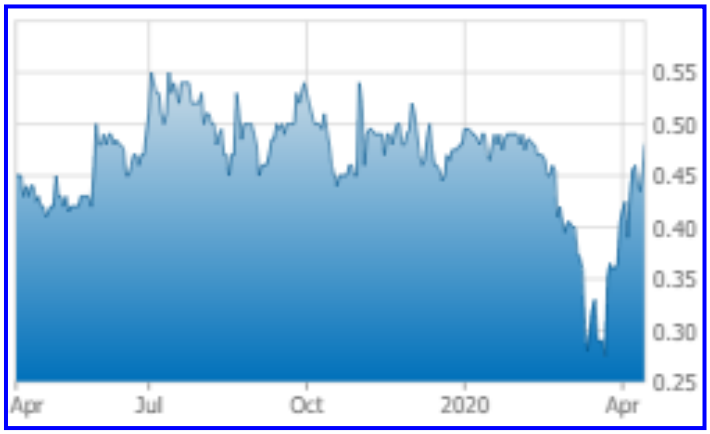
Uraniumletter INTERNATIONAL
the international independent information and advice bulletin for uranium resource investments

Investment Alert – April 15, 2020 **www.globalatomiccorp.com www.**



Global Atomic Corp. (C$ 0.465)

TSX	: GLO
OTCQX:	: GLATF
Frankfurt	: G12
H + L prices (12 months)	: C$ 0.57 – 0.24
Net shares issued	: 145.6 million
Fully diluted shares	: 160.4 million
Market Capitalization	: C$ 67.6 million (US$ 43.4 million)

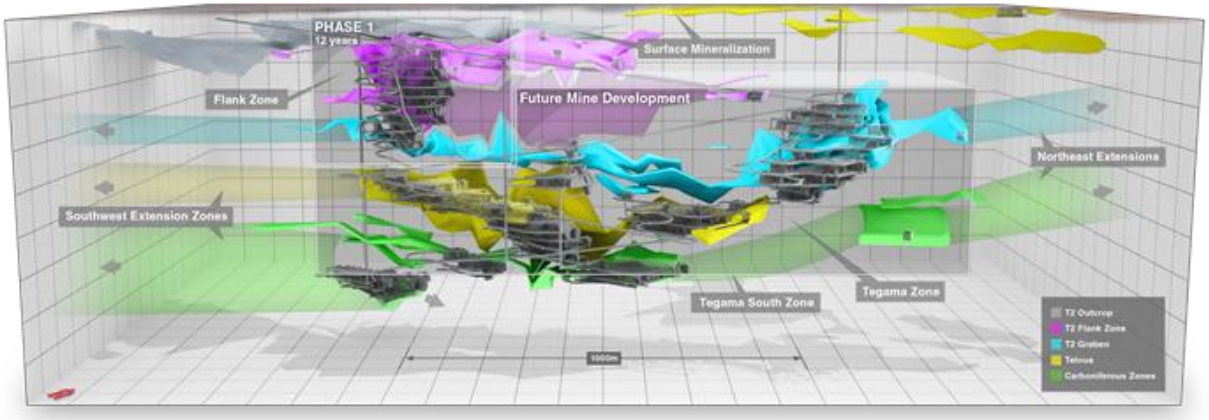
2020 price target: C$ 1.00

INVESTMENT ALERT

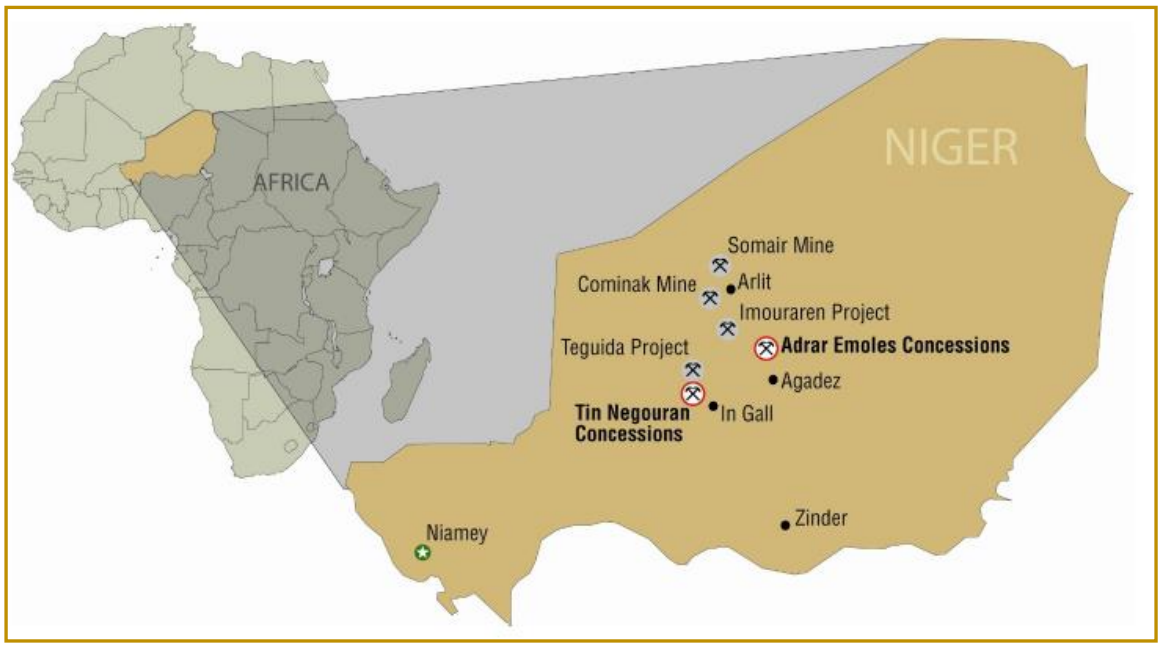
New PEA for Phase 1 at Global Atomic's Dasa Project in Niger shows positive economics based on an average uranium production of 4.4 million pounds U3O8 over a mine life of 12 years

On April 15, 2020, **Global Atomic** announced the results of an optimized mine plan as the basis for a new **Preliminary Economic Assessment** ("**PEA**").
The Company's new PEA comprises an optimized Phase 1 of a larger mine development at the **Dasa Project**. The Phase 1 plan is a low capex development targeting profitable production over a 12-year mine life.

