

Global Atomic Announces 2019 Results

Toronto, ON, March 30, 2020: Global Atomic Corporation (“Global Atomic” or the “Company”), (TSX: GLO, FRANKFURT: G12, OTCQX: GLATF) the multi-asset development company with cash flow from the BST facility in Turkey and one of the world’s premium uranium development assets, at the Dasa Project in the Republic of Niger is pleased to announce its operating and financial results for the year ended December 31, 2019.

HIGHLIGHTS

- Dasa Project trade-off studies completed with results recommending a Phase One, twelve-year development with a high-grade underground mine plan and a standalone processing plant
- Optimized Preliminary Economic Assessment of the Phase One plan for Dasa will be released in Q2, 2020
- Environmental Impact and Hydrogeology Studies are underway for inclusion in the Final Technical Report for the Government of Niger as part of the Mining Permit Application
- A new Mineral Resource Estimate (“MRE”) was completed by CSA Global Pty. Ltd. (“CSA Global”) during 2019 and formed the basis for the improved mine plan
- Discussions are on-going with Orano Mining for a potential mutually beneficial outcome to deliver uranium bearing rock to the Somaïr processing facility in Arlit, Niger
- Turkish Zinc Plant modernized and expanded, built on time and on budget, and commissioned during 2019
- Global Atomic Corporation graduated to the TSX Main Board, symbol “GLO” and the USA OTCQX market under the symbol “GLATF”
- Ronald S. Halas, P.Eng., appointed Chief Operating Officer in charge of building the Dasa Project
- Global Atomic continues to receive management fees and sales commissions from zinc sales, operating cash flow is retiring plant construction costs
- Positive Net Income generated during 2019 of CDN\$3.6 million, despite plant downtime of 7 months for Turkish Plant modernization program
- Cash position as at December 31, 2019 was C\$3.8 million

Stephen G. Roman, Chairman, President and CEO commented *“Despite COVID-19 and the disruption to markets and our daily lives, work at Global Atomic’s business continues largely as normal. We continue, of course, to focus on the health and safety of our employees and consultants, the safety of our operations, and the safety of the communities in which we live and work.*

2019 was a year of great progress for the Company. The BST Iskenderun plant was expanded, modernised and commissioned, and it is now a state-of-the-art facility capable of operating profitably at historically low zinc prices. I would also like to thank our partner Befesa S.A and the team at Iskenderun for completing the project on time and on budget and with an excellent safety record.

The Dasa uranium project has advanced and we look forward to publishing the results of the Optimized PEA next quarter which will give the market a clear understanding of the project’s economic potential. Global Atomic will then focus on the submission of a Final Technical Report to the government of Niger in our application for a Mining Permit, which would be a major milestone for the Company.

Global Atomic graduated to the TSX Main Board in May and added an OTCQX listing in September, and continued to build out the team for the next phase of growth. Global Atomic is well-positioned to be a leading player in the anticipated uranium equities upturn, with the additional benefit of having its value underpinned by profitable zinc



production. As a team, we are sure that Dasa can provide fuel to the nuclear industry and we are proud that this project will play such a vital role in low-carbon energy supply to assist our beleaguered planet.”

OUTLOOK

BST, Iskenderun, Turkey

- The modernized BST plant in Iskenderun is anticipated to operate at approximately 75% capacity during 2020, in line with the expectations for the Turkish steel industry. At the current zinc price of approximately \$0.80/lb, the plant generates positive cash flow.
- Once market conditions and zinc prices recover, BST will generate increased cash flows and benefit from its CDN \$16.8 million tax credit carry-forward.
- Dividend flow will resume following repayment of construction costs.

