

## Global Atomic Announces Q1 2021 Results

*Significant Milestones achieved at the Dasa Uranium Project*

*Record Quarter Production at the Turkish Zinc Joint Venture*

**Toronto, ON, May 6, 2021:** Global Atomic Corporation (“Global Atomic” or the “Company”), (TSX: GLO, OTCQX: GLATF, FRANKFURT: G12) announced today its operating and financial results for the three months ended March 31, 2021.

### **HIGHLIGHTS**

#### ***Dasa Uranium Project***

- The Republic of Niger issued an Environmental Certificate of Compliance to the Company in January 2021.
- All permits are now in place for the development of the Dasa Project and commercial production.
- The Republic of Niger issued extensions for each of the six exploration permits held by the Company through December 17, 2023.
- The Pilot Plant project to test and optimize the process flow sheet launched in 2020 was successfully completed with results that surpassed the May 2020 PEA and feature higher uranium recoveries.
- An agreement was signed with Fuel Link Ltd. to develop a uranium marketing strategy and assist with Yellowcake sales.

#### ***Turkish Zinc Joint Venture***

- The Turkish JV shipped a record 14.85 million pounds of zinc in concentrate during Q1 2021, up 43.5% from the 10.35 million pounds shipped in Q1 2020.
- The Turkish JV processed a record 24,407 tonnes of Electric Arc Furnace Dust (“EAFD”) in Q1 2021, an increase of 32.5% from the 18,420 tonnes processed in Q1 2020.
- The Company’s share of the Turkish Zinc Joint Venture (“Turkish JV”) EBITDA was \$4.2 million in Q1 2021 compared with \$0.8 million in Q1 2020, reflecting higher throughput and zinc prices.
- The Company’s share of the Turkish JV Net Income for Q1 2021 was \$1.5 million compared to a loss of \$1.2 million in Q1 2020.
- Cash balance for the Turkish JV at March 31, 2021 was US \$4.0 million.
- The non-recourse Turkish JV debt owing to Befesa was reduced by US \$4.45 million in Q1 2021 leaving a balance of US \$9.15 million outstanding (Global Atomic share – US \$4.48 million).



## **Corporate**

- \$2.4 million was received in February as a result of the accelerated expiry and exercise of warrants issued pursuant to the May 2020 private placement.
- The Company completed a Bought Deal private placement of 6,250,000 Units on March 16th at a price of \$2.00 per Unit for gross proceeds of \$12,500,000. Each Unit comprised of one common share and one-half warrant exercisable at \$3.00 per common share over an 18-month period.
- Cash balance at March 31, 2021 was \$14.5 million.
- 1,230,000 stock options exercisable at \$2.67 per share for five years were granted to Management.

Stephen G. Roman, President and CEO commented, *"2021 is a pivotal year for the advancement of our Dasa Project in the Republic of Niger and for our Turkish Zinc Recycling JV in Turkey. In the first quarter of 2021, we continued our strong 2020 run of achieving key milestones for the Dasa Project including the issuance of our Environmental Compliance Certificate, better-than-expected results from our Pilot Plant test program with average uranium recovery rates exceeding 94% and, we initiated our marketing program with Fuel Link. Our Turkish JV had a record quarter for both EAFD processed and zinc concentrate shipped to smelters amid stronger zinc prices that averaged US\$1.25 per pound.*

*For the remainder of the year we look forward to completing the Dasa Project Feasibility Study and advancing discussions with nuclear power utilities to secure off-take agreements for a portion of Phase 1 Yellowcake production. Successful completion of these milestones will facilitate the arrangement of project financing for the Dasa Project. In addition, assuming the continuation of robust steel and zinc markets, we should be in a position to retire our Befesa loan by year end with dividends once again available to support our corporate development and the Dasa Project."*

## **OUTLOOK**

### ***Dasa Uranium Project***

- Complete the Feasibility Study by the end of Q3.
- Arrange off-take agreements to sell a portion of Phase 1 Yellowcake production.
- 15,000 meter drill program begins Q4, to a) upgrade extensive uranium resources on-strike of the Phase 1 Flank Zone and b) potentially increase the overall uranium resources at Dasa with on strike step-out drilling.
- Upgraded on-strike resources will enable design of the Phase 2 Mining Area with economics, adding to current Dasa Project NPV/IRR.
- Break ground to begin mine construction early 2022.
- 2022 underground development to support direct ore shipments.
- 2023 advance ramping and continue underground development, begin plant construction.
- By the end of 2024 commission the plant and commence commercial production.



