

Global Atomic Corp. (TSX:GLO)

Corporate Update

August 19, 2024

Letter from Niger Gov't Categorically Supports Global Atomic And Dasa

(Currency is CAD\$ unless noted otherwise)

Closing Price (\$/sh)	\$1.25
Rating	BUY
Target (\$/sh)	\$5.90
Return to Target	372%
52 Week Low / High	\$1.13 / \$3.91
CAPITALIZATION	Basic Diluted
Shares Outstanding (M)	226.0 259.1
Market Capitalization (\$MM)	\$282.5
Enterprise Value (\$MM)	\$264.8
Cash and Cash Equivalents (\$MM)	\$21.9
Total Debt (\$MM)	\$4.2

STOCK CHART



RELATIVE PERFORMANCE



VALUATION	C\$M	C\$/sh
Dasa (80%)	1,342.1	5.18
Befesa (49%)	129.8	0.50
Corporate Adj.	430.9	1.66
NAV	1,902.9	7.34

FYE DEC 31	2024E	2025E	2026E
Total production (M lb)	0.00	0.00	1.32
Total cash costs (US\$/lb)	-	-	15.27
EPS (\$/sh)	0.01	(0.01)	0.08
CFPS (\$/sh)	1.25	(0.82)	(0.04)

RELATIVE VALUATION	EV/lb U3O8 (US\$)	P/NAV
Global Atomic Corp.	1.34	0.21x
Peers *	3.20	0.56x

*Capital IQ and Company Reports

MAJOR SHAREHOLDERS

Management (30.09%), ALPS Advisors, Inc. (7.21%), Mirae Asset Global Investments Co., (5.76%)

Source: RCS, Company Information, S&P Capital IQ

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Company Description

Global Atomic Corporation engages in the acquisition, exploration, and development of uranium properties in Niger. It has an 80% interest in the Dasa deposit located in the Republic of Niger. The company also processes electric arc furnace dust into zinc concentrates, which is sold to zinc smelters. Global Atomic is headquartered in Toronto, Canada.


Impact: Very Positive

Global Atomic received a letter issued by the Gov't of Niger on 15-Aug-24 confirming the support of the Nigerien President Abdourahamane Tiani and the Council of Ministers for Global's 80%-owned and fully permitted Dasa uranium project in the country. It pointed out Global's track record of compliance to the country's regulations and recognized the economic importance of the project. The President has also instructed his cabinet and stakeholders to facilitate the implementation of the project in line with regulations. **This letter confirms the support for the project that management has reported after several meetings with the Government.** A copy of the letter was sent to ANPIPS, the national agency in charge of strategic investment projects, suggesting that Dasa is considered a strategic investment for Niger. This letter comes at a critical juncture as Global continues to wait for lender approval committee sign off, and final approval by its Board of Directors, as Global seeks funding for its Dasa uranium process plant. Uncertainty has weighed on the stock, sporadically since the coup in 2023, although it has been business as usual for Global. The underground mine has already been well advanced with development ore already being stockpiled on surface ([read note](#)). We anticipate that Dasa remains on track for start-up in late-2025 with commercial production in early-2026. It recently completed an oversubscribed equity raise to keep moving the project forward and tide it over until its debt financing is announced ([read notable](#)).

- **Dasa expected to play an important role in Niger's development.** The letter states that the government expects Dasa to be integrated into the national economy and makes explicit its potential role as a cornerstone of Niger's development. Global management reported that the Minister of Mines witnessed its commitment to source goods, services and human resources predominantly from Niger, where practical, during his recent visit to the site ([read notable](#)). The government also has a 20% carried interest in the project and should also receive statutory taxes and royalties over future production.
- **The letter should help financing discussions.** Global expects the board of a US-based development bank to approve a US\$295M debt package for the project in Q4/25. This letter should help assuage jurisdictional risk concerns they or any future investors may have as Global looks to finance the US\$351M estimated remaining initial capex to production.

We maintain our BUY rating and target of C\$5.90/sh. Our target is based on a 0.80x multiple applied to our total NAVPS of C\$7.34. While this news should provide GLO's stock price some positive momentum today, we expect progress on advancing the project toward commercial production to continue to drive the price over the long-term. GLO continues to trade at a discounted P/NAV of 0.21x vs its peers at 0.56x. Upcoming catalysts: 1) Dasa project financing, 2) Completion of earth and civil works (2024), 3) Erection of processing plant (2025), and 4) Commissioning (Q1/26).

