



**40%**

**DECLINE IN SHARE  
PRICE SINCE 2017  
SHAREHOLDER  
MEETING**

**80%**

**OF DIRECTORS  
HAVE SERVED 7  
OR MORE YEARS**

**GLOBAL ATOMIC SHAREHOLDERS:**

# **ELECT AN EFFECTIVE BOARD**

**AND VOTE YOUR BLUE PROXY**

**SINCE THE MERGER, ONE THING HAS BECOME CLEAR: GLOBAL ATOMIC'S  
CONFLICTED BOARD HAS APPROVED OUTSIZE COMPENSATION WHILE  
MANAGEMENT CONTINUES TO DESTROY VALUE.**

**IT IS TIME FOR A CHANGE.**

**SUBMIT YOUR BLUE PROXY OR VIF PRIOR TO 8:00 A.M. ET ON JUNE 18, 2018.**

**FOR QUESTIONS, CONTACT EVOLUTION PROXY, INC., AT 1-833-744-9230 OR [INFO@EVOLUTIONPROXY.COM](mailto:INFO@EVOLUTIONPROXY.COM)**

May 28, 2018

Dear Fellow Shareholders,

### **It is time for a change.**

Since the completion of the last meeting of shareholders on September 29, 2017 to May 22, 2018, shareholders of Global Atomic Corporation ("Global Atomic" or the "Company"), have suffered a 40% drop in the market price<sup>1</sup> of the Company's shares. As long-term shareholders of the Company, we are deeply concerned about its future and we are extremely frustrated with the performance of the board of directors (the "Board") and management of the Company.

As such, Greyling Investments, Inc. ("Greyling", "we" or "our"), in connection with the upcoming annual and special meeting of shareholders of Global Atomic (the "Meeting") had no choice but to take the extraordinary step of nominating six (6) highly-qualified individuals – Basil Carter, Anne Day, Lisa Swartzman, Gary Love, William Wright and Murray Leitch – to the Board. Each of these individuals can contribute independent, shareholder-focused perspective, and will work tirelessly to surface value for all shareholders.

Your vote at the upcoming Meeting is very important. We encourage you to vote only the **BLUE** proxy card or voting instruction form ("VIF") today.

We fully expect that management, using shareholders' money, will recruit a team of advisers to defend the conflicted and entrenched Board, and engage in desperate attacks. We will not be intimidated in our efforts to place control of Global Atomic back in the hands of its true owners – the shareholders.

### **The Merger of Silvermet and Global Atomic was Poorly Conceived, and Value Destructive**

As shareholders are aware, on September 29, 2017 the non-conflicted shareholders of Silvermet Inc. ("Silvermet") narrowly approved the proposed merger of the private company Global Atomic Fuels Corporation ("GAFC") and Silvermet, with just 56% of votes cast in favour of the transaction. At the time, certain shareholders expressed both privately and publicly, their significant concerns about the financial rationale of the merger, the lack of apparent synergies

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<sup>1</sup> Based on closing price of September 28, 2017 – last business day before September 29, 2017 shareholder meeting and May 22, 2018 – last business day before Global Atomic filed its 2018 Management Information Circular.

between the two companies and the potential conflicts of interest due to the substantial overlap on the boards of directors and management of the two companies.

