

Global Atomic Announces Q2 2023 Results and Provides Republic of Niger Update

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TORONTO, Aug. 10, 2023 - [Global Atomic Corp.](#) ("Global Atomic" or the "Company"), (TSX: GLO) (OTCQX: GLATF) (FRANKFURT: G12) announced today its operating and financial results for the three and six months ended June 30, 2023.

Global Atomic President and CEO, Stephen G. Roman commented "During Q2 2023, we took significant strides to advance the Dasa Project towards production. The mining team has extended the access ramp to reach the Dasa orebody as laid out in the Feasibility Study. Detailed engineering is nearing completion and long-lead equipment was ordered. Site preparation for the installation of this equipment began during the quarter."

"Subsequent to the end of the quarter, on July 26, 2023, the military in Niger placed President Mohamed Bazoum under arrest and have assumed day-to-day operation of the Government. While the situation in Niger remains fluid, the Country remains relatively calm. Importantly, our people remain safe and normal business is being conducted at our offices and development of the Dasa Project continues."

"Positive developments today include the appointment of a new civilian-military coalition cabinet and all the new Ministers to run the Government. A new Prime Minister, Mr. Ali Mahaman Lamine Zeine, was announced this week. Mr. Zeine was previously Minister of Finance for Niger and also served as the resident representative of the African Development Bank (AfDB) in Ivory Coast, d'Ivoire, and Gabon."

"The newly appointed Energy, Mines and Petroleum Minister, Mr. Mahaman Moustapha Barké, who was formerly the head of the Niger Uranium company, SOPAMIN, was appointed today. This will now enable SOMIDA personnel to resume dialogue with the Mines Ministry to confirm their support for the Dasa Project. In addition, land borders are reopening. We expect the movement of goods and services will resume in due course. The Head of ECOWAS has also announced diplomatic discussions would be used to resolve issues and use of military force would be a last resort."

"Our Banking Syndicate are continuing to work on finalising the Project Financing Term Sheet. We are reviewing our development schedule in light of current circumstances and conserving cash in the interim while maintaining essential engineering work on the Dasa Project."

HIGHLIGHTS

Dasa Uranium Project

- Ramp development has been underway since the beginning of 2023, with over 600 metres completed as of the end of Q2 2023. Excavation of mining level access has begun as part of the Phase 1 Mine Plan.
- Additional mining equipment has arrived in Niger and is being shipped to the project site.
- Surface and underground mine infrastructure including mine dry, ventilation infrastructure, electrical and plumbing work are currently underway.
- To prepare for civil engineering and the pouring of cement related to the Processing Plant, earthworks began in Q2 2023.
- On May 8, 2023, the Company formalized its June 2022 Letter of Intent by signing a Definitive Agreement with a Canadian North American utility for their procurement of up to 2.1 million pounds U₃O₈ from Dasa within a multi-year delivery schedule beginning in 2025.

Turkish Zinc Joint Venture

- The Turkish Zinc Joint Venture ("BST" or the "Turkish JV") plant processed 17,233 tonnes EAFD in Q2 2023 as it resumed operations following the significant earthquakes earlier in the year.
- The zinc contained in concentrate shipments was 10.1 million pounds and the average monthly LME zinc price was US\$1.15/lb in Q2 2023.
- The Company's share of the Turkish JV EBITDA was a loss of \$1.4 million in Q2 2023 (\$2.5 million gain in Q2 2022).
- The revolving credit facility of the Turkish JV was US\$12.2 million as of the end of Q2 2023 (Global Atomic share of US\$6.1 million).
- The cash balance of the Turkish JV was US\$1.6 million as of the end of Q2 2023.

Corporate

- Global Atomic continues to receive quarterly management fees and monthly sales commissions from the Turkish JV (US\$1.5 million in Q2 2023 compared to \$398,000 in Q2 2022), helping to offset corporate overhead costs.
- Cash balance as of June 30, 2023, was \$35.4 million.