Figure 1: Letter sent to Global Atomic – original in French (left) and translated to English (right)

<p>REPUBLICQUE DU NIGER Fraternité-Travail-Progress</p> <p>PRESIDENCE DU CONSEIL NATIONAL POUR LA SAUVEGARDE DE LA PATRIE</p> <p>DIRECTION DE CABINET</p> <p>N° 00638 /PCNSP/MDIRCAB</p> <p>Objet : Projet d'Uranium DASA Ref : Votre Lettre S/N du 12 juillet 2024</p> <p>Monsieur le Président, Directeur Général,</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p> <p>Niamey, le 15 AOUT 2024</p> <p>Le Ministre, Directeur de Cabinet</p> <p>A</p> <p>Monsieur Stephen G. Roman Chairman, Président/CEO de Global Atomic Corporation 8, rue King Est, bureau 1700 Toronto, Ontario M5C 1B9 Canada Tél. : 416-368-3949 www.globalatomiccorp.com</p> <p>Dr SOUMANA BOUBACAR</p> 	<p>Mr. President and Chief Executive Officer,</p> <p>The Conseil National pour la Sauvegarde de la Patrie Chairman, Head of State, His Excellency Brigadier General ABDOURAHAMANE TIANI, has been informed of you investing in Niger's mining sector, particularly in the DASA uranium project, and thanks you for your interest.</p> <p>The Head of State has instructed his Cabinet, the Minister of Mines and all Nigerian stakeholders in the sector to facilitate the implementation of your projects and investments in accordance with the regulations in force and following a win-win approach.</p> <p>The DASA project, which will be sustainably integrated into the national economy, is expected to play an important role as a cornerstone for socio-economic development. As such, Niger's highest authorities support it totally.</p> <p>Finally, as your company has always complied with our country's regulations, I would ask you to keep on doing so. That guarantees the continuity of our partnership.</p> <p>We assure you that all that is necessary will be done to ensure that the State provides the best possible support for SOMIDA's DASA project and I would like to extend you, Mr. President and CEO, my best wishes.</p> <p>Best regards,</p> <p>Dr SOUMANA BOUBACAR Minister, Director of the Cabinet</p> <p>Copied to: SP/CNSP: Permanent Secretary of CNSP – For information PCNSP/DIRCABA: Deputy Head of Staff of the President – For information CAB/PM: Prime Minister Office – For further information M. Mines: Mines Ministry – For follow-up PCNSP/SGP: Presidency Secretary General – For information PCNSP/SGP/A: Deputy Presidency Secretary General – For information ANPIPS: National Agency in charge of Strategic Investment Projects. – More information</p>
--	--

Source: Company reports



David A. Talbot | MD, Head of Equity Research
Daniel Kozielowicz | Research Associate
Shikhar Sarpal | Research Associate
Surya Sankarasubramanian | Research Associate

Red Cloud Securities Inc.
120 Adelaide Street West, Suite 1400
Toronto ON, M5H 1T1
research@redcloudsecurities.com
<https://redcloudresearch.com/>

Disclosure Statement
Updated August 19, 2024

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
2021-10-18	BUY	7.00	BUY	69%
2022-08-12	BUY	7.00	BUY (S)	26%
2022-11-14	BUY	7.00	HOLD	0%
2022-11-16	BUY	7.00	TENDER/ SELL	3%
2022-11-29	BUY	7.00	NA	2%
2023-01-10	BUY	7.00	UNDER REVIEW	0%
2023-02-24	BUY	7.00		
2023-05-15	BUY	7.50		
2023-05-24	BUY	7.75		
2023-06-02	BUY	7.75		
2023-06-28	BUY	7.75		
2023-07-17	BUY	7.75		
2023-08-14	BUY	5.25		
2023-10-03	BUY	5.25		
2023-10-11	BUY	5.20		
2023-11-10	BUY	5.20		
2023-11-13	BUY	5.20		
2023-12-11	BUY	5.20		
2024-02-12	BUY	7.10		
2024-03-04	BUY	7.10		
2024-03-06	BUY	6.25		
2024-03-19	BUY	6.25		
2024-04-01	BUY	6.25		
2024-05-15	BUY	6.00		
2024-06-18	BUY	6.00		
2024-08-14	BUY	5.90		
2024-08-19	BUY	5.90		

Disclosure Requirement

Red Cloud Securities Inc. is registered as an Investment Dealer and is a member of the Canadian Investment Regulatory Organization (CIRO). Red Cloud Securities registration as an Investment Dealer is specific to the provinces of Alberta, British Columbia, Manitoba, Ontario, Quebec, and Saskatchewan. We are registered and authorized to conduct business solely within these jurisdictions. We do not operate in or hold registration in any other regions, territories, or countries outside of these provinces. Red Cloud Securities bears no liability for any consequences arising from the use or misuse of our services, products, or information outside the registered jurisdictions.