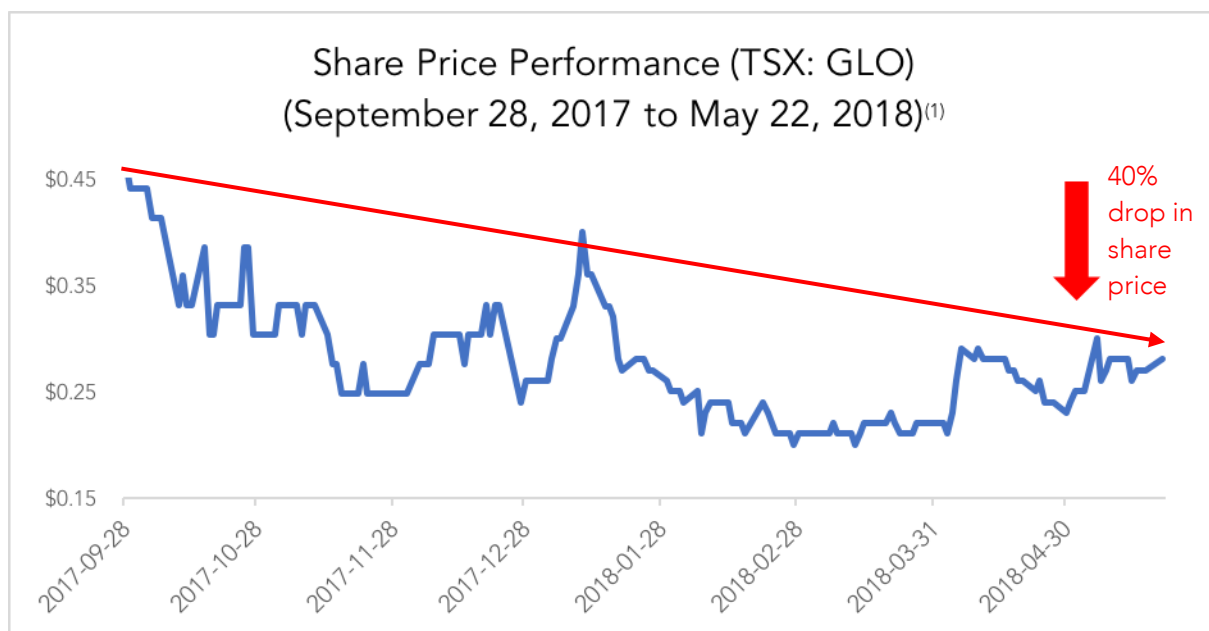
Both Silvermet and GAFC owned attractive assets but there appeared to be little strategic rationale to merge the two entities. Silvermet's primary business operated through a 49% interest in a joint venture with Befesa Zinc S.A.U., involving the processing of electric arc furnace dust obtained from steel companies through a Waelz kiln to recover zinc and produce a high-grade zinc concentrate that is sold to smelters. This joint venture interest continues to produce attractive free cash flows. GAFC, on the other hand, had been focused on exploring and developing uranium deposits in Niger since 2007.

**We believe that management and members of the current Board conceived this transaction largely to resuscitate an indebted uranium exploration project by capturing the cash flows from Silvermet. Prior to the merger, we believe the Board and management of both companies used Silvermet as a vehicle to fund GAFC, to the detriment of Silvermet shareholders.**

We note that:

- In January 2015, Silvermet invested \$1,250,000 in GAFC. Shortly after the merger was consummated, this investment was reappraised to its fair value of \$322,050, a loss of \$927,950; and
- In 2017, Silvermet advanced \$3,544,115 to GAFC. Again, shortly after the merger was consummated, the outstanding receivable of \$3,677,618 was converted into investment in GAFC and eliminated.

In a letter to Silvermet shareholders dated September 1, 2017, Chairman of the Board, President and CEO Stephen G. Roman, assured shareholders that the combination of Silvermet and GAFC would provide shareholders of both companies "increased liquidity and expected higher valuation of their assets". **The 40% decline in Global Atomic's share price since that time tells a very different story.**



Source: Yahoo Finance

<sup>(1)</sup> Based on closing price of September 28, 2017 – last business day before September 29, 2017 shareholder meeting and May 22, 2018 – last business day before Global Atomic filed its 2018 Management Information Circular.

Over the past few years, the Board has allowed management to make high-cost financial decisions that have eroded shareholder value, all while approving outsized compensation plans. Chief among our concerns is the Company's issuance of high interest debt instruments to members of the Board when GAFC was still a private company. Moreover, following the merger of GAFC and Silvermet, despite the improved cash position and access to the public markets of the combined company, these debentures appear to remain outstanding!

- GAFC completed a convertible notes financing of \$295,000 in September 2015.
- Subsequently, in February and March 2016, it completed a \$100,000 and a \$100,000 convertible notes financing, respectively, at an annual interest rate of 25%. Accrued interest has not been paid since the notes were issued and the notes now carry a default interest rate of 30%.
- As of December 31, 2017, \$296,306 of accrued interest was outstanding on a \$495,000 financing completed only approximately 2 years ago. It appears that the majority of the high interest-bearing notes were issued to directors.
- Notes payable to directors as of December 31, 2017, was disclosed as \$508,490.

In addition, as part of the merger, Global Atomic assumed a \$400,000 outstanding debenture that GAFC received from one of the directors of the corporation at an annual rate of 15%. We believe that these costly financings enriched directors of the Company to the detriment of shareholders.