### Turkish Zinc Joint Venture

- The Turkish zinc plant continues to operate at target operating efficiencies.
- Zinc prices staged a strong recovery in 2020, averaged \$1.25/lb in Q1 2021 and are expected to remain strong through the balance of the year.
- Steel production also staged a strong recovery and is expected to remain strong through 2021 and 2022.
- Full repayment of the Befesa plant modernization loan is anticipated by the end of 2021, subject to zinc prices and EAFD availability.
- Turkish JV dividend payments will resume following repayment of the non-recourse loan from Befesa.
- Global Atomic continues to receive monthly management fees and sales commissions helping to offset corporate costs.

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

	<b>3 Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Revenues	\$ 443,163	\$ 224,197
General and administration	2,011,533	552,826
Share of loss (net earnings) from joint venture	(1,501,090)	1,241,202
Finance expense	4,339	4,444
Foreign exchange loss	(29,382)	(25,192)
Other income	(35,000)	(30,000)
<b>Net income (loss)</b>	<b>\$ (7,237)</b>	<b>\$ (1,519,083)</b>
Other comprehensive income (loss)	\$ (2,338,426)	\$ 1,573,485
<b>Comprehensive income (loss)</b>	<b>\$ (2,345,663)</b>	<b>\$ 54,402</b>
Basic net income (loss) per share	(\$0.000)	(\$0.010)
Diluted net income (loss) per share	(\$0.000)	(\$0.010)
Basic weighted-average number of shares outstanding	155,714,695	145,588,289
Diluted weighted-average number of shares outstanding	155,714,695	145,588,289
Cash dividends declared	\$0.000	\$0.000
	<b>March 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>
Cash	\$ 14,511,421	\$ 2,448,235
Exploration & evaluation assets	39,836,317	38,676,797
Investment in joint venture	11,568,668	11,497,351
Other assets	657,178	418,704
<b>Total assets</b>	<b>\$ 66,573,584</b>	<b>\$ 53,041,087</b>
Total current financial liabilities	\$ 1,598,030	\$ 1,231,149
Total non-current financial liabilities	\$ -	\$ -

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



### Dasa Uranium Project, Niger

The Feasibility Study undertaken in 2020 is well underway and results from the Study are expected to be announced by the end of Q3 2021.

In April, the Company announced that it will begin a new 15,000-meter drill program in September. The drill program is focused on upgrading the extensive Indicated and Inferred resources at Dasa to the Measured and Indicated categories on strike of the Flank Zone. With the upgrading of the on-strike resources, the Phase 1 Flank Zone mining area is expected to be expanded, adding to the current 12-year mine plan at the Flank Zone. In addition, it allows Global Atomic to define the Phase 2 mine plan and calculate an NPV and IRR on the Phase 2 area. In addition to the infill drilling, an exploration drill program is also planned to potentially increase the overall uranium resources at Dasa.

### Turkish Zinc JV, Iskenderun, Turkey

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

	3 Months Ended March 31,	
	2021	2020
	100%	100%
Exchange rate (TL/C\$, average)	5.83	4.55
Exchange rate (C\$/US\$, average)	1.27	1.34
Exchange rate (TL/C\$, period-end)	6.57	4.64
Exchange rate (C\$/US\$, period-end)	1.26	1.42
EAFD processed (DMT)	24,407	18,420
Average zinc price (US\$/LB.)	1.25	0.96
Production (DMT)	8,755	6,366
Shipments (DMT)	9,456	6,642
Shipments (zinc content 000 LB.)	14,850	10,350

The average zinc price in Q1 2021 was US \$1.25/lb, up from US \$0.97/lb in Q1 2020. The zinc price was negatively affected due to COVID-19 in Q1 & Q2 2020, but then began recovering from the summer 2020 through to the end of the year. The zinc price continued to hold up throughout Q1 2021, in view of tight concentrate supplies and continued demand recovery.

