QUANTINNOVA
INVESTMENT MANAGEMENT

GLOBAL ATOMIC

Global Atomic Corporation

STOCK ASSESSMENT

TSX: GLO

February 2025

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A. Executive Summary

The Dasa mine in Niger is poised to extract uranium from one of the most undervalued, largest, and highest-grade uranium deposits currently under development in Africa. This exceptional asset is controlled by Canada's Global Atomic Corporation, which trades at an attractive valuation due to uncertainties related to bank financing of construction and potential geopolitical risks.

Our analysis indicates that concerns regarding nationalization may be overstated and that the company has provided viable pathways to mitigate the financing risk. However, time is running out.

The mine is scheduled to commence production in Q1 2026, supported by multiple financing avenues, including the recently announced joint venture negotiations. A significant development occurred on October 29, 2024, when a US development bank reaffirmed its full support for the Dasa project, signaling a milestone in aligning financing with shareholder and customer interests. Unfortunately, the approval process has been slow, prompting the need for an additional round of bridge financing in January 2025 to keep the project development on track. Whereas additional dilutions are not desirable, there is a high urgency to resolve the situation by mid-March based on our runway estimates.

On geopolitical risks, Niger's government has demonstrated consistent support for Global Atomic's operations, distinguishing it from companies whose assets have been nationalized. This backing, combined with Niger's economic needs and strategic ties to the US, mitigates the risk of government interference in the project.

Given these factors, and with Dasa's development progressing as scheduled, we believe Global Atomic offers a compelling investment opportunity. With a price to net-asset-value (P/NAV) ratio of just 0.11x–0.18x, the company is trading at a significant discount, presenting upside potential as key milestones are achieved.

B. Valuation

Global Atomic holds interests in two key projects: an 80% equity stake in the Dasa uranium mine in Niger and a 49% stake in a Turkish zinc joint venture. The company closed the last quarter ending September 30 with a net debt of CA$3.3 million, which was further strengthened by an additional CA$40.3 million secured through a public offering in October 2024. Its current market capitalization stands at CA$200 million.

Zinc Recycling Venture

The zinc joint venture's book value is CA$16.0 million, representing a minor source of revenue. While its contribution to overall valuation is modest, the venture complements the company's portfolio.

Dasa Uranium Project

The Dasa project is the crown jewel of Global Atomic's portfolio. As Africa's largest and highest-grade uranium deposit under development, it is set to begin production in Q1 2026. The 80% equity stake is valued between US$733 million and US$1,015 million, based on U3O8 prices ranging from US$75/lb (the 2024 Feasibility study base case) to US$90/lb, applying an 8% discount rate.

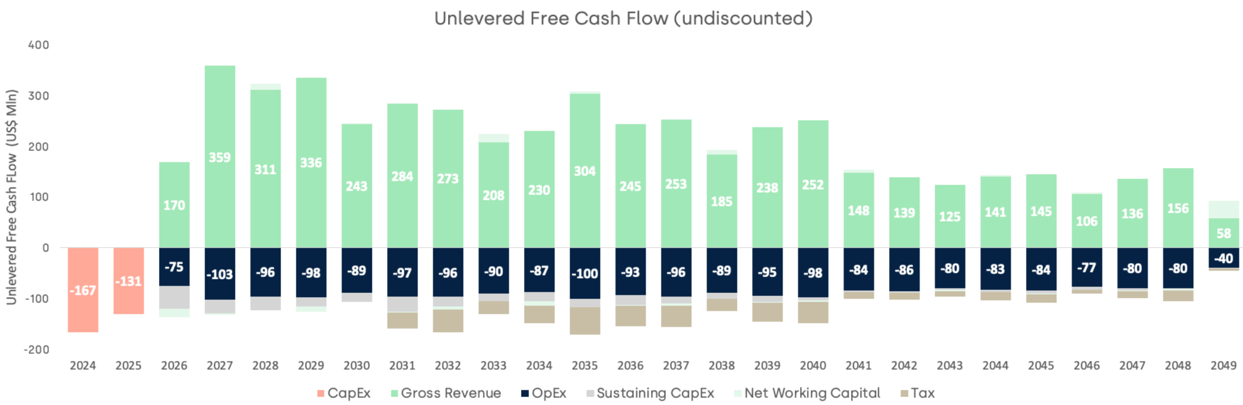
Economic Sensitivity with Varying Uranium Prices (on 100% Ownership Basis)