### **The Heavily Conflicted and Long Tenured Board Has Failed to Provide Effective Oversight of Management and Properly Align Management Compensation**

Prior to the merger of Silvermet and GAFC, Silvermet disclosed in its management information circular dated September 1, 2017, that certain directors and officers had actual or potential conflicts of interest in connection with the merger. Mr. Roman was Chairman of the Board, President and CEO at Silvermet while he was also Chairman of the Board, President and CEO at GAFC. Silvermet and GAFC had three directors in common and four common officers who were employed in executive roles at both companies during the merger.

We continue to believe that despite the recusal of certain directors and officers from specific deliberations and votes, the number of potential conflicts resulted in a process that was fundamentally flawed and biased from the outset. We believe the board of Silvermet failed to act in the best interests of the Silvermet shareholders in recommending the approval of the merger.

Unfortunately, we believe certain Board members and officers of Global Atomic continue to have actual or potential conflicts of interests and are unable to be the truly independent leaders the Company requires. Many individuals appear to have long standing business ties to Mr. Roman and companies he has been involved with.

Those companies include:

- Harte Gold Corporation (TSX: HRT) ("Harte Gold");
- Romex Mining Corporation ("Romex");
- Belo Sun Mining Corp (TSX: BSX) ("Belo Sun") formerly known as Verena Minerals;
- Gold Eagle Mines Ltd. (TSX: GEA) ("Gold Eagle"); and,
- Polar Star Mining Corp (TSX: PSR) ("Polar Star").

As the table below illustrates, many of Global Atomic's current directors and officers have many different roles at these companies:

	DIRECTORS					OFFICERS		
	George Flach	Richard Faucher	Derek Rance	Paul Cronin	Asier Zarraonandia Ayo	<b>Stephen G. Roman</b>	Rein A. Lehari	Timothy Campbell
<i>Pre-merger (as at September 1, 2017)</i>								
<b>Silvermet Inc.</b>		Director	Director		Director	Chairman, President & CEO	VP & Director	VP & Secretary
<b>Global Atomic Fuels Corp.</b>	VP & Director					Chairman, President & CEO	CFO	VP & Secretary
<i>Present</i>								
<b>Global Atomic Corp.</b>	Director	Director	Director	Director	Director	Chairman, President & CEO	CFO	VP & Secretary
<b>Harte Gold Corp.</b>	VP & Director	Director	Director			Chairman, President & CEO	CFO	VP & Secretary

It is troubling that members of Global Atomic's management are receiving compensation from other companies, including Harte Gold, when they should be devoting their full efforts to advancing Global Atomic and enhancing shareholder value. We note that in 2017, Mr. Roman received \$400,000 from Harte Gold and \$378,400 from Global Atomic, while CFO Rein Lehari received \$235,000 from Harte Gold as its CFO and \$280,000 from Global Atomic.

Mr. Roman has a history of being a part-time CEO while collecting full-time compensation. At one point in his career, Mr. Roman was Chairman, President, and/or CEO of six different companies at the same time. We believe Global Atomic shareholders deserve a full-time CEO. A truly independent Board would not allow this situation to persist and demand that management give its full attention to the business of Global Atomic.

The Board's inability to provide effective oversight of management is reinforced by its members' length of tenure. With the exception of one director, no member has served fewer than seven years at either Global Atomic or GAFC. However, it would be a mistake to assume that the Board's long-standing ties to management and length of tenure means they have a vested interest in the direction of the Company. At present, three of the six directors collectively own approximately 0.12% of Global Atomic's outstanding shares.

It would also appear that based on Global Atomic's management information circular dated May 8, 2018, Mr. Zarraonandia Ayo was **secretly reappointed to the Board after the completion of the merger with Silvermet. The Company failed to advise shareholders of this material update despite their obligation under securities laws to do so.**

### **Stephen G. Roman has a Track Record of Destroying Value at Other Companies**

Mr. Roman's track record at other companies should alarm shareholders of Global Atomic. Public records show that some of his companies have become insolvent and he has routinely engaged in actions that we believe were counter to the best interests of the shareholders of those companies. In other cases, Mr. Roman has voluntarily or involuntarily stepped down following shareholder action.

#### **Exall Energy**

From 2006 to 2015, Mr. Roman was Executive Chairman and director of a company called Exall Energy Corporation ("Exall Energy"). Under Mr. Roman's tenure, Exall Energy amassed \$34 million in debt and entered into receivership on March 25, 2015. However, Exall Energy failed to inform its shareholders or the Alberta Securities Commission ("ASC") that Exall Energy entered into receivership and its board of directors had resigned. As a result, the ASC was forced to issue a cease trade order against Exall Energy five days later on March 30, 2015.