SUBSEQUENT EVENTS

On July 26, 2023, the Presidential Guard division of the Niger military placed the President of Niger under house arrest and have assumed day-to-day operation of the Government. As of the date hereof, a new cabinet has been appointed comprised of both civilian and military personnel. The country's borders were closed temporarily. Certain land borders have now reopened. SOMIDA's operations in Niamey and at the Dasa Mine site have not been impacted to date, except for delays in receipt of mine consumable supplies and other shipments from outside Niger.

In view of current circumstances in Niger, the Company has assessed project development options to conserve cash until the political situation stabilizes and full-scale operations can resume. The Company has developed a contingency plan to include the completion of detailed engineering and procurement contracts as well as an updated Feasibility Study based on the results from the May 2023 Mineral Resource Estimate ("MRE"), an updated mine plan using current U₃O₈ pricing.

At present, the Company estimates the contingency plan could delay commissioning of the Processing Plant by 6 to 12 months. To match the delivery of ore from mining activities with startup of the Processing Plant, the Company would defer continued development of the underground mine workings which are now ahead of schedule. The plan will be to have an ore stockpile on surface prior to mill commissioning.

OUTLOOK

Dasa Uranium Project

Given the current political situation in Niger, the construction schedule of the Dasa Project is under review with the Company's business partners and banking syndicate. The outcome of that review may impact timelines to construct the Processing Plant at the Dasa Mine. Further details will be provided once the review is complete.

Turkish Zinc Joint Venture

- The Electric Arc Furnace Dust ("EAFD") recycling plant is expected to operate at full capacity through to the end of 2023 and the Turkish JV is expected to return to profitability in Q4 of this year.

[Global Atomic Corp.](#) COMPARATIVE RESULTS

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

	Three months ended June 30, Six months ended June 30,			
(all amounts in C\$)	2023	2022	2023	2022
Revenues	\$ 202,273	\$ 397,862	\$ 333,114	\$ 829,978
General and administration	1,806,321	1,856,994	4,639,152	5,033,228
Share of equity loss (earnings)	3,547,248	(1,095,964)	4,935,522	(2,529,301)
Other expense	-	(15,076)	-	591,635
Finance income	(533,660)	(13,321)	(605,128)	(43,138)
Foreign exchange loss	1,603,390	(113,508)	2,814,106	67,413
Net loss	\$ (6,221,026)	\$ (221,263)	\$ (11,450,538)	\$ (2,289,859)

Net loss attributable to:

Shareholders of the Company	(6,238,148)	(221,263)	(11,475,811)	(2,289,859)
Non-controlling interests	17,122	-	25,273	-
Other comprehensive income (loss)	\$ (5,517,775)	\$ (2,287,301)	\$ (2,798,999)	\$ (4,535,985)
Comprehensive loss	\$ (11,738,801)	\$ (2,508,564)	\$ (14,249,537)	\$ (6,825,844)
Comprehensive loss attributable to:				
Shareholders of the Company	(11,737,518)	(2,508,564)	(14,255,736)	(6,825,844)
Non-controlling interests	(1,283)	-	6,199	-
Basic and diluted net loss per share	(\$0.03)	(\$0.00)	(\$0.06)	(\$0.01)
Basic weighted-average number of shares outstanding	202,128,857	177,036,594	193,404,462	175,963,295
Diluted weighted-average number of shares outstanding	202,128,857	177,036,594	193,404,462	175,963,295
	June 30, 2023	December 31, 2022		
Cash	\$ 35,373,754	\$ 8,400,008		
Property, plant and equipment	110,104,741	82,234,716		
Exploration & evaluation assets	1,206,821	1,115,983		
Investment in joint venture	8,791,236	16,387,040		
Other assets	4,450,555	2,118,258		
Total assets	\$ 159,927,107	\$ 110,256,005		
Total liabilities	\$ 17,394,635	\$ 8,746,681		
Total equity	\$ 142,532,472	\$ 101,509,324		

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. See also the commentary above under "Turkish Zinc EAFD Operations."

Revenues include management fees and sales commissions received from the joint venture. These are based on joint venture revenues generated and zinc concentrate tonnes sold.

