining Permit by Q4 2020

- An Environmental Impact Study ("EIS") is being prepared as a pre-requisite to receipt of a Mining Permit

- Discussions continue with the French uranium producer, Orano Mining, on collaboration opportunities, including possible early ore delivery to Orano's Somair Mill for processing

## BACKGROUND

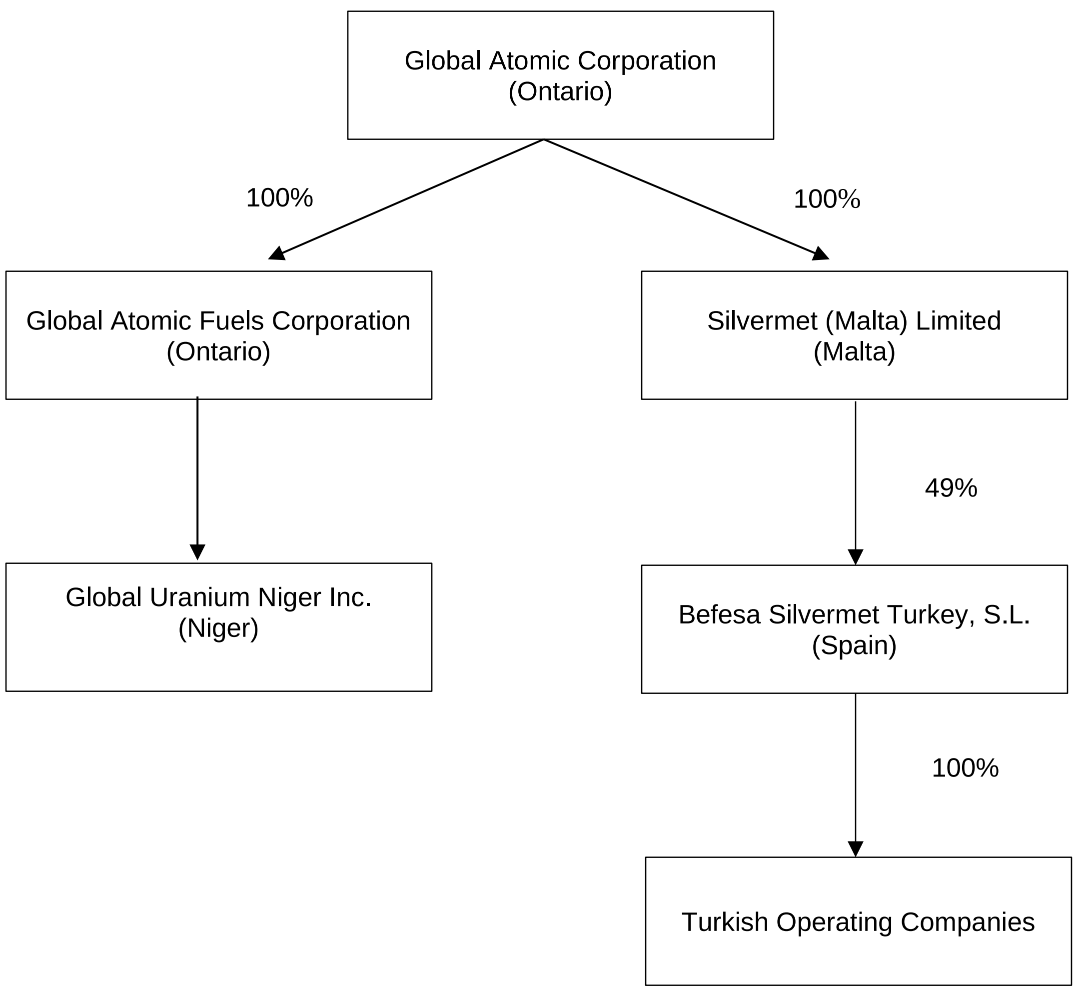
Global Atomic is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia and Ontario and trades under the symbol "GLO" on the Toronto Stock Exchange (the "TSX"), under the symbol "GLATF" on the Over-The-Counter Market (the "OTCQX"), and under the symbol "G12" on the Frankfurt Stock Exchange.

Global Atomic is headquartered in Toronto, Canada and is incorporated under the laws of the Province of Ontario. Global Atomic and its subsidiaries have two principle lines of business:

1. the processing of Electric Arc Furnace Dust ("EAFD") obtained from steel companies through a Waelz kiln to recover zinc and produce a high-grade zinc concentrate which is sold to smelters.

2. the acquisition, exploration and development of mineral resource properties, with the DASA Project currently under development in the Republic of Niger.

An organization chart of the Company is as follows:



(All amounts in Canadian Dollars, unless otherwise stated)

The Company's Turkish EAFD business operates through a joint venture with Befesa Zinc S.A.U. ("Befesa"), an industry leading Spanish company that operates a number of Waelz kilns throughout Europe and Asia. On October 27, 2010, Global Atomic and Befesa established the joint venture, known as Befesa Silvermet Turkey, S.L. ("BST") to operate an existing plant and develop the EAFD recycling business in Turkey, (the "Turkish Operations"). BST is held 51% by Befesa and 49% by Global Atomic. A Shareholders Agreement governs the relationship between the parties. Under the terms of the Shareholders Agreement, management fees and sales commissions are distributed pro rata to Befesa and Global Atomic. Net income earned in Turkey, less funds needed to fund operations, must be distributed.