Dasa Uranium Project, Niger

- The proposed development plan for the Dasa Project is a high-grade underground mine with a standalone plant using conventional processing techniques. CSA Global was engaged to provide an Optimized Preliminary Economic Assessment (“OPEA”) on these parameters, and the OPEA will be released in Q2, 2020.
- Environmental Impact (“EIS”) and Hydrogeology Studies are underway, with field work being completed in compliance with Niger Government guidelines regarding the COVID-19 coronavirus.
- Global Atomic will combine the OPEA, the Hydrogeology report 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 later this year.
- Limited infill drilling is also being planned with the aim to upgrade certain Inferred Resources to Indicated Resources in the current mine plan
- Global Atomic anticipates the Mining Permit to be issued in 2021.
- Once the Mine Permit is issued, Global Atomic will be in a position to finalize the engineering and geotechnical work needed to construct the project.
- Discussions continue with Orano Mining about the potential processing of Global Atomic mineralized rock at Orano facilities in Arlit, thereby reducing the initial capital investment to bring Dasa into production.

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

| (all amounts in C\$) | Year ended December 31, | |
|--|---------------------------|----------------------|
| | 2019 | 2018 |
| Revenues | \$ 239,451 | \$ 851,520 |
| General and administration | 4,222,848 | 4,027,659 |
| Share of net earnings from joint venture | (7,671,204) | (10,496,927) |
| Other | 70,974 | (88,765) |
| Net income | \$ 3,616,833 | \$ 7,409,553 |
| <i>Basic net income per share</i> | <i>\$0.026</i> | <i>\$0.067</i> |
| <i>Diluted net income per share</i> | <i>\$0.025</i> | <i>\$0.066</i> |
| | As at December 31, | |
| | 2019 | 2018 |
| Cash | \$ 3,890,665 | \$ 7,700,966 |
| Exploration & evaluation assets | 32,515,297 | 32,065,797 |
| Investment in joint venture | 15,870,717 | 10,267,742 |
| Other assets | 1,328,399 | 653,459 |
| Total Assets | \$ 53,605,078 | \$ 50,687,964 |
| Total Liabilities | \$ 647,755 | \$ 731,214 |
| Shareholders' Equity | \$ 52,957,323 | \$ 49,956,750 |
| <i>Shareholders' Equity per share</i> | <i>\$0.364</i> | <i>\$0.363</i> |

EAFD Business

The EAFD Business operating results were significantly lower than 2018 results due to the Iskenderun plant shutdown from the end of January to the beginning of September for the construction and commissioning of the new zinc plant. The Iskenderun plant now has a capacity to process 110,000 tonnes EAFD per annum, an increase from the 65,000 tonne per annum previous capacity. The total cost for the modernization and expansion was US \$26.6 million.

The plant modernization and expansion was funded by cash on hand, loans from a Turkish bank and loans from Befesa. At year end 2019, the loans from Befesa totalled US \$16.85 million and bank loans totalled US \$2.0 million. Subsequent to year end, final payments were made on the construction, increasing the bank loans to US \$6.0 million. The bank loans mature in 12 months but are expected to rollover and bear interest at rates of 3.3% to 3.8%. The Befesa loans mature between May and December 2021 and bear interest at rates of 5.9% to 6.6%.

Operating results of the joint venture are as follows:

| (all amounts in C\$) | Year ended December 31, | |
|--|--------------------------------|----------------------|
| | 2019 | 2018 |
| | 100% | 100% |
| Net sales revenues | \$ 10,475,245 | \$ 43,879,535 |
| Cost of sales | 9,620,079 | 20,956,163 |
| Foreign exchange loss (gain) | 188,612 | (4,583,183) |
| EBITDA⁽¹⁾ | \$ 666,554 | \$ 27,506,555 |
| Management fees & sales commissions | 499,815 | 1,723,903 |
| Depreciation | 1,424,310 | 309,113 |
| Interest expense (income) | 559,544 | 3,812 |
| Other expense (income) | (19,367) | (39,673) |
| Loss on property disposition | 203,004 | 262,430 |
| Tax expense (recovery) | (17,656,270) | 3,824,671 |
| Net income | \$ 15,655,518 | \$ 21,422,299 |
| Global Atomic's equity share | \$ 7,671,204 | \$ 10,496,927 |
| Global Atomic's share of EBITDA | \$ 326,611 | \$ 13,478,212 |