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

Share of net earnings from joint venture represents Global Atomic's equity share of net earnings from the Turkish JV. In view of limited production, lower zinc prices in 2023, significant increases in expenses, devaluation of the Turkish Lira resulting in a negative equity income of \$3.5 million in Q2 2023 and \$4.9 million in H1 2023.

URANIUM BUSINESS

On May 23, 2023, the Company announced an updated mineral resource estimate for the Dasa Project. The new mineral resource estimate incorporates drill, probe and chemical assay data compiled from an extensive 16,000-meter drill program initiated in September 2021 that focused on infill drilling to upgrade Inferred Resources to the higher resource classification of Indicated to allow these resources to be included in an updated mine plan and mineral reserve. In addition, all geotechnical data derived from drill core was incorporated. The current basis for production plans at the Dasa Project, remains the mineral reserve disclosed in the 2021 Dasa Technical Report. The Company plans to update the Technical Report with the new resource information and will disclose any revisions to that mineral reserve or to the mine plan, including in a material change report.

Unlike the 2019 mineral resource estimate, as set out in the Dasa Technical Report, the new mineral resource estimate is focused solely on an underground mine model and does not include open pit modelling of near surface mineralization. As shown in the table below, this had the effect of increasing tonnage with varying impact on grade depending upon the applied cut-off grade. The Indicated Resource using a cut-off grade of 1,500 ppm eU₃O₈, has increased by 50%:

		May 2023 Revised Estimate			July 2019 Estimate			% Change
Cut-Off Grade	Category	Tonnes (Mt)	Uranium Content eU3O8 Ppm	Contained Uranium eU3O8 Mlb	Tonnes (Mt)	Uranium Content eU3O8 ppm	Contained Uranium eU3O8 Mlb	Contained Uranium eU3O8 Mlb
100	Indicated	103.6	803	183.5	81.6	718	129.1	42 %
	Inferred	71.0	636	99.5	96.1	606	128.4	-23 %
320	Indicated	44.9	1,602	158.5	32.0	1,530	108.0	47 %
	Inferred	25.4	1,435	80.4	35.0	1,333	102.7	-22 %
1,200	Indicated	12.6	4,201	117.1	7.9	4,483	78.0	50 %
	Inferred	5.9	4,320	56.1	8.4	3,783	69.9	-20 %
1,500	Indicated	10.1	4926	109.6	6.2	5,328	73.1	50 %
	Inferred	4.4	5349	51.5	6.3	4,563	63.7	-19 %
2,500	Indicated	5.7	7,258	91.0	3.6	7,849	61.9	47 %
	Inferred	2.4	8,211	43.2	3.4	6,838	51.4	-16 %
10,000	Indicated	0.9	22,185	43.5	0.6	24,401	31.1	40 %
	Inferred	0.6	18,362	25.3	0.8	14,598	25.3	0 %

The Company identified specific areas of Indicated Resources and significant areas of Inferred Resources from the 2019 mineral resource estimate, particularly in the lower left-hand side of the Figure below and between Zones 2 and 3 and used this information to guide the location of infill drilling as part of the 16,000-meter drill program.

The following resource schematic shows the Indicated and Inferred resources as estimated in the 2019 MRE.

The following resource schematic shows the Indicated and Inferred resources as estimated in the 2023 revised MRE.

Reserve Expansion Potential

Drill results from the 2021/22 16,000 meter drill program indicate that Zones 2, 2a and 2b now represent a contiguous zone that joins Zone 3 and is estimated to be three times larger than initially defined.

On the strength of results from the overall drill program, Global Atomic updated the Dasa Mineral Resource Estimate ("revised MRE") and will in turn update its Mine Plan which is expected to result in larger and contiguous mining Zones, reduced underground development work between the Zones, lower operating costs and an increase in mineable reserves.

The revised MRE was completed on May 23, 2023. The Company plans to use the revised MRE to complete

a revised mine plan for the Dasa Project, followed by a revised Feasibility Study.