On December 22, 2017 the Company completed the acquisition of Global Atomic Fuels Corporation ("GAFC"). Under the terms of the transaction, GAFC amalgamated with a wholly-owned subsidiary of the Corporation, and all of the issued and outstanding common shares of GAFC were acquired by the Company in exchange for the issuance of 2.147 common shares of the Company for each GAFC share. On completion of the transaction, the Company consolidated its share capital on the basis of one new share for every 2.75 shares outstanding.

GAFC has been exploring and developing uranium deposits in Niger since 2007, when it entered into six mining agreements covering an initial area of approximately 3,500 $km^2$. These permit areas had had preliminary historic drilling that had identified a number of high potential areas for further exploration. The DASA deposit was discovered by GAFC in late 2010.

## TURKISH EAFD OPERATIONS

The BST joint venture 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 producers and produces a zinc concentrate grading 68% to 70% zinc that is then sold to zinc smelters.

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. Under this basis of accounting, 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 2019 and 2018 of the joint venture at 100%.

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2019<br>100% | 2018<br>100% | 2019<br>100% | 2018<br>100% |
| Net sales revenues | $ 544,874 | $ 4,711,348 | $ 5,901,562 | $ 32,697,283 |
| Cost of sales | 1,149,182 | 3,642,417 | 6,466,219 | 16,293,483 |
| Foreign exchange loss (gain) | (205,074) | (2,195,446) | (979,811) | (5,479,654) |
| EBITDA(1) | $ (399,234) | $ 3,264,377 | $ 415,154 | $ 21,883,454 |
| Management fees & sales commissions | 24,522 | 274,125 | 148,483 | 1,280,582 |
| Depreciation | 25,511 | 84,929 | 74,395 | 317,113 |
| Interest expense (income) | (25,551) | 19,812 | 86,237 | 74,401 |
| Tax expense | (5,006,531) | 653,250 | (15,944,169) | 4,442,887 |
| Net income | $ 4,582,815 | $ 2,232,261 | $ 16,050,208 | $ 15,768,471 |
| Global Atomic's equity share | $ 2,245,579 | $ 1,093,808 | $ 7,864,602 | $ 7,726,551 |

(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, foreign exchange loss (gain), and other expenses including management fees, sales commissions; gain on sale of property, plant and equipment and impairment charges.

(All amounts in Canadian Dollars, unless otherwise stated)

Site construction of the new plant began in January and was completed in August, on time and on budget. Upon completion of construction, the new plant was successfully commissioned and is presently ramping up production. September throughput was approximately 5,000 tonnes EAFD.

The total cost of the new plant is approximately US $26 million. Financing was provided from existing cash in the joint venture, US $2 million from a Turkish bank and the balance funded by Befesa. The cost of the Befesa funding is Libor + 4.0%. As of September 30, 2019, Befesa had funded US $11.2 million to the BST joint venture and this amount is expected to peak at US $20 million once all payments have been made. The Befesa funding is expected to be repaid out of operating cash flows or refinanced during 2020/21.

Because of the construction shutdown, operating results for the current year are not comparable to those of the prior year. Additionally, a significant tax credit is included in 2019 with recognition of a deferred tax asset related to investment incentive tax credits available against future taxes payable.

The economics of the new plant will be greatly improved as a result of the following:

- EAFD throughput increases from 60,000 tonnes to 110,000 tonnes EAFD
- Zinc recovery rates are expected to improve from 80% to 90%
- Zinc contained in concentrate will double from 30 million pounds/year to 60 million pounds/year based on full utilization
- Unit operating costs will be reduced

The Iskenderun plant utilizes the best available technology and processes EAFD in a clean, environmentally sensitive manner.

## NIGER URANIUM EXPLORATION OPERATIONS

The Company carries out its Niger uranium exploration and development activities through its wholly-owned subsidiary, Global Atomic Fuels Corporation ("GAFC"). GAFC was incorporated on January 31, 2005 to pursue uranium mining projects. After an analysis of the prospective exploration sites in Niger, GAFC entered into six Mining Agreements with the Government of the Republic of Niger. Each Mining Agreement covers a period of 20 years. Under the terms of a Mining Agreement, GAFC is granted an initial three-year Exploration Permit, which is renewable for two successive 3 year periods. Upon completion of a Feasibility Study and Environmental Impact Statement, GAFC will apply for a Mining Permit which has an initial term of 10 years and is renewable until the resource is depleted.

In January 2007, GAFC entered into 4 Mining Agreements known as Tin Negoran 1, 2, 3 and 4. In September 2007, GAFC entered into 2 additional Mining Agreements known as Adrar Emoles 3 and 4.