U308 Price	*(US$/lb)*	60	75	90	105
Before-tax NPV @ 8%	*(US$ Mln)*	656	1122	1572	2022
After-tax NPV @ 8%	*(US$ Mln)*	551	917	1269	1621
After-tax IRR	*(%)*	38	57	75	93

Source: Management's Discussion and Analysis of Financial Condition and Results of Operations, for the Three and Nine Months Ended September 30, Based on Dasa Uranium Project Feasibility Study, February 28, 2024

Total capital costs for the Dasa mine is projected at US$308 million with a further US$339 million for sustaining costs over the life of mine. Total operating costs, excluding royalties, are estimated to be US$1,745 million.

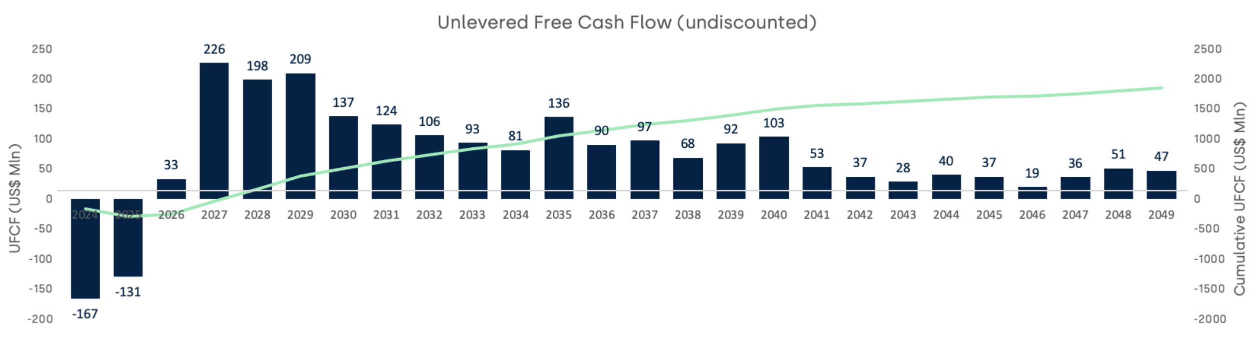
Composition of Free Cash Flow for the Dasa Project



Source: Dasa Uranium Project Feasibility Study, February 28, 2024

Including sustaining capital and royalty costs, the estimated average all-in sustaining costs (AISC) is $35.7/lb U3O8. Free cash is projected to turn positive 2.2 years after production begins.

Annual Free Cash Flow Profile for the Dasa Project



Source: Dasa Uranium Project Feasibility Study, February 28, 2024

Based on the feasibility study and our estimates, the fundamentals and the market valuation indicate a price to NAV ratio ranging from 0.11x to 0.18x. This substantial discount primarily reflects market concerns regarding two key risks: potential nationalization and financing/liquidity constraints, which are both examined in detail in this analysis.

Summary - Net Asset Value Model

U308 Price	US$/lb			85	
			Feasibility Study	Conservative	Bear Case
Discount Rate	%		8	12	16
i) Asset NAV - Dasa (80%)	*(US$ Mln)*	+	939.2	703.1	539.5
ii) Asset NAV - JV (49%)	*(US$ Mln)*	+	76.5	56.4	43.6
iii) Corporate Adjustment	*(US$ Mln)*	-	84.9	59.6	44.6
Total NAV	*(US$ Mln)*	=	930.8	700.0	538.5
iv) Net Debt	*(US$ Mln)*	-	-19.6	-19.6	-19.6
Implied (NAV) Equity Value	*(US$ Mln)*	=	950.4	719.6	558.1
Shares Outstanding (2025/02/07)	*(Mln)*	/	307.9	307.9	307.9
NAV per share	***(US$)***	=	**3.087**	**2.337**	**1.813**
Share Closing Price (2025/02/07)	*(US$)*	/	0.329	0.329	0.329
P/NAV		=	**0.11**	**0.14**	**0.18**

Source: Quantinnova Analysis and Estimates; For Further Details, Please Refer to Section E. of This Report

C. Risks and Mitigation

Nationalization Risk

Niger's military coup in July 2023, led by General Abdourahamane Tiani, raised concerns of nationalization after the government terminated a 22-year water utility contract with Veolia. However, Dasa has received unequivocal government support, reflected in Niger's 20% equity stake in the project and formal communications backing Global Atomic's operations.