During Phase 1 implementation, **Global Atomic** will aim to upgrade the substantial mineral resources outside of the Phase 1 mine plan to feed the larger **Dasa Project** future mine plan (see figure below).



The result of the Study will be summarized in a technical report pursuant to Canadian Security Administrators National Instrument 43-101, which will be filed on SEDAR within 45 days of the announcement date.



Highlights of the Optimized Phase 1 Project (in US dollars) are:

- **After-tax NPV_8 of $ 211 million and after-tax IRR of 26.6%**
- **Cash cost of $ 16.72 per pound**
- **All-in sustaining cost ("AISC") of $ 18.39 per pound**
- **Average annual steady-state uranium production of 4.4 million pounds U3O8**
- **Initial capital costs of $ 203 million, including 20% contingency**
- **Phase 1 Project mine life of 12 years, mining 48 million pounds U3O8 @ 5,396 ppm**

The economic analysis for the **PEA** was done via a discounted cashflow ("DCF") model based on the mining inventory from the PEA optimized Phas1 mine plan and a price of US$ 35 per pound of eU3O8. Sensitivity analysis was carried out at $ 5 per pound price intervals from $ 25 per pound to $ 50 per pound, as shown in **Table 2**.

The **DCF** includes an assessment of the current tax regime and royalty requirements in Niger. **Net Present Value** ("**NPV**") figures are calculated using a range of discount rates as shown in **Table 3**.
The discounted rate used for the base case analysis is 8% ("NPV_8").

Table 2. Economic sensitivity with varying uranium prices[(1)]

Uranium price (per pound)	**$25/lb**	**$30/lb**	**$35/lb**	**$40/lb**	**$45/lb**	**$50/lb**
Before-tax NPV @ 8%	$41 M	$139 M	**$260 M**	$365 M	$485 M	$601 M
After-tax NPV @ 8%	$34 M	$113 M	**$211 M**	$294 M	$391 M	$485 M
After-tax IRR	11.5%	18.5%	**26.6%**	32.6%	39.7%	46.3%

(1) Mine Stope Optimisation ("MSO") and schedule for all uranium price sensitivities used the MSO base case model at $35 per pound uranium

Table 3. Economic sensitivity with varying discount rates using base-case uranium price $35/lb

Discount rate (%)	**5%**	**8%**	**10%**	**12%**
Before-tax NPV	$341 M	**$260 M**	$215 M	$177 M
After-tax NPV	$279 M	**$211 M**	$173 M	$141 M

Cashflows are discounted to the start of first construction.

► Processing

The **Dasa Project** will use conventional processing techniques. Based on considerable metallurgical test work, a recovery of 92% is estimated over the life of the Project which is planned to produce **44.1 million pounds of U3O8** as yellowcake during optimized Phase 1 operations.
The plant is designed with a capacity of 1,000 tonnes per day (td) or **365,000 tonnes per annum (t/a) uranium**.

The **PEA** of the **Dasa Project** is the lowest quartile of rates of the global cost curve. If a long-term uranium price of $ 50 per pound is applied, the Project IRR increases to 46.3% and the NPV_8 to $ 485 million.

The Company's development plan is a low capex route into production that uses conventional underground mining and a processing technology similar to that used by the two existing uranium mines in Niger.
This mine plan also provides future access to the contained uranium inventory of over 200 million pounds in the mine's deeper horizons.

The optimized Phase 1 mine plan initially targets high-grade mineralization that starts from a depth of 70 metres below surface that, together with a mining friendly jurisdiction, positions **Global Atomic** as being the next entrant to the worldwide uranium supply chain.

► Next milestone

The next milestone for the **Dasa Project** is producing a **Final Technical Report** ("**FTR**") to incorporate additional work currently underway, including hydrogeological and environmental impact assessment studies.

The **FTR** is the key mining permit application document that will be submitted to the Government of Niger later this year. Once this mine permit is issued, **Global Atomic** will be in a position to finalize the engineers needed to construct the Project.

Investment comments:

Global Atomic is providing a unique combination of high-grade uranium development in **Niger** and cash flowing zone concentrate production in **Turkey** by holding a 49% interest in Befesa Silvermet Turkey ("BST") and the Company's joint venture partner Befesa Zinc holding a 51% interest and the operator of the BST joint venture.

With zinc contained in concentrate to double to 60 million pounds annually at full utilization, this will give a boost to **Global Atomic**'s 49% in net income, which was US$ 10.6 million in 2018, despite plant downtime of seven months and as such is expected to be significantly higher this year,

With the PEA of the **Dasa Project** to be considered as the lowest quartile of rates in the global cost curve based on the optimized Phase 1 project having been planned to produce 4.4 million pounds U3O8 annually and 48 million pounds U3O8 over a mine life of 12 years, at an all-in sustaining cost of $ 18.39 per pound and **Niger** and in addition significant funding of the Project available from the cashflow provided by Befesa Zinc, in my view, **Global Atomic**, at a current valuation of US$ 43.4 million, offers a highly prospective investment opportunity.

My 2020 price target remains C$ 1.00.