Business Objectives and Milestones

The principal business objective of the Company is to complete the development, construction and commissioning of the Dasa Project by 2025 and begin shipping yellowcake in fulfillment of off-take agreements in 2025.

The Company commenced work on the various project milestones required to achieve the Company's principal business objective with the completion of the feasibility study disclosed in the Dasa Technical Report and the start of site preparation work in the fourth quarter 2021. During 2022, activities included the commencement of mine development work, including the box-cut, hiring miners and support employees, purchase of equipment and consumable supplies required to proceed with underground ramp development. An initial camp expansion of over 100 beds was completed in the fourth quarter of 2022 to support the increased site activities. Also in the fourth quarter of 2022, basic and detailed engineering for the Processing Plant and other surface infrastructure commenced.

Ramp development has been underway since the beginning of 2023, with 503 metres completed as of June 30, 2023. Also in 2023, a second fleet of underground equipment has been acquired, and additional technical personnel were hired to support the underground development. Basic engineering of the Processing Plant has been completed with detailed engineering underway. The procurement process, particularly for long lead items, is well advanced as at June 30, 2023.

Turkish Zinc EAFD Operations

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, North America and Asia. On October 27, 2010, Global Atomic and Befesa established joint venture, known as Befesa Silvermet Turkey, S.L. ("BST" or the "Turkish JV") to operate an existing plant and develop the EAFD recycling business in Türkiye. 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 each year in Türkiye, less funds needed to fund operations, must be distributed to the partners annually, following the BST annual meeting, which is usually held in the second quarter of the following year.

BST owns and operates an EAFD Processing Plant in Iskenderun, Türkiye. The plant processes EAFD containing 25% to 30% zinc that is obtained from electric arc steel mills, and produces a zinc concentrate grading 65% to 68% zinc that is then sold to zinc smelters.

Global Atomic holds a 49% interest in the Turkish JV and, as such, the investment is accounted for using the equity basis of accounting. Under this basis of accounting, the Company's share of the BST's earnings is shown as a single line in its Consolidated Statements of Income (Loss).

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

	Three months ended June 30, Six months ended June 30,			
	2023	2022	2023	2022
	100 %	100 %	100 %	100 %
Exchange rate (C\$/TL, average)	15.68	12.33	14.82	11.65
Exchange rate (US\$/C\$, average)	1.34	1.28	1.35	1.27
Exchange rate (C\$/TL, period-end)	19.69	12.95	19.69	12.95
Exchange rate (US\$/C\$, period-end)	1.32	1.29	1.32	1.29
Average monthly LME zinc price (US\$/lb)	1.15	1.78	1.29	1.74
EAFD processed (DMT)	17,233	25,826	23,358	45,611
Production (DMT)	5,167	8,159	6,978	13,854
Sales (DMT)	7,027	8,172	9,506	13,761
Sales (zinc content '000 lbs)	10,088	11,780	13,744	19,963

In H1 2023, world steel production decreased by 1.1% over the comparable 2022 period. The impact by region was mixed. In H1 2023 compared to H1 2022: Chinese production increased 1.3%; European Union production decreased 10.9%; North American production decreased 3.5%, and Turkish production decreased by 16.3%.

In April 2023, the World Steel Association published its short-term outlook for demand, which projected 2.3% overall global demand growth in 2023 and a further growth of 1.7% in 2024. Sharp decreases in construction activities due to the Turkish Lira's devaluation and high inflation lead to a decrease in steel demand in 2022. However, the construction sector is expected to grow by 15% due to the rebuilding and reinforcing efforts in high earthquake-risk areas.

The impact of the Ukrainian conflict on global steel markets is uncertain, however as exports from Russia and Ukraine have historically accounted for 10% of global steel exports, it is likely a material percentage of this supply will be replaced by increased production in other countries.