REPUBLIQUE DU NIGER
Fraternité-Travail-Progrès

PRESIDENCE DU CONSEIL NATIONAL
POUR LA SAUVEGARDE DE LA PATRIE

DIRECTION DE CABINET

Niamey, le 15 AOUT 2024

Le Ministre,
Directeur de Cabinet

A

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Ontarion MC 1B Canada
Tél. : 416-368-3949
www.globalatomiccorp.com

N° 000638 /PCNSP/MDIRCAB

Objet : Projet d'Uranium DASA
Réf. : Votre Lettre S/N du 12 juillet 2024

Monsieur le Président, Directeur Général,

Le Président du Conseil National pour la Sauvegarde de la Patrie, Chef de l'Etat, **Son Excellence, le Général de Brigade ABDOURAHAMANE TIANI** a été informé de l'intérêt que vous avez manifesté pour investir au Niger dans le secteur des mines, particulièrement le projet d'uranium DASA et vous en remercie.

Aussi, le Chef de l'Etat a instruit son Cabinet, le Ministre des Mines ainsi que tous les intervenants nigériens dans le secteur afin de faciliter la réalisation de vos projets et investissements conformément aux textes en vigueur et dans une approche gagnant-gagnant.

Le projet DASA qui s'intégrera durablement dans l'économie nationale devrait jouer le rôle important de levier de développement socio-économique. Il bénéficie à ce titre du soutien total des plus Hautes Autorités nigériennes.

Enfin, votre Société ayant toujours respecté la réglementation de notre pays, je vous demande par conséquent de continuer dans ce sens afin de pérenniser notre partenariat.

En vous assurant que toutes les dispositions nécessaires seront prises pour un bon accompagnement de l'Etat au profit du projet DASA de SOMIDA, je vous prie d'agréer, **Monsieur le Président, Directeur Général**, l'expression de mes salutations distinguées.

Dr SOUMANA BOUBACAR

REPUBLIQUE DU NIGER
PRESIDENCE DU CONSEIL NATIONAL POUR LA SAUVEGARDE DE LA PATRIE
Le Ministre
Directeur de Cabinet

Ampliations :
SP/CNSP……………………Pour info
PCNSP/DIRCABA…………Pour info
CAB/PM……………………Pour info
M.Mines……………………Pour suivi
PCNSP/SGP………………Pour info
PCNSP/SGP/A……………Pour info
ANPIPS……………………Pour info

Source: Letter from Government of the Republic of Niger to Global Atomic Corporation, August 15, 2024

Niger's strategic partnership with the US further reduces nationalization risks. As the largest recipient of US military assistance in West Africa, Niger's ties include significant US troop presence and development aid. The US development bank's endorsement of the Dasa project highlights its alignment with Western strategic interests.

> *With the exception of logistics delays, project development has not been affected by these political developments. The government is very supportive and at a recent site visit, the mines minister; Commissaire Colonel Ousmane Abarchi stated "We came here, we visited the mine, and we launched the earth breaking operations for the mill construction. Dasa is a reality everyone can see. We thank you all. We are supportive of the SOMIDA team and Global Atomic. This project is very important for us; as a government and as a shareholder. We want Dasa to be the start of new Niger mining practice with expectations on State Income, Employment and Environment management.".*

Source: Global Atomic, Management Discussion H1 2024

Niger, a low-income country in the Sahel region, faces significant instability and humanitarian challenges that limit economic activity. The COVID-19 pandemic reversed recent progress in poverty reduction, but the economy began to recover in December 2020 with the reopening of the Nigerian border to attract new investments.

Financing Risk

In October 2023, the US development bank temporarily suspended project financing following the US government's designation of Niger's situation as a coup d'état. However, on October 29, 2024, the bank reaffirmed its commitment, intending to approve a US$295 million loan in Q1 2025. This loan will cover approximately 60% of the mine's total project costs, addressing a key investor concern.