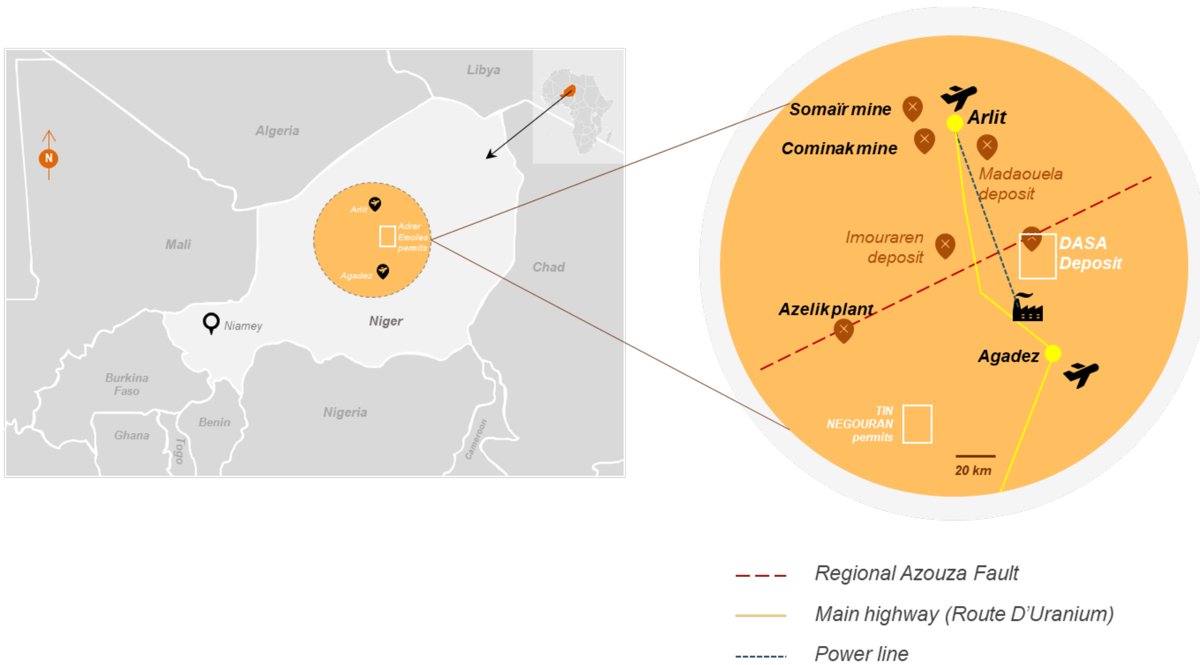
The original area covered by each Mining Agreement was approximately 500 km$^2$. Upon each renewal of Exploration Permits, GAFC is required to reduce the area covered by the Mining Agreement by at least half. The area covered by each Mining Agreement is currently as follows:

| | |
|---|---|
| Tin Negoran 1 | 119.7 km2 |
| Tin Negoran 2 | 122.1 km2 |
| Tin Negoran 3 | 124.3 km2 |
| Tin Negoran 4 | 120.1 km2 |
| Adrar Emoles 3 | 121.2 km2 |
| Adrar Emoles 4 | 120.1 km2 |
| | 727.5 km2 |

After entering the Mining Agreements, GAFC acquired historic exploration and drilling data that had been compiled on the 6 permit areas. The French Government through Compagnie Generale des Matieres Premieres ("COGEMA"), which subsequently became AREVA SA, and now Orano Mining ("Orano"), has been active throughout the Tim Mersoi basin of Niger since the 1960's. Additionally, several Japanese agencies, including Overseas Uranium Resources Development ("OURD"), International Resources SA ("IRSA"), Japan Power Nuclear Company ("PNC") and Japan

Petroleum Trading Corporation ("JPTC") have also been active in Niger. Access to this historic data enabled GAFC management to focus on exploration targets that had known uranium deposits and showings.

Uranium was first discovered in Niger in 1957 in the Tim Mersoi Basin at Azelik (also now referred to as Teguida) by the Bureau Minier de la France d'Outre-mer ("BUMIFOM") and the Bureau de Recherche Géologique et Minière ("BRGM") during a search for copper mineralization. Commissariat à l'Energie Atomique (French Atomic Energy Commission or "CEA") initiated detailed geological studies and exploration. The combination of airborne radiometrics and aerial photographic analysis led to the discovery of numerous radiometric anomalies and mineralized outcrops along the entire western edge of the Aïr Mountains. Since that time, many uranium deposits have been discovered in the Tim Mersoi basin by CEA and its successor, COGEMA, among them: the Azelik, Arlit, Akouta, Afasto, Imouraren and Madaouela deposits and/or mines. The Japanese agencies, OURD, IRSA, PNC and JPTC also carried out significant exploration programs and identified uranium deposits at Abkorun and Madouela.




Société des Mines de l'Aïr ("SOMAIR") is a joint venture established in 1968 among Orano (formerly AREVA), Urangesellschaft from Germany (subsequently acquired by Orano), and the Office National des Resources Minières du Niger ("ONAREM", which has now been replaced by the Societe de Patrimoine des Mines du Niger, "SOPAMIN"). SOMAIR began production from an open pit mine 7 kilometres northwest of Arlit in 1971 and has been operating continuously since then. Over the years, SOMAIR has produced over 164 million pounds U3O8. SOMAIR is currently owned by Orano (63.6%) and SOPAMIN (36.4%).