While investors watched their Exall Energy shares become worthless, Mr. Roman collected over \$700,000 in compensation between 2008 and 2013 as Executive Chairman. Despite the company's financial situation, between 2011 and 2014, Exall Energy's directors and members of the executive committee received over \$4.6 million dollars in compensation. In fiscal year 2014, \$600,000 was paid to Exall Energy's directors and members of the executive committee. Less than three months later, the company entered receivership and shareholders lost their investment.

## **Belo Sun (formerly Verena Minerals)**

Mr. Roman was a director of Belo Sun since 1996, and became Chairman, President and CEO in 2008. In February 2010, a significant shareholder of Belo Sun requisitioned a shareholder meeting to replace the majority of the directors on the board. Mr. Roman stepped down as Chairman, President and CEO a few weeks after the requisition was submitted to Belo Sun. Mr. Roman did not seek re-election to Belo Sun's board of directors at its 2010 annual meeting.

## **Polar Star**

In 2009, while Mr. Roman was the Executive Chairman of Polar Star, T. Douglas Willock, a significant shareholder and former President and CEO of the company, launched a campaign to reconstitute the board. Mr. Willock believed that the company needed new direction, new leadership and a change at the board level. Within 10 days of submitting his requisition for a shareholder meeting to replace the company's directors, Mr. Willock received letters from shareholders representing 53.6% of the issued and outstanding shares supporting his requisition. At the company's annual meeting, new directors were elected, and Mr. Roman lost his position.

## **Roman Corporation**

Beginning in 1988, Mr. Roman was named a director of Roman Corporation Limited ("Roman Corporation"), where a family member of his, Helen E. Roman-Barber, served as Chairman and CEO. The company filed for protection under the Companies' Creditors Arrangement Act on January 31, 2006. Under the watch of Mr. Roman, from 1995 to 2004, Helen E. Roman-Barber received over \$4 million dollars in compensation, while the company's SG&A in 2004 alone was over \$17 million dollars in the last full fiscal year prior to the company filing for protection from creditors.

## **A Lack of Transparency**

At Global Atomic, the Company's financial disclosures make it difficult to determine if shareholder capital is being spent wisely. Global Atomic's financial reports lack transparency and appear to be inconsistent. In Global Atomic's 2017 year-end financial reports, the Company reported owing \$68,115 to Harte Gold. This is inconsistent with Harte Gold's financials, which reported Global Atomic as owing \$111,054 to Harte Gold during the same period. In addition, while Harte Gold disclosed charges of over \$260,000 to Global Atomic for 'transactions related to certain head office costs, such as



supplies and rent', Global Atomic failed to disclose the total amount charged by Harte Gold or the breakdown of those charges. As it stands, Global Atomic shareholders have no way to objectively evaluate the expense allocation and cannot rely on the Board to do so given the substantial cross board membership.

### **Where Was the Board?**

With this kind of track record, shareholders should have serious concerns regarding Mr. Roman's judgement and ability to effectively manage a public company. We believe that Mr. Roman's career to date has revolved around attaching himself to numerous companies concurrently where he can benefit from generous compensation packages with little regard to the well-being of the company or the interests of the shareholders.

Shareholders rely on the Board to act as their independent fiduciaries in setting strategy, compensating management and holding management accountable for executing on the Company's business plan. The close ties of certain members of the Board with management and a lack of truly independent directors on the Board has led Greyling to seriously question whether the Board is capable of holding the management of Global Atomic to account. Global Atomic requires a Board that can credibly evaluate whether the Company's current course is the best use of shareholder capital, and if so, determining if management is competently executing on that plan. Under the present circumstance, with a conflicted and long tenured Board, we simply do not know.

### **The Way Forward – A Reconstituted Board of Highly Qualified and Independent Individuals**

We believe that the absence of independent shareholder advocates in the boardroom is at the heart of the value destruction at Global Atomic. The Board must be made up of individuals who can provide independent oversight to management as fiduciaries for shareholders.

#### **Our Plan:**

We believe that a reconstituted Board should immediately undertake to:

- Initiate a strategic alternatives process to determine what the highest and best use of the Company's assets is and to determine the best path for surfacing value for shareholders;

- Tasking the audit committee of the Board to examine all related party financial arrangements between the Company and members of management and the Board, and arrangements with other companies including Harte Gold;
- Conducting a full-scale examination of the Company's overhead and SG&A expenses to determine where opportunities for reducing these expenses may exist; and
- Overhauling the approach to compensation for the Board and management, with an emphasis on aligning compensation with success in surfacing shareholder value.