	Three months ended June 30, Six months ended June 30,			
	2023	2022	2023	2022
	100 %	100 %	100 %	100 %
Net sales revenues	\$ 6,179,649	\$ 18,128,699	\$ 12,016,043	\$ 32,477,422
Cost of sales	9,957,890	13,872,538	16,629,211	21,289,519
Foreign exchange gain	826,550	940,773	902,615	986,008
EBITDA ⁽¹⁾	\$ (2,951,691)	\$ 5,196,934	\$ (3,710,553)	\$ 12,173,911
Management fees & sales commissions	343,456	667,781	727,470	1,689,945
Depreciation	511,779	349,364	1,480,281	743,572
Interest expense	241,998	232,696	792,122	536,753
Foreign exchange loss on debt and cash	3,350,450	1,119,211	3,672,808	2,560,470
Monetary gain	5,317	-	1,101,021	-
Tax expense (recovery)	(154,778)	591,221	790,281	1,481,332
Net income (loss)	\$ (7,239,279)	\$ 2,236,661	\$ (10,072,494)	\$ 5,161,839
Global Atomic's equity share	\$ (3,547,247)	\$ 1,095,964	\$ (4,935,522)	\$ 2,529,301
Global Atomic's share of EBITDA	\$ (1,446,328)	\$ 2,546,498	\$ (1,818,171)	\$ 5,965,216

(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 and bank, depreciation, management fees, sales commissions, losses (gains) on sale of property, plant and equipment.

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. When the Turkish Lira depreciated, exchange gains were recognized on those sales. In calculating EBITDA, these exchange changes related to the functional and reporting currencies are treated as operations related (i.e., above the EBITDA subtotal).

All the financial statement line items included in the Turkish Zinc JV consolidated statements of income (loss) for the three and six month periods ended June 30, 2023 include hyperinflation impact for the three and six month periods ended June 30, 2023 and the impact of inflation on income and expenses recognised in the comparatives are not restated because it has already been presented in the stable currency.

The Turkish Zinc JV incurred significant deterioration in revenues in H1 2023 compared to H1 2022, due to processing less EAFD and lower zinc prices. Sales are recorded upon receipt at the smelter, which means that recorded sales in any given month generally represent the concentrate from EAFD processed in the prior month. The plant was under a scheduled maintenance shutdown in January 2023. Due to the earthquake on February 6, 2023, the recycling plant resumed operation following a thorough inspection in March 2023.

The Turkish Zinc JV realized significant increases in expenses. The Ukrainian conflict, post-COVID demand

increases, raw material shortages and global logistics challenges resulted in substantial inflationary pressures on all costs. Moreover, The Turkish Zinc JV also incurred extraordinary expenses related to the massive earthquake like financial support to the employees, fixed costs incurred due to the unplanned stoppage have in combination resulted in a negative EBITDA.

The cash balance of the Turkish JV was US\$1.6 million at June 30, 2023.

The local Turkish revolving credit facility balance was US\$12.2 million at June 30, 2023 (December 31, 2022 - US\$8.3 million) and bears interest at 12%.

QUALIFIED PERSON

The scientific and technical disclosures in this Management's Discussion and Analysis have been reviewed and approved by A. Christophe Din, Msc. MAusIMM / MAIG who is a "qualified persons" under National Instrument 43-101 - Standards of Disclosure for Mineral Properties.

About Global Atomic

[Global Atomic Corp.](https://www.globalatomiccorp.com) (<https://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, high-grade 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. The Phase 1 Feasibility Study for Dasa was filed in December 2021 and estimates yellowcake delivery to utilities to commence in 2025. Mine excavation began in Q1 2022.

Global Atomic's Base Metals Division holds a 49% interest in the Befesa Silvermet Turkey, S.L. (BST) Joint Venture, which operates a modern zinc production plant, located in Iskenderun, Türkiye. 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) 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, Asia and the United States of America.

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 Atomic's development potential and timetable of its operations, development and exploration assets; Global Atomic's 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", "targets", "expects", "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "could", "would", "might", "will be taken", "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 Atomic's annual and interim MD&As.

~~Source: [TSX Stock Exchange](#)~~ has not reviewed and does not accept responsibility for the adequacy and accuracy of this news release.

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