The Compagnie Minière d'Akouta ("COMINAK") is a joint venture established in 1974 among Orano, SOPAMIN, OURD, and Empresa Nacional del Uranio S.A. of Spain ("ENUSA"). COMINAK began production from the Akouta mine in 1978 and has been producing continuously since that time. Akouta is the world's largest underground uranium mine. Over the years, COMINAK has produced over 180 million pounds U3O8. Currently, COMINAK is owned by Orano (34%), SOPAMIN (31%), OURD (25%) and ENUSA (10%).

GAFC acquired the four contiguous Tin Negoran permits in January 2007 and began an exploration program that included:

- Airborne magnetic and radiometric survey (15,000 line-kilometers)
- Radon gas survey
- Reverse circulation drilling of 929 holes (30,716 meters)

- Borehole logging, radiometric and conductivity surveys and data processing

Uranium grades delineated by drilling at Tin Negoran indicate potential for a small open pit deposit. No exploration work has been done on the Tin Negoran permits since 2008.

In 2009, a drill program was initiated at the Isakanan prospect on the Adrar Emoles 4 permit, which confirmed historic uranium drilling results. GAFC continued drilling on the Isakanan prospect through 2012 and has done no further work since then. The delineated mineralized area appears to have formed in flat, sub-horizontal bodies over a large area of about 2.4 sq. km, with an average thickness of 2.2 metres. The average depth of the main mineralized zone is approximately 285 metres below surface. Management considers the Isakanan prospect to be a promising target for "In-situ" leaching. A testing program will assess the feasibility of such a mining approach.

Historic drilling on the Adrar Emoles 3 permit identified the Dajy prospect, a uranium zone 300 metres below surface with an average grade of 689 ppm U3O8. In late 2009, a surface mapping and reconnaissance program was initiated around the Dajy prospect, which led to the discovery of high grade surface mineralization approximately 1 to 2 km north of the Dajy prospect. This new prospect was named DASA, an acronym for "Dajy Area Surface Anomaly".

Drilling during 2010 and 2011 was concentrated on the DASA area with drill depths less than 100 meters and drilled by vertical rotary holes. This initial drilling led to the discovery of surface mineralization hosted in Tchirezrine 2 sandstone. In 2012, during a deeper drilling campaign (up to 754 metres), GAFC discovered the main graben hosted deposit at DASA. Drilling in this area below 250 meters targeted the Triassic-Jurassic sandstones: Tchirezrine 2 formation (which also hosts Orano's huge Imouraren deposit) and subsequently, the Carboniferous formations (which also host Orano's Cominak and Somair deposits at Arlit about 80 km north of DASA.

On July 17, 2017, GAFC and Orano signed a Memorandum of Understanding ("MOU") in respect of the DASA deposit. Under the terms of the MOU, the parties agreed to advance discussions in relation to the development of the DASA deposit, including the use of Orano's mill facilities in nearby Arlit.

**Mineral Resource Estimate (MRE)**

In December 2018, CSA Global was commissioned by Global Atomic to provide an updated NI 43-101 compliant Mineral Resource Estimate and PEA for the DASA Project, located in the Tim Mersoi Basin, Republic of Niger, West Africa.

The current MRE, completed in June 2019, incorporates data from twenty-three additional holes that were not included in the previous resource, plus chemical assay data from the diamond drilling program carried out 2017 to 2018. In addition, lithology and structural data derived from drill core was used to build a definitive geological model for the deposit. The additional data has enhanced the understanding and definition of the structural and stratigraphic boundaries of the resource, and accordingly a new Geological Model and a new Block Model have been generated.

**Constrained DASA Mineral Resources as at 1 June 2019**

| Category | Tonnes Mt | $eU_3O_8$ ppm | Contained metal Mlb |
|---|---|---|---|
| Indicated Open Pit | 25.59 | 1,711 | 96.5 |
| Indicated Underground | 0.71 | 3,250 | 5.1 |
| **Total Indicated** | **26.30** | **1,752** | **101.6** |
| Inferred Open Pit | 18.93 | 1,357 | 56.6 |
| Inferred Underground | 3.38 | 4,151 | 31.0 |
| **Total Inferred** | **22.31** | **1,781** | **87.6** |

*1. Mineral Resources are based on CIM definitions*
*2. Mineral Resources for pit constrained resources are estimated within the limits of an ultimate pit shell*
*3. Mineral Resources for underground resources are estimated outside the limits of ultimate pit shell*
*4. A cut-off grade of 320 ppm eU3O8 has been applied for open pit resources*
*5. A cut-off grade of 1,200 ppm eU3O8 has been applied for underground resources*
*6. A bulk density of 2.36t/m$^3$ has been applied for all model cells*
*7. Rows and columns may not add up exactly due to rounding*

(All amounts in Canadian Dollars, unless otherwise stated)

### Grade Tonnage Report

The overall unconstrained resources have increased at the DASA deposit reflecting improved geological understanding and confidence in the continuity of mineralisation. Equally important is that the MRE uses a 320 ppm cutoff for open pit and 1,200 ppm for underground. Higher cut-offs can be utilized to mine higher grade ores during periods of low uranium prices. See Table 2 below.