## Our Six Highly Qualified Nominees for the Board

**Basil Carter:** Mr. Carter is the Managing Director of Global Turnaround Management. He brings over 27 years of experience salvaging, resuscitating, growing, and performing turnarounds on companies across the globe. He brings highly credible international expertise, having worked with firms in Canada, the United States, the United Kingdom, Romania, Tunisia, and Turkey, among other places. Mr. Carter is the recipient of the *Turnaround Entrepreneur of the Year Award* (Ernst & Whinney) for resuscitating and salvaging Northside Industries (which he took from insolvency to 500 employees in three years as President & Chief Executive Officer). He was head of *Her Majesty's Business Awards, Africa* and policy advisor to the Trustees of *Her Majesty's Charity, Worldaware*. Mr. Carter is the author of two published books; *Leadership and Management for a Changing World!* and *Productivity: Lessons from the Alligator Pit!* He is also the author of the treatise, *Commando Field Manual! Roadmap for Restructuring Floundering Business*. Mr. Carter was profiled in the *European Business Report* (die Welt) as a premier authority on Eastern Europe business. Mr. Carter has a business degree from Wilfrid Laurier University.

**Anne Day:** Anne Day, MBA, ICD.D is an independent director with more than 20 years of experience in capital markets and investor relations, primarily in the mining sector. Most recently, Ms. Day was the Senior Vice President, Investor Relations for Richmond Mines until it was acquired by Alamos Gold on Nov. 23, 2017. During her tenure, she was a member of the senior executive team that led the transformation of Richmond from a small mining company to one of the top junior mining companies in the Americas. Concurrently, Ms. Day was a director of AuRico Metals and served on the Audit and Corporate Governance Committees until it was acquired by Centerra Gold on Jan. 8, 2018. Prior to that, Ms. Day was the Vice President, Investor Relations and Communications for AuRico Gold; prior to that, Ms. Day held senior roles with Nexient Learning and Etruscan Resources. Ms. Day holds a Bachelor of Commerce (Marketing),

and MBA (Finance) from the Sobey's School of Business as well as an ICD.D from the Institute of Corporate Directors.

**Lisa Swartzman:** Lisa Swartzman, MBA, ICD.D is President of AirBoss of America Corp. (TSX: BOS), a leading manufacturer of rubber-based products to the mining, infrastructure, oil & gas and various other industries. Ms. Swartzman has 24 years of diverse experience in manufacturing, distribution and retail industries with a proven track record for drivers and levers that accelerate growth and highlight potential risk areas. Ms. Swartzman's experience includes designing and executing integrated growth strategies, transforming operating cultures and leveraging internal synergies and best practices. Ms. Swartzman also brings a wealth of experience in debt and equity capital markets, mergers and acquisitions, and investor relations. Ms. Swartzman previously held senior financial positions, culminating in Vice President, Treasurer for George Weston Limited, Loblaw Companies Limited and President's Choice Bank, and has acted as a corporate finance advisor to mid-market privately held companies in both the United States and Canada. Ms. Swartzman holds a BA (Economics) from Western University, an MBA from Queen's University, as well as an ICD.D from the Institute of Corporate Directors.

**Gary Love:** Mr. Love is an experienced corporate executive with 33 years of business experience in financial management, operations, human resources, information systems, growth strategy and capital management. He graduated with high distinction in 1984 from the University of Toronto, with a Bachelor of Commerce degree and obtained a Chartered Accountant designation with Coopers & Lybrand in 1986. Mr. Love worked for seven years with Magna International Inc., becoming Treasurer, and in 1994 became the Chief Financial Officer of Meridian Technologies Inc., a TSX listed public company. Since that time, Mr. Love has served as a public company chief financial officer, culminating in his role as Senior Vice President Finance and Chief Financial Officer of Shawcor Ltd, a TSX listed global energy services company, from 2006 until retiring in May 2017. Mr. Love has developed extensive expertise in international corporate management and has served on the boards of companies based in Canada, the United States, the United Kingdom, Germany, the Netherlands, Ireland, Italy, Mexico, Poland, Australia, Singapore, Malaysia, China, and Saudi Arabia. He is currently a member of the Finance Committee of the Oakville Hospital Foundation and earlier this year completed the academic requirements for the Director Education Program and was granted the designation of ICD.D by the Institute of Corporate Directors.