- (1) EBITDA is a non-IFRS measure, does not have a standardized meaning prescribed by IFRS and may not be comparable to similar terms and measures presented by other issuers. EBITDA comprises earnings before income taxes, interest expense (income) and financing expense (income), amortization expense, and other expenses including management fees, sales commissions; gain on sale of property, plant and equipment and impairment charges.
- (2) The Turkish entities qualified for a 55% investment tax credit incentive on the TL 143.5 million qualified investment in the new plant. The total credit is TL 78.9 million, of which TL 5.0 million was recognized as a deferred tax asset in 2018 and a further TL 73.9 million was recognized in 2019. Of the credits available, TL 1.7 million were used to offset taxes otherwise payable in 2019, leaving a carry-forward balance of TL 77.2 million at year end (C\$ 16.9 million).

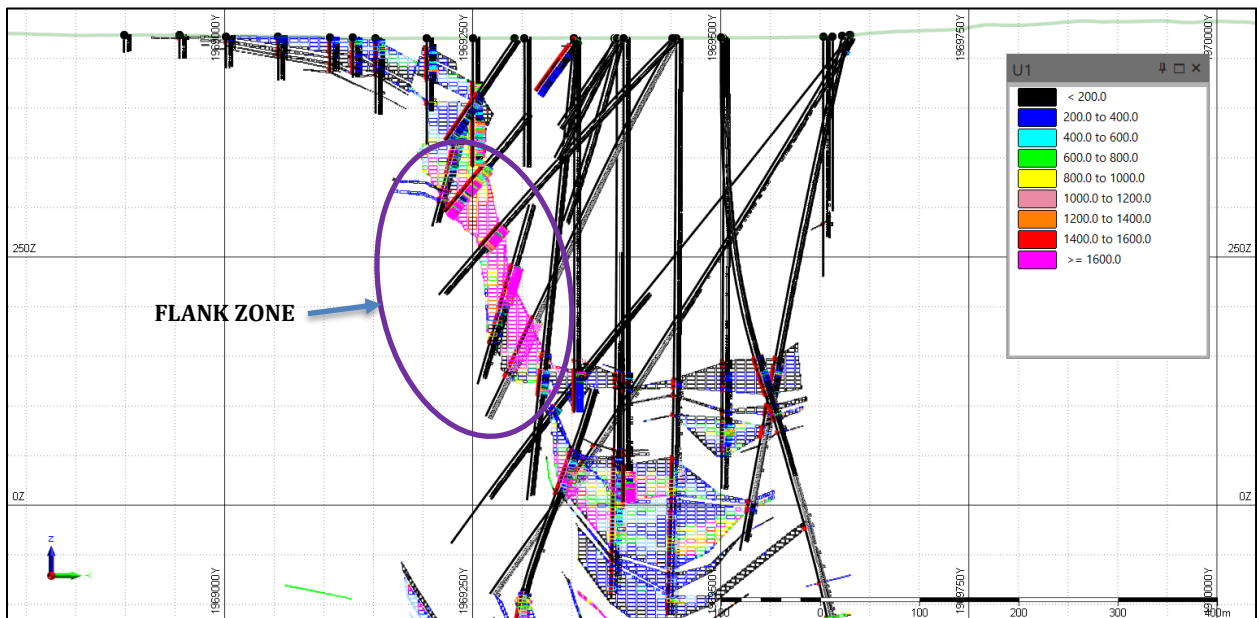
Underlying production statistics for the EAFD Business were as follows:

| | 2019 | 2018 |
|--------------------------------------|-------------|-------------|
| | 100% | 100% |
| Exchange rate (TL/C\$, average) | 4.28 | 3.72 |
| Exchange rate (C\$/US\$, average) | 1.33 | 1.30 |
| Exchange rate (TL/C\$, period-end) | 4.58 | 3.88 |
| Exchange rate (C\$/US\$, period-end) | 1.30 | 1.36 |
| EAFD processed (DMT) | 24,327 | 64,379 |
| Average zinc price (US\$/LB.) | 1.16 | 1.33 |
| Production (DMT) | 7,650 | 19,829 |
| Shipments (DMT) | 6,735 | 20,821 |
| Shipments (zinc content, 000 lb.) | 10,138 | 31,623 |