> *President and CEO of Global Atomic, Stephen G. Roman, stated, "Receiving this update from the U.S. development bank is good news. Although we continue to assess a number of other financing options, we believe the development bank offers the best financing solution for the benefit of our shareholders and our nuclear power utility customers. The approval timelines outlined by the bank support yellowcake deliveries in 2026 as anticipated in the four off-take*

agreements we have in place with American and European nuclear power utilities."

Source: Newswire, October 29, 2024

This confirmation from the US development bank is significant, as it alleviated concerns about the company's ability to secure the necessary project financing. As the military coup of July 2023 occurred before any loans were granted, management was compelled to secure bridge financing to ensure continued mine development until the anticipated bank approval in Q1 2025. Following two private placements in December 2023 and July 2024, Global Atomic raised an additional CA$40.3 million in October 2024 and CA$35.6 million in January 2025 through oversubscribed public equity offerings, which included common share purchase warrants exercisable at CA$1.50 and CA$1.00 per share, respectively.

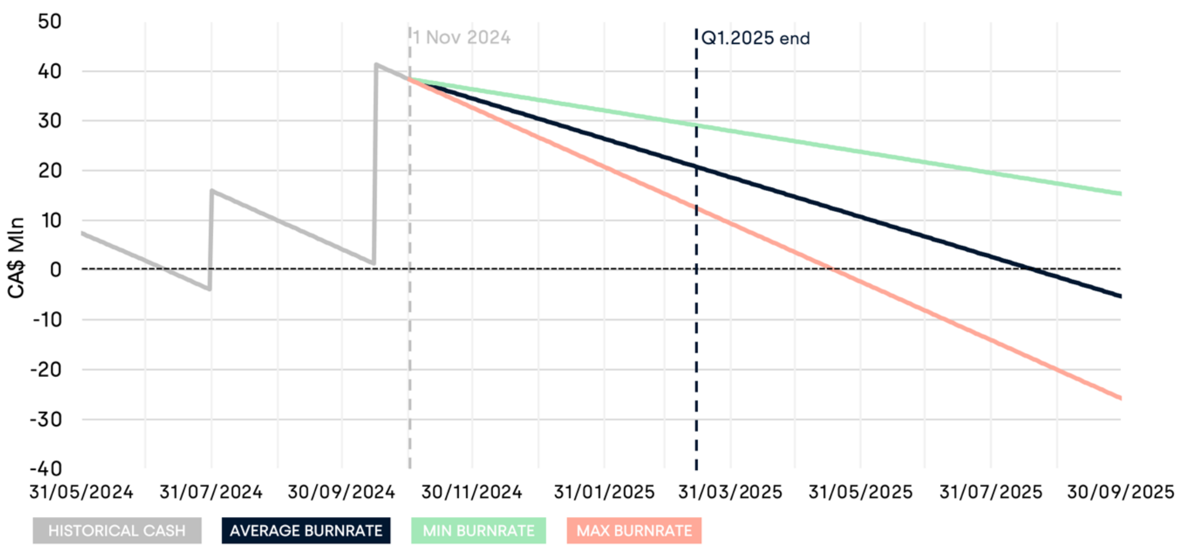
The approval timelines outlined by the development bank also support yellow cake deliveries in 2026, as anticipated in the four off-take agreements with American and European nuclear power utilities for approximately one third of the production in each of the first five years of the production. Once the bank financing is approved, management expects pre-payments related to off-take agreements to be one of several options available to fulfill any residual capital needs.

However, the bank financing approval process has been progressing slowly, with timelines moved to Q1 2025 according to the December 2024 update. This led to the equity raise in January and another tight runway, with resolution necessary by mid-March, according to our estimates. In the meantime, however, the company also announced active joint venture negotiations, with a definitive agreement anticipated by Q1 2025. This potential partnership is anticipated to serve as an alternative source of financing and is expected to provide full funding to bring the Dasa Project into production.

