

Global Atomic Announces Q2 2020 Results

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TORONTO, Aug. 13, 2020 - [Global Atomic Corp.](#) (TSX: GLO, OTCQX: GLATF, FRANKFURT: G12) announced today its operating and financial results for the three and six months ended June 30, 2020.

HIGHLIGHTS

Dasa Uranium Project: Preliminary Economic Assessment

- A PEA of the Phase 1 Development Plan for the Dasa Uranium Deposit was filed on SEDAR, indicating an initial 12-year mine schedule to produce 44.1 million pounds U₃O₈, with an average processed grade of 5,396 ppm;
- The PEA estimates cash costs of US \$16.72/lb U₃O₈, including corporate and all other off-site costs, and an all-in sustaining cost of US \$18.39/lb U₃O₈;
- Based on a U₃O₈ price of \$35/lb, the after-tax NPV discounted at 8% was estimated at \$211 million for an after-tax IRR of 26.6%;

Mining Permit Application

- A Hydrogeological water well drilling and testing program has been completed to support the Mining Permit application;
- An Environmental Impact Statement (EIS) was completed and filed with the Niger Government;
- A preliminary geotechnical report was completed and identified the drilling required to finalize geotechnical inputs to the final mine design.

Turkish Zinc Joint Venture

- The new Turkish Zinc recovery plant continues to ramp up with improved operating efficiencies.
- The Company's share of the Turkish Joint Venture (Turkish JV) EBITDA was \$0.9 million in Q2 2020 (\$0.8 million in Q1);
- The non-recourse Turkish JV debt was US \$22.85 million (Global Atomic share - \$11.2 million) at the end of Q2 2020 and the cash balance was US \$1.9 million;
- The Company's share of the Turkish JV loss was \$1.2 million, attributable to a \$1.5 million unrealized foreign exchange loss on the Turkish debt, due to the decline in both the Turkish Lira and the Canadian dollar relative to the US dollar.

Corporate

- Global Atomic continues to receive management fees and sales commissions from the Turkish JV, helping to offset corporate overhead costs;
- Bob Tait was appointed Vice-President Investor Relations effective June 1, 2020;
- Trace Arlaud, M.Eng., was appointed to the Board as an independent director effective June 29, 2020
- The Company completed a private placement of 5,538,335 Units on May 15th at a price of \$0.60 per Unit for gross proceeds of \$3,323,000. Each Unit comprised one common share and one-half warrant exercisable at \$0.85 per common share over a 24-month period with an accelerator clause if the shares trade above C\$1.10 for 20 days.

Stephen G. Roman, Chairman, President and CEO commented *"Global Atomic had an excellent second quarter, 2020, achieving several milestones for the Dasa Uranium Project. The Preliminary Economic Assessment filed in May, which outlined a 12-year schedule to mine the low-cost, high-grade Flank Zone, is compelling at today's uranium price. We have made great progress on completing various studies required for our Mining Permit Application, which we expect to submit to the Government of Niger prior to*

year end. While our EAFD recycling business is operating below capacity due to COVID-related interruptions in the steel industry, cash flow has improved due to stronger zinc prices. After raising \$3.3 million in the quarter, current cash on hand is sufficient to fund our work program into the first quarter of 2021, when we expect to receive our Mining Permit.##8221;

OUTLOOK

Dasa Uranium Project, Niger

- Public consultation meetings are scheduled to be held in the town of Agadez and Tchirozerine, Niger, prior to receipt of an Environmental Certificate of Conformity from the Niger Government;
- With the certificate of Environmental Conformity, the technical and other documentation will be filed as part of the Mining Permit application; the Company expects this to be completed in Q3 2020;
- Global Atomic anticipates the Mining Permit to be issued in Q1, 2021;
- A structural and geotechnical drilling program will be undertaken in Q3/Q4 2020 to finalize the Dasa mine design;
- A Pilot Plant project to confirm Dasa Process Plant flow sheet design is underway;
- Further studies are ongoing to optimize the mine plan, process flow sheets, begin detailed engineering and finalize capital and operating cost estimates.

Turkish Zinc JV, Iskenderun, Turkey

- The modernized Turkish JV plant in Iskenderun is anticipated to operate at approximately 60% capacity during 2020; operations in 2021 will be driven by COVID-19 impact on the Turkish steel industry and the availability of Electric Arc Furnace Dust (##8220;EAFD##8221;);
- Zinc prices have recently increased to above \$1.00/lb;
- Repayments will continue on the Befesa loan through 2020 and 2021, to eliminate Turkish JV Project debt.
- Dividend flow from the Turkish JV will resume following repayment of the non-recourse, modernization debt.