**William Wright:** Mr. Wright was Attorney Advisor, United States Tax Court, Chambers of Judge C. Moxley Featherston, Washington D. C. 1975-1977 and an attorney/partner at Shank, Irwin & Conant, Dallas, Texas from 1977 to 1990. Mr. Wright's principal areas of practice involved federal income tax transactional planning and implementation, with particular emphasis on business planning, including international financing, reorganizations and related transactions. He oversaw tax planning in the reorganization of Placid Oil Company, involving clearances in the United States, Canada, the Netherlands, the United Kingdom and Germany, and was responsible for the coordination of law firms from multiple jurisdictions in securing tax rulings and necessary transactional structuring under multiple legal regimes. He has represented a number of foreign oil and gas companies in the structuring of inbound United States drilling partnerships and advising on United States federal income tax consequences. Since 1991, Mr. Wright has been a sole practitioner and consultant engaged in domestic business planning and international natural resources transactions. He has been involved in negotiations with several countries in the former Soviet Union, the Middle East and South America involving the structuring and implementation of oil and gas and precious metals mining projects. Mr. Wright has drafted and negotiated petroleum joint venture agreements with state petroleum authorities in Kazakhstan, Azerbaijan and the UAE, and also negotiated precious metal mining ventures in Kyrgyzstan, Uzbekistan, Nicaragua and Argentina. He has also negotiated numerous software license agreements for a medical software developer and been a consultant for an oil and gas company involved in SEC receivership proceedings (directing the litigation strategy for firms representing the company in the US District Court in Indiana). Mr. Wright has also represented a United States based investment trust in various foreign investments in Canada and Turkey, been counsel to an initial investor in Silverton Resources and has acted as a director for a Turkey based company engaged in zinc processing, as well as in the initial planning for expansion of zinc processing facilities in Iskenderun, Turkey. Mr. Wright is a graduate of Southern Methodist University, Texas Tech University and New York University.

**Murray Leitch:** Mr. Leitch has practiced commercial and corporate law and litigation, with a focus on mining contracts and litigation, in Whitehorse, Yukon for over 35 years. Mr. Leitch has practiced law with Lamarche & Lang, Miller Thomson LLP and Boylan, Preston, Kidd & O'Brien. In the mid to late 1980s, Mr. Leitch acted as counsel for the Yukon Water Board which allowed the Faro lead zinc mine, acquired by Curragh Inc., to re-open. During the 1990s, Mr. Leitch spent much of his time in Toronto acting for more than 20 miners lien claimants in two large matters under the *Companies Creditors Arrangement Act* (Canada) (the "CCAA"). The first was in respect of Curragh Inc., which, by then, had two lead zinc mines in the Yukon, one in Faro and one in Watson Lake, and

one coal mine, the Westray Mine, in Nova Scotia. The second CCAA matter involved Anvil Range Mining Corporation, which had purchased Curragh's lead zinc mine in Faro, Yukon in 1996. More recently, Mr. Leitch has acted for a mining contractor in respect of coal mines and a placer gold mine in northern British Columbia and the Minto copper mine in the Yukon.

Each of our nominees brings a much-needed infusion of skills and experience in capital allocation, operations, and track records of surfacing value for shareholders.

Fellow shareholders, we have taken this action on behalf of all shareholders of Global Atomic. Your vote at the upcoming Meeting is very important. We encourage you to vote only your **BLUE** proxy card or voter instruction form ("VIF") today without delay. Please ensure you vote only on the **BLUE** proxy or VIF and not on the management proxy. If you have already voted on the management proxy, you can still vote the **BLUE** proxy and change your vote.

Please submit your **BLUE** proxy or VIF prior to 8:00 a.m. (Toronto time) on June 18, 2018. If you require any assistance voting your **BLUE** proxy, please contact Greyling's proxy solicitor, Evolution Proxy, Inc., at 1-833-744-9230 toll-free in North America, or at 1-416-907-4204 outside of North America (collect calls accepted), or by e-mail at [info@evolutionproxy.com](mailto:info@evolutionproxy.com).

Sincerely,

(Signed) "F.C. Vickers"

F.C. Vickers  
President  
Greyling Investments, Inc.

# EVOLUTION PROXY

SHAREHOLDER SOLICITATION EXPERTS

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## EVOLUTION PROXY

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