Uranium Business

Since 2011, Global Atomic’s exploration activities have been primarily devoted to the Dasa deposit. In 2018, Global Atomic began a drill program at an area identified as the “Flank Zone” to assess the potential for near-surface high-grade material, as well as testing strike extensions of the deeper material at depth. It was successful on both counts. The drilling identified significant amounts of high-grade material in the Flank Zone and in several new zones along strike and down dip. Using this new data, CSA Global, on behalf of Global Atomic, prepared an updated Mineral Resource Estimate that was reported in a technical report in July 2019 with an effective date of June 1, 2019.

At the time of the Mineral Resource Estimate, Global Atomic was operating on the premise that Dasa would be mined initially by open pit and then going underground once a certain depth had been reached. Various trade-off studies were completed during 2019 and ultimately, it was concluded that development of an underground mine would be more efficient and profitable than an open pit mine. A schematic of the resource block model is shown in the following:



As can be seen in the diagram above, the Flank Zone is an area with consistently high grades. The proposed development plan for the Dasa uranium project is a twelve year, high-grade underground mine centred on the Flank Zone with a standalone plant using conventional processing techniques. An OPEA of this Phase One plan was started in late 2019 and results will be released in Q2, 2020.

The Dasa deposit is large and there is the potential to extend the mine-life beyond the initial 12 year, Phase One Plan. This is a study option that has not been included in the OPEA. The deposit remains open along strike and at depth and there are large volumes of mineralised material in the Indicated and Inferred Resource category which could be included in future mine plans.

Other potential development options lie with Orano Mining. In July 2017, Global Atomic signed a Memorandum of Understanding with Orano Mining, to supply a minimum 100,000 tonnes of uranium-bearing rock to Orano’s operations in Arlit, approximately 100 kilometers north of the Dasa Project. Discussions between the two companies regarding this development opportunity are ongoing. A successful conclusion would result in Global Atomic having reduced upfront capital requirements for commencing the project.



Impact of COVID-19 on Outlook

Due to the global outbreak of the coronavirus disease (“COVID-19”), the Company’s risk profile has increased, notably due to the following: a potential curtailment or total shut down of operations by Government; potential loss of contractor manpower at its Niger site; potential of a Global Atomic employee falling ill and causing a disruption to the Niger site; potential of a Turkish employee falling ill and causing a disruption to the Iskenderun site; the ability to procure and transport critical supplies and parts to the sites; and the ability of the joint venture to transport zinc concentrates to smelters to generate revenues. If any of these events were triggered, the result could be a shutdown of the Niger exploration site and/or the Turkish joint venture site for an undetermined period. To minimize this risk, the following actions have been taken: a policy has been instituted supporting employees to work from home where practical; preliminary screenings at site, any employees or contractors showing potential signs of COVID-19 will be placed into self isolation; special arrangements at the sites have been implemented to maximize social distancing. The Company is treating the threat of a COVID-19 outbreak very seriously. A care-and-maintenance plan has been prepared and would be executed in the event of an outbreak at one of the sites. The Company has entered into a cash preservation mode; all non-critical expenditures have been deferred for the foreseeable future. Should the COVID-19 cause a prolonged interruption of site operations, this could impact the Company’s ability to secure financing required to progress the Niger project and/or could result in an impairment of asset values.

QP Statement

George A. Flach, Vice President of Exploration, P.Ge. is the Qualified Person (QP) as defined in NI 43-101 and has prepared, supervised the preparation of, and approved the scientific technical disclosure in this news release.

About Global Atomic

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

The Company’s Uranium Business includes six exploration permits in the Republic of Niger covering an area of approximately 750 km². Uranium mineralization has been identified on each of the permits, with the most significant discovery being the Dasa deposit situated on the Adrar Emoles 3 concession, discovered in 2010 by Global Atomic geologists through grassroots field exploration. A Mining Permit for the Dasa deposit will be applied for in H2 2020.

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

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