Summarized income statement and financial position information is shown as follows:

(all amounts in C\$)	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenue	\$ 225,456	\$ -	\$ 449,653	\$ 53,678
General and administration	948,462	1,327,038	1,501,288	1,782,908
Share of equity loss (earnings)	363,072	(3,608,756)	1,604,274	(5,619,023)
Other income	(30,000)	(30,000)	(60,000)	(60,000)
Finance expense	4,412	-	8,856	-
Foreign exchange loss (gain)	7,063	141	(18,129)	60,572
Net income (loss)	\$ (1,067,553)	\$ 2,311,577	\$ (2,586,636)	\$ 3,889,221
Other comprehensive income (loss)	-\$ 1,672,774	-\$ 771,880	\$ (99,289)	\$ (3,074,428)
Comprehensive income (loss)	\$ (2,740,327)	\$ 1,539,697	\$ (2,685,925)	\$ 814,793
Basic net income per share	(\$0.007)	\$ 0.016	\$ (0.017)	\$ 0.027
Diluted net income per share	(\$0.007)	\$ 0.015	\$ (0.016)	\$ 0.026
Basic weighted-average number of shares outstanding	150,610,282	142,721,198	149,338,229	141,827,544
Diluted weighted-average number of shares outstanding	159,229,299	152,821,304	158,801,398	149,566,812
Cash dividends declared	\$0.000	\$0.000	\$0.000	\$0.000

As at June 30,		
	2020	2019
Cash	\$ 4,884,278	\$ 3,890,665
Exploration & evaluation assets	35,532,041	32,515,297
Investment in joint venture	12,856,825	15,870,717

Other assets	1,147,828	1,328,399
Total assets	\$ 54,420,972	\$ 53,605,078
Total liabilities	\$ 605,717	\$ 647,755
Shareholders' equity	\$ 53,815,255	\$ 52,957,323

The consolidated financial statements reflect the equity method of accounting for Global Atomic's interest in BST. The Company's share of net earnings and net assets are disclosed in the notes to the financial statements.

Dasa Uranium Project, Niger

On April 15, 2020, Global Atomic announced the results of a Preliminary Economic Assessment (PEA), followed by the filing of an NI43-101 compliant technical report on May 20, 2020. The objective of the PEA was to assess the economic and technical viability of a Phase 1 Mine Plan at the Dasa Project with a Stand-Alone Processing Plant to produce yellowcake on the property. The Phase 1 Mine Plan is limited to the Flank Zone, comprising mostly Indicated Resources (88.5%) and resulting in an initial 12-year mine schedule.

Summary project metrics for Phase 1 are as follows:

Summary Project Metrics @ US\$35/lb U₃O₈

Project Economics

Average Royalty rate (based on Mining Code sliding scale) %		9.1%
Average annual mine EBITDA ⁽¹⁾	\$M	\$93.8
After-tax NPV (8% discount rate)	\$M	\$ 211
After-tax IRR	%	26.6%
Undiscounted after-tax cash flow (net of capex)	\$M	\$437
After-tax payback period	Years	4.00
Unit Operating Costs		
LOM average cash cost ⁽²⁾	\$/lb U ₃ O ₈	\$16.72
AISC ⁽²⁾	\$/lb U ₃ O ₈	\$18.39

Production Profile

Phase 1 Schedule	Years	12
Total tonnes of mineralized material processed	M Tonnes	4.0
Peak tonnes per day mineralized material	Tonnes/day	1,124
Mill Head Grade	Ppm	5,396
Overall Mill Recovery	%	92%
Total Lbs U ₃ O ₈ processed	MLbs	47.9
Total Lbs U ₃ O ₈ recovered	MLbs	44.1
Average annual Lbs U ₃ O ₈ production	MLbs	4.4
Peak annual Lbs U ₃ O ₈ production	MLbs	5.2

Mine 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. Mine EBITDA comprises earnings before income taxes, interest expense (income) and financing expense (income), amortization expense, and other expenses including corporate costs.

Cash costs include all mining, processing, site G&A, and royalty costs, as well as all head office and other off-site costs. All-in sustain costs (AISC) include cash costs plus capital expenditures forecast after the start of commercial production.

The economic analysis for the PEA was done via a discounted cash flow (DCF) model based on the mining inventory from the PEA Phase 1 Mine Plan and a price of US\$35 per pound of U₃O₈. Sensitivity analysis was carried out at \$5 per pound price intervals from \$25 per pound to \$50 per pound, as

shown in the table below. The DCF includes an assessment of the current tax regime and royalty requirements in Niger. Net present value (NPV) figures are calculated using a range of discount rates as shown. The discount rate used for the base-case analysis is 8% (NPV₈). Cash flows are discounted to the start of first construction.