In April 2021, the World Steel Association published a short-range outlook for the industry, projecting an overall production increase globally of 5.8% in 2021 over 2020, and a further 2.7% increase in 2022. This outlook is based on the expectation of strong global recovery from COVID-19 with increased vaccinations, supported globally by government stimulus and pent-up demand.

The Iskenderun plant processed 24,407 tonnes of EAFD in Q1 2021, representing 89% of capacity. Efficiency of raw materials use in the production process has improved, as have zinc recovery rates. The Turkish JV is realizing the benefits of its investment in the modernized Iskenderun plant.



The following table summarizes comparative results for Q1 2021 and 2020 of the JV at 100%.

	3 Months Ended March 31,	
	2021	2020
	100%	100%
Net sales revenues	\$ 15,798,634	\$ 8,284,270
Cost of sales	7,987,519	7,149,307
Foreign exchange (gain)	(728,375)	(495,421)
<b>EBITDA(1)</b>	<b>\$ 8,539,490</b>	<b>\$ 1,630,384</b>
Management fees & sales commissions	905,742	450,427
Depreciation	729,357	897,412
Interest expense	280,818	485,035
Foreign exchange loss	2,622,994	3,012,660
Tax expense (recovery)	937,130	(682,083)
Net income (loss)	\$ 3,063,450	\$ (2,533,067)
<b>Global Atomic's equity share</b>	<b>\$ 1,501,090</b>	<b>\$ (1,241,202)</b>
<b>Global Atomic's share of EBITDA</b>	<b>\$ 4,184,350</b>	<b>\$ 798,888</b>

(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.

The Turkish JV realized significant growth in revenues during Q1 2021 compared to the same period in 2020, reflecting the combined effect of higher throughput in the plant and a higher zinc price. This resulted in EBITDA of \$8.5 million for the quarter (at 100%) compared to \$1.6 million in Q1 2020.

The cash balance of the Turkish JV was US \$4.0 million at March 31, 2021.

Total debt, which includes the Befesa Loan and the Revolving Credit Facility, has been reduced by US \$5.1 million in Q1 2021. At March 31, 2021, the Befesa loans totalled US \$9.15 million (December 31, 2020 – US \$13.6 million) and bear interest at Libor + 4.0% with no fixed maturity date. The Turkish Revolving Credit Facility balance was US \$7.5 million at March 31, 2021 (December 31, 2020 - US \$8.15 million) and bears interest at 2.98%.

#### 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](http://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, highgrade Dasa Project, discovered in 2010 by Global Atomic geologists through grassroots field exploration. With the issuance of the Dasa Mining Permit and an Environmental Compliance Certificate by the Republic of Niger, the Dasa Project is fully permitted for commercial production. Final design in support of the Company's Feasibility Study is on-going.

Global Atomics' 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 zinc production plant, 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.

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The information in this release may contain forward-looking information under applicable securities laws. Forward-looking information includes, but is not limited to, statements with respect to completion of any financings; Global Atomics' development potential and timetable of its operations, development and exploration assets; Global Atomics' ability to raise additional funds necessary; the future price of uranium; the estimation of mineral reserves and resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production, development and exploration; cost of future activities; capital and operating expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental and permitting risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "is expected", "estimates", variations of such words and phrases or statements that certain actions, events or results "could", "would", "might", "will be taken", "will begin", "will include", "are expected", "occur" or "be achieved". All information contained in this news release, other than statements of current or historical fact, is forward-looking information. Statements of forward-looking information are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Global Atomic to be materially different from those expressed or implied by such forward-looking statements, including but not limited to those risks described in the annual information form of Global Atomic and in its public documents filed on SEDAR from time to time.

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 Atomics' 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.