Global Atomic Announces Results For Financial Year 2018

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Consolidated Net Income Increased 45% to $7.4 million

Attributable EBITDA Increased 26% to $13.5 million

Comparative Results for 2018 & 2017 of the Joint Venture at 100%

Summarizes Comparative Operations Metrics of the Iskenderun Facility

Settling Chamber Construction

New Kiln Transported to Site

Reactor Assembly

Production Bag Filter Assembly

DASA Targeted Drill Areas (Looking East)

DASA Mineralized Zones & Underground Conceptual Mine Workings

TORONTO, April 29, 2019 - Global Atomic Corp. (“Global Atomic” or the “Company”), (TSX-V: GLO, FRANKFURT: G12) is pleased to announce its operating and financial results for the fourth quarter (“Q4”) and financial year ended December 31, 2018.

HIGHLIGHTS

Financials

- Consolidated net income for the Company was $7.4 million for 2018, up from $5.1 million in 2017.
- The Company’s working capital surplus was $7.3 million at the end of 2018, up from a deficit of $1.0 million for 2017.

- The Company's 49% share of EBITDA of the Turkish joint venture was $13.5 million in 2018, up from $10.7 million in 2017; the Company's 49% share of joint venture net income was $10.5 million in 2018, up from $6.9 million in 2017.
- The Turkish joint venture shipped 20,821 tonnes zinc concentrate containing 31.6 million pounds zinc, compared to shipments of 21,349 tonnes in 2017 containing 32.9 million pounds zinc.
- The Company received dividends of $6.9 million from the Turkish joint venture in 2018 compared to $4.5 million in 2017. Additionally, the Company received management fees and sales commissions of $0.9 million in each of 2018 and 2017.

Turkish Plant Modernization

- Modernization and expansion of the Turkish electric arc furnace dust ("EAFD") plant in Iskenderun, Turkey is currently underway, at an estimated cost of US $26 million.
- At December 31, 2018, US $4.4 million has been spent on the Iskenderun project. Existing cash and available credit facilities are sufficient to complete the project.
- The new plant will be fully operational in September 2019.
- The new plant will be significantly improved:
  - EAFD throughput will increase from 60,000 tonnes to 110,000 tonnes
  - Zinc recovery rates are expected to improve from 80% to 90%
  - Zinc contained in concentrates will double from 30 million pounds/year to 60 million pounds/year based on full utilization
  - Unit operating costs will be reduced

DASA Development and Exploration

- Fieldwork and a 27,000 metre drill program on the DASA uranium deposit was initiated in January 2018 and defined high grade continuity of the mineralization.
- Near surface drilling confirmed the Company's understanding of structure and high grade continuity at the Flank Zone at DASA.
- An updated Mineral Resource Estimate was completed on the Niger DASA uranium project in Q2, based on 15,000 of the additional 2018 drilling, which:
- Tripled Indicated Resources from 21.4 million pounds to 64.8 million pounds and improved grade 18% from 2,608 ppm eU3O8 to 3,068 ppm eU3O8.
- Inferred Resources decreased slightly from 49.4 million pounds grading 2,954 ppm eU3O8. increased to 48.4 million pounds grading 2,600 ppm eU3O8.
- A Preliminary Economic Assessment ("PEA") was completed on the DASA Uranium Project and includes two mining scenarios:
- A Stand-alone operation initially operating at 2,500 tpd and ramping up to 3,500 tpd and producing 4 Mlb to 7 Mlb U3O8/year over a 15 year mine life and,
- A sales agreement scenario based on the July 2017 MOU with Orano Mining ("Orano"), including a fast track to cash flow and significantly reduced initial capital of US$35 million to start and no mill required.

Other Corporate Developments

- The Company received conditional listing approval from the Toronto Stock Exchange ("TSX") on April 18, 2019.

- The Company raised $8.9 million in an equity financing in November 2018 and a further $1.3 million in January 2019.
- Application was made to the Ministry of Mines of the Republic of Niger for extension of the Exploration Permits and in December 2018, an extension for 24 months to January 29, 2021 was obtained for all 6 Exploration Permits.