**Table 2. Sensitivity Analysis – Grade Tonnage Report at Varying Cut-Off Grades**

| Cut-Off $eU_3O_8$, ppm | Category | Tonnes Mt | $eU_3O_8$ ppm | Contained metal Mlb |
|---|---|---|---|---|
| 100 | Indicated | 81.6 | 718 | 129.1 |
| | Inferred | 96.1 | 606 | 128.4 |
| **320** | **Indicated** | **32.0** | **1,530** | **108.0** |
| | **Inferred** | **35.0** | **1,333** | **102.7** |
| 1,000 | Indicated | 9.6 | 3,885 | 82.1 |
| | Inferred | 10.2 | 3,308 | 74.2 |
| **1,200** | **Indicated** | **7.9** | **4,483** | **78.0** |
| | **Inferred** | **8.4** | **3,783** | **69.9** |
| 1,500 | Indicated | 6.2 | 5,328 | 73.1 |
| | Inferred | 6.3 | 4,563 | 63.7 |
| 2,500 | Indicated | 3.6 | 7,849 | 61.9 |
| | Inferred | 3.4 | 6,838 | 51.4 |
| 5,000 | Indicated | 1.6 | 13,186 | 46.8 |
| | Inferred | 1.6 | 10,805 | 37.2 |
| 10,000 | Indicated | 0.6 | 24,401 | 31.1 |
| | Inferred | 0.8 | 14,598 | 25.3 |
| 15,000 | Indicated | 0.3 | 34,236 | 24.3 |
| | Inferred | 0.1 | 21,493 | 4.0 |

### Further Work

Global Atomic has been studying various alternative mining and processing methods to optimize economics of the project. The Company is focused on low-capital, high-margin, rapid-payback development options that could potentially be viable even in the current uranium price environment. The MRE published in June envisaged an open pit development but subsequent trade-off analysis indicates that a well-ventilated, modern underground mine using electric vehicles offers superior returns.

(All amounts in Canadian Dollars, unless otherwise stated)

**COMPARATIVE RESULTS**

The following table summarizes comparative results of operations of the Company:

| (all amounts in C$) | Three months ended September 30, 2019 | Three months ended September 30, 2018 | Nine months ended September 30, 2019 | Nine months ended September 30, 2018 |
|---|---|---|---|---|
| Revenues | $ 19,697 | $ 130,287 | $ 73,375 | $ 626,102 |
| General and administration | 1,494,448 | 393,136 | 3,217,358 | 2,760,874 |
| Share of net earnings from joint venture | (2,245,579) | (1,093,809) | (7,864,602) | (7,726,551) |
| Finance expense (income) | - | (209) | - | 96,309 |
| Foreign exchange loss (gain) | (19,220) | 1,417 | 41,351 | (153,119) |
| Net income | $ 790,048 | $ 829,752 | $ 4,679,268 | $ 5,648,589 |
| Other comprehensive income (loss) | $ (307,679) | $ (2,967,221) | $ (3,382,107) | $ (4,336,053) |
| Comprehensive income (loss) | $ 482,369 | $ (2,137,469) | $ 1,297,161 | $ 1,312,536 |
| Basic net income per share | $0.005 | $0.008 | $0.027 | $0.045 |
| Diluted net income per share | $0.005 | $0.008 | $0.026 | $0.045 |
| Basic weighted-average number of shares outstanding | 144,532,683 | 106,997,850 | 142,762,854 | 106,997,850 |
| Diluted weighted-average number of shares outstanding | 153,419,264 | 106,997,850 | 150,085,354 | 106,997,850 |
| Cash dividends declared | $0.000 | $0.000 | $0.000 | $0.000 |

| | As at September 30, 2019 | As at December 31, 2018 |
|---|---|---|
| Total assets | $ 54,866,042 | $ 50,687,964 |
| Total current financial liabilities | $ 343,207 | $ 731,214 |
| Total non-current financial liabilities | $ - | $ - |

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.

***Revenues*** include management fees and sales commissions received from the joint venture. These are based on joint venture revenues generated and tonnes sold. The decline in 2019 results from the shut down of the plant to enable reconstruction.

***General and administration*** costs at the corporate level include general office and management expenses, stock option awards, costs related to maintaining a public listing, professional fees, audit, legal, accounting, tax and consultants' costs, insurance, travel and other miscellaneous office expenses. Major variances resulted from the following:

- A bonus was included as part of Q2 management fees and the management complement increased
- Stock options were awarded in Q3 2019 vs Q2 2018
- Professional fees increased in Q2 2019 due to the cost of moving the listing from the TSXV to the TSX and costs of the OTCQX listing in Q3 2019
- Q2 2018 included costs of a proxy contest
- Investor relations and office expenses have increased in 2019 with increased corporate activity

***Share of net earnings from joint venture*** represents Global Atomic's equity share of net earnings from the BST joint venture. Earnings from operations have declined due to the shut down of the plant for reconstruction, offset in large part by the tax benefit recognized due to investment tax credits available to reduce future income taxes. Significant declines in the Turkish Lira exchange rate in 2018 resulted in significant Canadian dollar foreign exchange gains in the joint venture.

***Finance expense (income)*** is interest expense paid on the notes payable and debenture of the Company up to their repayment in May 2018.