D. Cash Position and Capital Requirements

As of September 30, 2024, Global Atomic reported a cash balance of CA$4.2 million. Combined with the CA$40.3 million secured through a public offering in October 2024, this should provide sufficient funds for approximately 200 days at an average daily burn rate of CA$192,000, the maximum burn rate recorded on a quarterly basis (observed in Q3 2024).

Projected Cash Flow Based on Historical Burn Rates



Source: Quantinnova Analysis and Estimates, Global Atomic Reports

However, ramping up construction ahead of the Q1 2026 production target will require significantly higher investment intensity, with remaining capital costs outlined in the 2024 Feasibility Study estimated to be well above US$200 million. To meet these demands, the maximum historical burn rate would need to more than triple. We have anticipated that management could defer some of the less time-sensitive cost items and prioritize shareholder value over potential delays. However, the delayed bank financing approval (expected in the second half of Q1 2025) created pressure for another round of bridge financing in January 2025. As a result, the stock has continued to trade at attractive valuations, a trend that is expected to persist until the financing is resolved.

E. Net Asset Value Model

Global Atomic's valuation was computed using a sum-of-the-parts approach, combining the Net Asset Value (NAV) of its individual assets:

i. Dasa Uranium Project (80% Stake)

   a. Revenue estimate: US$5.8 billion over 24 years, based on 68.1 million pounds of U_3O_8 production at a base-case price of US$85/lb.

   b. Operating Costs estimate: Adjusted upwards by 10% for inflation, totaling US$1.9 billion (excluding royalties).

   c. Capital Costs estimate: US$647 million, including closure fund payments.

   Employing a conservative 12% discount rate (vs. the 8% used in the Feasibility Study), the project's NPV is US$1.012 billion, with Global Atomic's 80% stake valued at US$810 million.

ii. Zinc Joint Venture (49% Stake)
   Valued at US$56 million.

Subsequently, the necessary adjustments were applied:

iii. Corporate Adjustment
   Estimated at US$60 million.

iv. Net Debt
   Negative US$20 million, based on last reported results (Q3 2024) adjusted for the Q3 2024 reported cash, not including the CA$40.3 million secured through a public offering after Q3 (in October 2024), but taking into account the recent CA$35.6 million secured in January 2025.

This results in an Implied Equity Value of US$720 million, translating to a NAV per share significantly above current trading levels.

Summary - NAV Valuation

U308 Price	US$/lb			75			85	
			Feasibility Study	Conservative	Bear Case	Feasibility Study	Conservative	Bear Case
Discount Rate	%		8	12	16	8	12	16
i) Asset NAV - Dasa (80%)	*(US$ Mln)*	+	605.1	434.6	315.9	939.2	703.1	539.5
ii) Asset NAV - JV (49%)	*(US$ Mln)*	+	76.5	56.4	43.6	76.5	56.4	43.6
iii) Corporate Adjustment	*(US$ Mln)*	-	84.9	59.6	44.6	84.9	59.6	44.6
Total NAV	*(US$ Mln)*	=	596.7	431.4	314.8	930.8	700.0	538.5
iv) Net Debt	*(US$ Mln)*	-	-19.6	-19.6	-19.6	-19.6	-19.6	-19.6
Implied (NAV) Equity Value	*(US$ Mln)*	=	616.3	451.0	334.4	950.4	719.6	558.1
Shares Outstanding (2025/02/07)	*(Mln)*	/	307.9	307.9	307.9	307.9	307.9	307.9
NAV per share	***(US$)***	=	**2.002**	**1.465**	**1.086**	**3.087**	**2.337**	**1.813**
Share Closing Price (2025/02/07)	*(US$)*	/	0.329	0.329	0.329	0.329	0.329	0.329
P/NAV		=	**0.16**	**0.22**	**0.30**	**0.11**	**0.14**	**0.18**

Source: Quantinnova Analysis and Estimates, Global Atomic Reports

F. Investment Thesis Conclusion

Global Atomic offers an attractive opportunity to gain exposure to a high-quality uranium asset in an undersupplied market. With strong government support and viable financing options, robust investor confidence, and discounted valuation metrics (P/NAV of 0.11x–0.18x), the company is well-positioned for re-rating as it achieves key milestones. Catalysts include bank financing approval in Q1 2025, the ramp-up to production in Q1 2026, and further market recognition of the project's strategic value.

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