OUTLOOK

- The Turkish EAFD plant modernization and expansion project is on schedule.
- On completion, the Turkish operations will again be cash flow positive with dividend flow expected to resume in 2021, following repayment of construction costs.
- An updated Resource Statement for the DASA deposit is in process, which will include all drill and assay information, with the final report available in late Q2 2019.
- Mine plans will be optimized based on the updated Resource Statement and a feasibility study completed by year end or early 2020.
- Application for the DASA Mining Permit will be made in early 2020, with permits expected in Q3 2020.
- The Company expects to graduate to the TSX on or before May 15, 2019. The Company will continue to trade under the stock symbol: GLO.

BASE METALS DIVISION 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 2018 and 2017 of the joint venture at 100%.

A photo accompanying this announcement is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/8b132400-6296-433b-b44a-6ad83ac5d6d7

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.

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

A photo accompanying this announcement is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/9dd5683c-b821-462b-9760-3ca330082b65

Zinc concentrates are sold to smelters in US dollars. Because the Turkish Lira is the functional currency of the Turkish operations, sales are converted to Turkish Lira at the date of the sale. When funds are subsequently received, the US dollar receipts are translated to Turkish Lira. As a result, exchange gains or losses will be recognized. In 2018, the average US dollar exchange rate was 4.83 Turkish Lira, compared to 3.65 in 2017. The Turkish Lira depreciated significantly and quickly, with the result that a large exchange gain of $4.6 million was recognized.

BST processed 65,340 tonnes EAFD in 2018 compared to 62,385 tonnes in 2017. Production of concentrates was 19,829 dry metric tonnes (“DMT”), down 8% from 21,543 DMT in 2017. This reflects a lower average zinc content in EAFD processed during 2018. Offsetting this was the impact of higher shipments than production in 2018, as a result of certain 2017 year end shipments being recognized in revenues during 2018. The zinc content of 2018 concentrate shipments was 68.9%, compared to 70.0% in 2017.

Although the average zinc price in 2018 of $1.33/lb was similar to the $1.31/lb in 2017, revenues are impacted by the timing of the zinc price movements and shipments. For example, the zinc price averaged $1.41/lb in the last 6 months of 2017 and $1.48/lb during the first 6 months of 2018. However, it was only $1.22/lb during the first 6 months of 2017 and $1.17/lb during the last 6 months of 2018.

The combination of the foregoing factors resulted in an increase in 2018 revenues to $43.9 million from $38.9 million in 2017, plus a foreign exchange gain of $4.6 million in 2018. Cost of sales also increased as a result of various higher input costs to BST. Overall, EBITDA increased to $27.5 million in 2018 from $21.8 million in 2017.

BST made a decision in 2018 to proceed with the modernization and expansion of the Iskenderun plant. Accordingly, certain components of the existing plant have been removed and scrapped. A loss on property disposition was provided for in the 2018 accounts to reflect this.

Income tax expense in 2018 was lower that the 2017 expense, reflecting the benefits of the various investment incentives available to BST as a result of the decision to proceed with the capital project.

The modernization and expansion of the Iskenderun plant is estimated to cost US $26 million, of which US $4.4 million had been paid as of year end. The contracts for the supply and installation of the equipment are largely on an “EPC” basis, so there is limited risk of cost overruns. BST is funding the costs of the project with existing cash and available credit facilities, with the result that no equity contributions are required from the joint venture partners.

Photos accompanying this announcement are available at
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http://www.globenewswire.com/NewsRoom/AttachmentNg/e339c58d-34de-4f00-9550-0bac37bc6082

The Iskenderun plant project continues to be on schedule, with commissioning to be completed by September 2019, after which the plant will be fully operational. The existing plant was closed in January 2019 to facilitate the construction of the new plant. During the shut-down period EAFD is being stored in a warehouse and an estimated 25,000 tonnes EAFD will be available at start-up of the new plant. 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
- Dependent on utilization rates and zinc prices, EBITDA is expected to increase by 2 to 3 times.

The Iskenderun plant will utilize the best available technology and process EAFD in a clean, environmentally sensitive manner.