(All amounts in Canadian Dollars, unless otherwise stated)

***Foreign exchange loss*** includes foreign exchange losses or gains incurred due to fluctuations of exchange rates between the functional currency of Canadian $ for the head office and the US $ and Euro, in which most of the cash on hand and some costs are denominated.

## SELECTED QUARTERLY FINANCIAL INFORMATION

| | Revenues | Net income (loss) | Net income (loss) per share |
|---|---|---|---|
| **2019** | | | |
| Q3 | 19,697 | 790,048 | 0.005 |
| Q2 | 0 | 2,311,576 | 0.016 |
| Q1 | 53,678 | 1,577,644 | 0.011 |
| **2018** | | | |
| Q4 | 225,418 | 1,760,964 | 0.014 |
| Q3 | 130,287 | 829,752 | 0.008 |
| Q2 | 244,050 | 1,071,036 | 0.010 |
| Q1 | 251,765 | 3,747,801 | 0.035 |
| **2017** | | | |
| Q4 | 203,337 | -687,812 | -0.016 |

All quarterly values reflect Global Atomic's 49% interest in the joint venture with Befesa using the equity method, with the Company's share of net earnings of the joint venture. The presentation currency is Canadian dollars.

- The Company's revenues are based on management fees and sales commissions received from the Turkish joint venture, which in turn, vary from quarter to quarter based on zinc prices and sales volumes
- Net income is primarily impacted by changes in the equity income recorded for the Turkish joint venture.
- Quarterly results also vary as a result of non-recurring items:
  - Stock-based compensation is granted to management, contractors and directors from time to time.
  - An unusual expense of $513,681 in Q2 2018 for legal and proxy solicitation expense related to the proxy challenge that took place prior to the annual general meeting held in June 2018.

## LIQUIDITY AND FINANCIAL POSITION

The Company reported a working capital surplus of $5.3 million at September 30, 2019 compared to a surplus of $7.3 million at December 31, 2018.

The cash required to support expenditures in 2018 was derived from the cash on hand at the end of 2017 and the dividend of $6.9 million received from BST in 2018.

Throughout the year, the Company receives its share of management fees and sales commissions from the Turkish operations, which amounts help to fund the various corporate costs.

In November 2018, the Company completed a private placement of common shares for gross proceeds of $8.9 million. A further private placement of common shares for $1.3 million was completed in January 2019. These private placements have provided the Company with the liquidity necessary to support its Niger trade-off studies that will assist in arriving at optimal mine and process methods.

The Company is presently assessing the remaining field work and consultant support necessary to complete its feasibility studies. Once this process is complete, the Company will determine what funding may be necessary to support completion of the work.

In 2018, the Turkish joint venture initiated a modernization and expansion program on its Iskenderun plant. Funding for such capital costs will be derived from existing cash and available credit facilities to the joint venture. No dividends will be paid until after any credit facilities have been repaid. Credit facility repayment is projected to take place in 2020/21 and dividends from BST are expected to resume in 2021, dependent on zinc prices and plant utilization levels.

## CAPITAL MANAGEMENT

In managing its capital, the Company's objective is to ensure the Company is able to continue its operations and that it has sufficient ability to satisfy its capital obligations and ongoing operational expenses. The Company considers the components of shareholders' equity, as well as its cash and equivalents, notes receivable, credit facilities and long-term loan obligations as capital. Management adjusts the capital structure as necessary in order to support its business strategy. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain current operations and future development of the business. The Company is not subject to externally imposed capital requirements.

## FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity and equity price risk).

## RELATED PARTY TRANSACTIONS

The Company lists its related party transactions in Note 9 of its audited consolidated financial statements for the year ended December 31, 2018.

## OFF BALANCE SHEET TRANSACTIONS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including and without limitation, such considerations as liquidity and capital resources.

## SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES & JUDGMENTS

The Company prepares its consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS"). The preparation of the Company's consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Significant accounting policies and critical accounting estimates and judgments are described in Notes 3 and 5 of the Company's audited consolidated financial statements for the year ended December 31, 2018.

## CHANGES IN ACCOUNTING POLICIES

The Company describes the effect of changes in accounting policies in Note 4 of its audited consolidated financial statements for the year ended December 31, 2018. Future changes in accounting policies are also covered in Note 4.

## RISKS AND UNCERTAINTIES

### Exploration, Development and Operating Risks

Global Atomic's mining and exploration activities involve significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines.

*Substantial Capital Requirements and Liquidity:* Substantial additional funds for the establishment of the Company's current and planned mineral exploration and development will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors, which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations.

*Fluctuating Mineral Prices and Marketability of Minerals:* The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the DASA Project or other properties in which the Company has an interest.

*General Economic Conditions:* Many industries, including the mineral resource industry, are impacted by general economic and financial market conditions, particularly when these are volatile. Some of the key impacts of a possible financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth.

*Competition:* The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

*Litigation:* The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

*Cyber Security Threats:* Information systems and other technologies, including those related to the Company's financial and operational management, are an integral part of the Company's business activities. Network and systems-related events, such as computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious attacks, or any combination of the foregoing, or power outages, natural disasters, terrorist attacks or other similar events, could result in damage to the Company's property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future. Any security breaches, such as misappropriation, misuse, leakage, falsification or accidental releases or losses of information maintained in the Company's information technology systems, including personnel and other data, could damage its reputation and require the Company to expend significant capital and other resources to remedy any such security breach. Insurance maintained by the Company against losses resulting from such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Company for any disruptions to its business that may result, and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Company. There can be no assurance that these events and security breaches will not occur in the future or not have an adverse effect on the business of the Company.