Part of Red Cloud Securities Inc.'s business is to connect mining companies with suitable investors. Red Cloud Securities Inc., its affiliates and their respective officers, directors, representatives, researchers and members of their families may hold positions in the companies mentioned in this document and may buy and/or sell their securities. Additionally, Red Cloud Securities Inc. may have provided in the past, and may provide in the future, certain advisory or corporate finance services and receive financial and other incentives from issuers as consideration for the provision of such services.

Red Cloud Securities Inc. has prepared this document for general information purposes only. This document should not be considered a solicitation to purchase or sell securities or a recommendation to buy or sell securities. The information provided has been derived from sources believed to be accurate but cannot be guaranteed. This document does not take into account the particular investment objectives, financial situations, or needs of individual recipients and other issues (e.g. prohibitions to investments due to law, jurisdiction issues, etc.) which may exist for certain persons. Recipients should rely on their own investigations and take their own professional advice before investment. Red Cloud Securities Inc. will not treat recipients of this document as clients by virtue of having viewed this document.

Red Cloud Securities Inc. takes no responsibility for any errors or omissions contained herein, and accepts no legal responsibility for any errors or omissions contained herein, and accepts no legal responsibility from any losses resulting from investment decisions based on the content of this report.

Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Global Atomic Corp.	TSX:GLO	1,2,3

1. The analyst has visited the head/principal office of the issuer or has viewed its material operations.
2. The issuer paid for or reimbursed the analyst for a portion, or all of the travel expense associated with a visit.
3. In the last 12 months preceding the date of issuance of the research report or recommendation, Red Cloud Securities Inc. has performed investment banking services for the issuer.
4. In the last 12 months, a partner, director or officer of Red Cloud Securities Inc., or an analyst involved in the preparation of the research report has provided services other than in the normal course investment advisory or trade execution services to the issuer for remuneration.
5. An analyst who prepared or participated in the preparation of this research report has an ownership position (long or short) in, or discretion or control over an account holding, the issuer's securities, directly or indirectly.
6. Red Cloud Securities Inc. and its affiliates collectively beneficially own 1% or more of a class of the issuer's equity securities.
7. A partner, director, officer, employee or agent of Red Cloud Securities Inc., serves as a partner, director, officer or employee of (or in an equivalent advisory capacity to) the issuer.
8. Red Cloud Securities Inc. is a market maker in the equity of the issuer.
9. There are material conflicts of interest with Red Cloud Securities Inc. or the analyst who prepared or participated in the preparation of the research report, and the issuer.

Analysts are compensated through a combined base salary and bonus payout system. The bonus payout is determined by revenues generated from various departments including Investment Banking, based on a system that includes the following criteria: reports generated, timeliness, performance of recommendations, knowledge of industry, quality of research and client feedback. Analysts are not directly compensated for specific Investment Banking transactions.

Recommendation Terminology

Red Cloud Securities Inc. recommendation terminology is as follows:

- BUY – expected to outperform its peer group
- HOLD – expected to perform with its peer group
- SELL – expected to underperform its peer group
- Tender – clients are advised to tender their shares to a takeover bid
- Not Rated or NA – currently restricted from publishing, or we do not yet have a rating
- Under Review – our rating and target are under review pending, prior estimates and rating should be disregarded.

Companies with BUY, HOLD or SELL recommendations may not have target prices associated with a recommendation. Recommendations without a target price are more speculative in nature and may be followed by "(S)" or "(Speculative)" to reflect the higher degree of risk associated with the company. Additionally, our target prices are set based on a 12-month investment horizon.

Dissemination

Red Cloud Securities Inc. distributes its research products simultaneously, via email, to its authorized client base. All research is then available on www.redcloudsecurities.com via login and password.

Analyst Certification



Any Red Cloud Securities Inc. research analyst named on this report hereby certifies that the recommendations and/or opinions expressed herein accurately reflect such research analyst's personal views about the companies and securities that are the subject of this report. In addition, no part of any research analyst's compensation is, or will be, directly or indirectly, related to the specific recommendations or views expressed by such research analyst in this report.