Photos accompanying this announcement are available at
http://www.globenewswire.com/NewsRoom/AttachmentNg/972ab7f8-e952-499d-bd51-4ad4125cd1dd

http://www.globenewswire.com/NewsRoom/AttachmentNg/c35cdcb9-2d78-4b7b-ab2f-09c5c14f173f

URANIUM DIVISION OPERATIONS

Subsequent to the acquisition of GAFC, the Company remobilized to the field and drilling began in late January 2018.

Global Atomic drilled approximately 27,000 metres at the DASA deposit during 2018. The primary objectives of the drill program were to prove the potential for near surface production at the Flank Zone and to assess the potential for further discoveries and resource expansion along strike and down dip. This program was very successful.

Drilling at the Flank Zone significantly expanded resources and drilling along strike and down dip identified several new zones at the Tegama Hill, Tegama Hill South, the Northeast extensions and the Southwest Extensions (see the image below):

A photo accompanying this announcement is available at
http://www.globenewswire.com/NewsRoom/AttachmentNg/196d56be-f032-49b5-832f-fe0c8b66b545

Near surface drilling at the Flank Zone completed in the first half of 2018 was used as the basis for an updated National Instrument (“NI”) 43-101 Mineral Resource Estimate prepared by CSA Global Pty Ltd. (“CSA Global”). The updated resource report incorporates an additional 36 drill holes totaling approximately 15,000 metres drilled from January to June 2018.

The June 30, 2018 CSA Global report concluded on the Mineral Resource Statement for the DASA deposit shown in the table below:

	Tonnes	eU3O8	Contained metal
Category	Mt	ppm	Mlb
Indicated – Pit Constrained	7.08	3,251	50.8
Indicated – Underground	2.5	2,553	14.1
Total Indicated	9.59	3,068	64.8
Inferred – Pit Constrained	0.26	1,135	0.7
Inferred – Underground	8.18	2,647	47.7
Total Inferred	8.44	2,600	48.4

** These results are based on gamma probing. Final results will be released once chemical assaying is completed at ALS Global in Vancouver, Canada.*

1. *Mineral Resources are based on CIM definitions and is reported as at 1st June 2018.*
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 1200 ppm eU3O8 has been applied for underground resources.*
6. *A bulk density of 2.36t/m3 has been applied for all model cells.*
7. *Rows and columns may not add up exactly due to rounding.*

Subsequent to completion of the latest Mineral Resource Estimate, the Company continued to intersect additional high grade mineralization in the Flank Zone. An updated Mineral Resource Statement is currently being prepared by CSA Global, taking into account all of the 2018 drill results and related assays. The updated Mineral Resource Statement is expected to be available late Q2 2019.

Preliminary Economic Assessment (“PEA”)

On October 28, 2018 the Company announced the results of a PEA for the DASA Uranium Project. The PEA was completed by CSA Global with the objective of assessing the economic and technical viability of uranium production at DASA as an integrated operating facility to mine and recover a uranium concentrate on the property, referred to as the DASA Stand-alone Scenario. An on-site mill would initially operate at 2,500 tpd and later ramp up to 3,500 tpd.

As a “value opportunity”, Global Atomic also requested CSA Global to study the Alternative Mining Strategy, whereby the Company could achieve positive cash flow with minimal up front capital by selling mineralized rock directly to Orano as per a Memorandum of Understanding the Company has with Orano. The Company believes this represents a compelling case at current uranium prices.

Highlights of the DASA Stand-alone Scenario include:

- High grade 69 million lbs U3O8 grading of 2,380 ppm U3O8 over a 15 year mine life.
- Scalable production: Annual production sustained of 4 Mlb to 7 Mlb U3O8 over the 15 year mine life.
- Low cost operation: All-in sustaining cost ("AISC") of US$28.51/lb U3O8.
- Initial CAPEX: US$320 million, including US$141 million for an on-site mill and US$467 million over the life of mine with the inclusion of sustaining capital and reclamation.
- Significant NPV and project return at expected long-term uranium price:

NPV and IRR – DASA Standalone Scenario

	Unit	Uranium Price (US$/lb U3O8)					
		$45.00		$50.00		$55.00	
Pre-Tax							
NPV @ 8%	*US$ M*	$204		$357		$527	
IRR (100% Equity)		19.8	%	27.3	%	35.6	%
Post-Tax							
NPV @ 8%	*US$ M*	$179		$306		$443	
IRR (100% Equity)		18.4	%	25.2	%	32.7	%

Highlights of the Alternative Mining Strategy include:

- Fast track to cash flow: Accelerated underground development with minimal infrastructure.
- Reduced initial capital: US$35 million to start mining, no mill required.
- High grade material: Potential to ship 360,000 tonnes annually for the 5 year contract containing on average 2.8 million lbs U3O8 grading 3,698 ppm.
- Low cost mining: Operating costs of US$10.94 per lb U3O8 before transport and processing, indicates this is potentially profitable at current uranium prices.

The following shows the DASA mineralized zones and underground conceptual mine workings as per the PEA

A photo accompanying this announcement is available at http://www.globenewswire.com/NewsRoom/AttachmentNg/9299cde6-839a-4828-bd44-562b2c3b6355

Current Planning

As previously indicated, CSA Global is presently updating the Mineral Resource Statement for DASA to incorporate all available information. Once this is completed, several mine plans will be evaluated to arrive at the optimal mining scenario. Any additional studies required to support a feasibility study will be initiated, so that a feasibility study is available late 2019. Upon completion of the feasibility study, Global Atomic will apply for a Mining Permit on the DASA deposit. Historically, mining permits have been awarded within 4 to 6 months.

Global Atomic is in the second renewal period for it Exploration Permits. Such Exploration Permits previously had an expiry date of January 29, 2019. However, on December 17, 2018, all six Exploration Permits were extended for 24 months to January 29, 2021. This provides sufficient time to enable the Company to complete the feasibility study and make application to obtain its Mining Permit for the DASA deposit.

LIQUDITY AND FINANCIAL POSITION

The Company reported a working capital surplus of $7.3 million at December 31, 2018 compared to a deficit of
$1.0 million at December 31, 2017. In Q4, 2017, as a result of the acquisition of GAFC, the Company assumed liabilities of GAFC, and commenced payments for exploration activities. During 2018, the Company spent $6.0 million on exploration and evaluation expenditures related to its Niger uranium properties.

The cash required to support expenditures was derived from the cash on hand at the end of 2017 and the dividend received from BST in 2018. In 2018, the Company received a dividend payment of $6.9 million from BST as compared to a dividend receipt of $4.5 million in 2017.

Throughout the year, the Company receives its share of management fees and sales commissions from the Turkish operations, which amounts 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 complete its Niger feasibility study to support obtaining its Mining Permit.

Additional exploration expenditures are largely discretionary and the amount of exploration activity can therefore be adjusted based on availability of equity capital.

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, so the Company does not expect to receive any dividends from BST until 2021.

QP Statement

George A. Flach, Vice President of Exploration, P.Geo. 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.

The PEA was completed in accordance with NI 43-101, Canadian Institute of Mining, Milling and Petroleum (“CIM”) standards. The PEA is preliminary in nature and includes Inferred Mineral Resources that are too speculative geologically to have economic considerations’ applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that PEA results will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

About Global Atomic

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

The Company’s Uranium Division 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 III concession, discovered in 2010 by Global Atomic geologists through grassroots field exploration. The DASA deposit is currently undergoing a feasibility program to study shipping mineralized material to Orano Mining’s operations in Arlit under an MOU signed with Orano in July, 2017.

Global Atomics’ Base Metals Division 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. (“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 Korea.

BST is well underway with an expansion project to significantly modernize and expand its processing plant in Turkey. The expansion is targeted to double annual production of zinc from 30 million lbs to 60 million lbs and is supported by EAFD supply currently available for processing in Turkey. The new plant is scheduled for completion by September 2019.

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Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Although management of Global Atomic has attempted to identify important factors that could cause actual results to differ materially from those contained in 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 on forward-looking statements. Global Atomic does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. Readers should also review the risks and uncertainties sections of Global Atomic’s annual and interim MD&As.

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