*Climate Change:* The Company is subject to evolving climate change legislation that may increase both compliance costs and the risks of non-compliance. New and/or future climate change legislation may affect the Company's ability to continue to operate as currently operated and/or planned to be operated.

**Risks Associated with Mineral Property Interests in Niger**

*Exploration Properties:* The properties in which the Company holds an interest or the right to acquire an interest, are in the exploration stage, but in the case of DASA, contain an identified resource. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in the development of commercial bodies of ore. The long-term success of the Company's operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

*Exploration, Development and Operating Risks:* The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation as the economic viability of the project would depend on obtaining favourable exploration results and commodity prices. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. No assurance can be given that the minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a favourable basis.

If any of the Company's properties is found to have commercial quantities of ore, the Company would be subject to additional risks respecting any development and production activities. Mining operations generally involve a high degree of risk. The Company's future operations would be subject to all the hazards and risks normally encountered in the exploration, development and production of base metals, including unusual and unexpected geologic formations, seismic activity, ground failure, rock bursts, cave-ins, flooding and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore. The Company's ability to execute its planned exploration programs on a timely basis is dependent on a number of factors beyond the Company's control including availability of drilling services, third party contractors and equipment, ground conditions, weather conditions and permitting.

*Uncertainty in the Estimation of Mineral Resources:* CSA has prepared an independent technical report on the DASA resource. CSA reviewed and confirmed the reliability of Global Atomic's QA/QC procedures that are the basis of the mineral resource database. CSA has estimated the quantity and grade of the DASA mineral resource using this database and its experience in estimating mineral resources. The mineral resource estimates have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining and Metallurgy ("CIM") Classification System. However, such figures are estimates, and no assurance can be given that the indicated level of mineral will be produced. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Company's control. Fluctuations in the price of uranium may render mineral resources containing lower grades of mineralization uneconomic. Market price fluctuations of uranium may render the present mineral resources unprofitable for periods of time. Fluctuation in uranium prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources, or of the Company's ability to extract these mineral resources, could have a material adverse effect on the Company's operations and financial condition.

*Maintaining Interests in Mineral Properties:* The Company's continuing right to maintain title to its mineral property interests in Niger is dependent upon compliance with applicable laws and with agreements to which it is a party. The Company's Niger properties are subject to six mining agreements, under which there is an exploration permit, which converts to a mining permit on completion of a feasibility study. The exploration permits have a termination date of January 29, 2021, unless otherwise extended. There is no assurance that the Company will be able to obtain the requisite mining permits or extend the exploration permits in order to maintain its title interests in the Niger properties beyond January 29, 2021. Additional expenditures will be required by the Company to complete further drilling and other work in support of a feasibility study on DASA. If the Company has begun its feasibility study on DASA prior to January 29, 2021, a one-year extension may be granted to enable completion of the feasibility study and conversion of the exploration permit to a mining permit. In the case of the other Niger properties, the Minister of Mines has discretion to extend the exploration period if the low price of uranium does not justify a current mine feasibility. There can be no assurance that the Company will have the funds, will be able to raise the funds, will obtain approvals for extensions or will be able to comply with the provisions of the agreements relating to its properties, which would entitle it to maintain its interest therein and if it fails to do so its interest in certain of these properties may be reduced or be lost.

*Niger Government Interest:* On obtaining a mining permit for the DASA resource, a new Niger incorporated company must be established to hold the mining permit and assets related to the DASA resource. On establishment of this corporation, the Government of the Republic of Niger is granted a 10% carried interest in the equity of this new company. The Government of the Republic of Niger also has a concurrent right, on establishment of the new Niger corporation, to acquire up to 30% more of the equity in the corporation, provided it commits to funding its proportionate share of such additional equity and related debt for development and operation of the mine. Accordingly, the ultimate ownership that the Company will hold in the DASA mining operations could vary from 60% to 90%.

*Environmental Risks and Hazards:* All phases of the Company's Niger operations are subject to environmental regulations, including but not limited to the maintenance of air and water quality, land reclamation, environmental pollution and the generation of transportable storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation in Niger will not have material adverse effects on the Company's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown at present and which have been caused by previous or existing owners of the properties. To the extent the Company is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts will reduce funds otherwise available for operations.

Government approvals and permits are currently required, or may be required in the future, in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations and parties that were engaged in operations in the past, may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

*Government Regulation of the Mining Industry:* The current and future operations of the Company, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral rights in the Republic of Niger. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that the Company will be successful in obtaining all required permits. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. Further, there can be no assurance that all permits which the Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Company is not currently covered by any form of environmental liability insurance. See "Insurance and Uninsured Risks", below. Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration.

Changes, if any, in mining or investment policies or shifts in political attitude in the Republic of Niger may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with varied or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's business, financial condition and results of operations.

*Insurance and Uninsured Risks:* The Company's business is subject to a number of risks and hazards including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although the Company maintains liability insurance in amounts which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company may elect not to insure against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial position.

The Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration) has not been generally available to companies within the industry. The Company will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. The Company may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedial work.

**Risks Associated with the Equity Interest in Turkey**

*Equipment failures:* Global Atomic's Turkish Waelz kiln equipment is complex and has many components. Equipment failures can occur due to the failure of individual components such as electric motors, causing a temporary halt in operations while repairs are made. Equipment downtime may also be experienced due to over-heating of the kiln, requiring a period of cooling before re-start. Potential catastrophic failures include failure of the kiln shell, failure of the kiln's brick lining or failure of the primary drive gears. Catastrophic failures may result in an extended period of shut down while repairs are made, including the lead time required to order and receive replacement equipment.

*Energy costs:* The major cost components of the Company's Turkish operations relate to energy: coke, anthracite, natural gas, diesel fuel and electricity. The costs of natural gas and electricity are regulated in Turkey. In the case of coke and anthracite, costs are driven by global events that impact these commodities and transportation costs. Significant adverse changes to such costs may impact the ability of the Company to operate profitably. Any interruption in the supply of these energy inputs may result in cessation of operations until such supplies resumed.

*Uncertainty due to foreign legal and political factors:* Risks may include political unrest, corruption, civil disturbances and terrorist actions, arbitrary changes in law or policies, changes to government regulation, foreign taxation, price and currency controls, delays in obtaining or the inability to obtain necessary governmental permits, limitations on foreign ownership, limitations on the repatriation of earnings and increased financing costs.

*Environmental regulations:* The Company’s Turkish business is subject to a variety of environmental regulations. Failure to properly process and handle EAFD in accordance with such regulations may expose the Company to liabilities and/or result in the withdrawal of operating permits. The Company has procedures in place to ensure compliance with environmental regulations. However, new laws and regulations that may be passed in the future may materially affect the Company’s operations.

*Raw material supply:* The Company’s Turkish operations require a steady supply of EAFD in order to continue operating at an optimum level and to maintain profitable output levels. The Company relies on continued operations of local steel mills at reasonable levels in order to meet its EAFD supply requirements. The closing of or lower capacity utilization of one or more local steel mills may have an adverse impact on the available supply.

*Dependence on Key Personnel*: The development of the Company’s business is and will continue to be dependent on its ability to attract and retain highly qualified management personnel. The Company faces competition for personnel from other employers in Turkey.

*Dependence on Befesa:* In accordance with the Shareholders Agreement between Befesa and the Company, Befesa is the operator of the Turkish facility. The Company is dependent on Befesa for the day-to-day operations in Turkey. The Company does not have control over these factors, nor the impact on Befesa and its personnel that a potential change of control of Befesa could have on operations.

*Price volatility:* Prices of commodities can fluctuate widely and are affected by numerous factors including demand, inflation, strength of various currencies, interest rates, forward sales by producers, global or regional political or financial events, and production and cost levels in major producing regions. In addition, commodity prices are sometimes subject to rapid short-term changes because of speculative activities. The success of the Company’s Waelz kiln operations is dependent on market prices for zinc and the related smelter treatment charges, as well as raw material input commodities.

*Currency risk:* The Company’s activities occur in Turkey and Niger. In the case of Turkey, all revenues and some cost items are denominated in U.S. dollars, or otherwise tied to the U.S. dollar. Most operating expenses are incurred in Turkish Lira. In case of Niger, all cost items are tied to Euro. Head office costs are incurred in Canadian dollars. Such activities are subject to risks associated with fluctuations in the rate of exchange of these foreign currencies.

*Critical Accounting Estimates*: Critical accounting estimates used in the preparation of the financial statements include the joint arrangements, acquisitions, impairment of exploration and evaluation assets, impairment of technology licence asset, functional currency and stock-based compensation. These estimates involve considerable judgment and are or could be, affected by significant factors outside Company’s control. Critical accounting estimates and judgments are described in Note 5 of the Company’s audited consolidated financial statements for the year ended December 31, 2018.

## OUTSTANDING SHARE DATA

As at November 14, 2019 the outstanding common shares, stock options and share purchase warrants are:

| | |
|---|---|
| Common shares outstanding | 145,407,468 |
| Stock options | 13,567,273 |
| Warrants | 3,336,475 |
| Fully diluted shares outstanding | 162,311,216 |

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management and have been approved by the board of directors. The consolidated financial statements were prepared by the Company's management in accordance with IFRS. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner in order to ensure the financial statements are presented fairly in all material respects.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's assets; the future prices of uranium or zinc; capital expenditure requirements; requirements for additional capital and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; timing and availability of external financing on acceptable terms and in light of the current status of global liquidity and credit availability; future prices of uranium or zinc; currency exchange rates; government regulation; failure of equipment or processes to operate as anticipated; risks inherent in manufacturing and processing operations, including strike by unionized personnel, environmental hazards or industrial accidents; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

November 14, 2019

"Stephen G. Roman"
Stephen G. Roman
Chairman, President and CEO

"Rein A. Lehari"
Rein A. Lehari CPA, CA
Chief Financial Officer