Economic sensitivity with varying uranium prices⁽¹⁾

Uranium price (per pound)	\$25/lb	\$30/lb	\$35/lb	\$40/lb	\$45/lb	\$50/lb
Before-tax NPV @ 8%	\$41 M	\$139 M	\$260 M	\$365 M	\$485 M	\$601 M
After-tax NPV @ 8%	\$34 M	\$113 M	\$211 M	\$294 M	\$391 M	\$485 M
After-tax IRR	11.5%	18.5%	26.6%	32.6%	39.7%	46.3%

⁽¹⁾ Mine Stope Optimization (MSO) and schedule for all uranium price sensitivities used the MSO base case model at \$35 per pound uranium

Economic sensitivity with varying discount rates using base-case uranium price \$35/lb

Discount rate (%)	5%	8%	10%	12%
Before-tax NPV	\$341 M	\$260 M	\$215 M	\$177 M
After-tax NPV	\$279 M	\$211 M	\$173 M	\$141 M

Turkish Zinc JV, Iskenderun, Turkey

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	100%	100%	100%	100%
Exchange rate (TL/C\$, average)	4.96	4.39	4.74	4.21
Exchange rate (C\$/US\$, average)	1.39	1.34	1.37	1.33
Exchange rate (TL/C\$, period-end)	5.03	4.42	5.03	4.42
Exchange rate (C\$/US\$, period-end)	1.36	1.31	1.36	1.31
Average zinc price (US\$/LB.)	0.89	1.25	0.93	1.24
EAFD processed (DMT)	20,606	-	39,026	4,644
Production (DMT)	7,715	-	14,161	1,291
Shipments (DMT)	7,738	-	15,752	1,553
Shipments (zinc content, 000 lb.)	11,842	-	24,345	2,271

The Turkish Zinc JV 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 mills 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 Turkish Zinc 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 JV's earnings is shown as a single line in its income statement.

In 2018, the Turkish Zinc JV approved a capital project to modernize and expand the Iskenderun plant. The project began in 2018 and was completed in 2019. Prior to February 2019, all work involved manufacturing of components for the new plant. In January 2019, the Iskenderun plant shut down so that the site reconstruction could begin. Commissioning of the new plant was completed in August and production ramp up began in September. The Iskenderun plant now has the capacity to process 110,000 tonnes EAFD per annum, an increase from the 65,000 tonne per annum previous capacity.

The following table summarizes comparative results for 2020 and 2019 of the JV at 100%.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	100%	100%	100%	100%
Net sales revenues	\$ 8,810,299	\$ 171,612	\$ 17,094,569	\$ 5,356,688
Cost of sales	7,281,400	1,376,112	14,430,707	5,324,139
Foreign exchange loss (gain)	(259,670)	(435,357)	(755,091)	(774,737)
EBITDA ⁽¹⁾	\$ 1,788,569	\$ (769,143)	\$ 3,418,953	\$ 807,286
Management fees & sales commissions	457,545	8,236	907,972	123,961
Depreciation	712,625	20,964	1,610,037	48,884
Interest expense	428,088	80,704	913,123	111,788
Foreign exchange loss on debt	1,242,187	-	4,254,847	-
Other expense (income)	-	(773)	-	(7,103)
Tax expense	(310,914)	(8,243,080)	(992,997)	(10,937,637)
Net income	\$ (740,963)	\$ 7,364,806	\$ (3,274,030)	\$ 11,467,393
Global Atomic's equity share	\$ (363,072)	\$ 3,608,755	\$ (1,604,275)	\$ 5,619,023
Global Atomic's share of EBITDA	876,399	-376,880	1,675,287	395,570

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

BST processed 39,026 tonnes EAFD in H1 2020, which represents approximately 71% of plant capacity. 2019 production is not comparable, as the plant was shut down for reconstruction after January 2019. Operations in the year earlier period was subject to the ramp-up and adjustment of certain equipment to optimize performance. COVID-19 had a negative impact on the Turkish steel industry in Q2 2020 which is affecting the availability of EAFD in Q3 and possibly Q4 as well. The current outlook is that the plant will process about 65,000 tonnes EAFD in 2020.

The zinc content in concentrate shipments during H1 2020 was 24.3 million pounds. Based on the current outlook for 2020, zinc content of concentrate shipments for the year is expected to be 36.2 million pounds.

The total cost for the plant modernization and expansion was approximately US \$26.6 million, which was funded by cash on hand, available credit lines from the BST JV's Turkish bank and loans from Befesa. At June 30, 2020, the Befesa loans totaled US \$16.85 million, bearing interest at Libor + 4.0% and mature between May and December 2022. The bank loans totaled US \$6.0 million at June 30, 2020 and bear interest at an average rate of 3.6% and mature in August/September 2020. The bank loans are expected to roll over into new one-year bank loans. The Befesa loans are expected to be partially repaid in 2020, with the majority repaid by the end of 2021.

The loans are denominated in US dollars but converted to Turkish Lira for functional accounting purposes. For presentation purposes, the equity interests are then converted to Canadian dollars. The foreign exchange loss for the 6 months to June 30, 2020 related to the joint venture debt was C\$4.3 million (\$1.2 million for the three months ended June 30, 2020). This foreign exchange loss is an unrealized loss, and largely relates to the depreciation of the Turkish Lira relative to the US dollar from 5.95 at December 31, 2019 to 6.84 at June 30, 2020, as well as the Canadian dollar relative to the US dollar, from \$0.750 at December 31, 2019 to \$0.735 at June 30, 2020. In economic terms, all revenues are received in US dollars and these will be used to pay down the US denominated debt, so no real exchange gains/losses will be realized in US dollar terms. The accounting exchange losses relate to the debt are shown below EBITDA as a financing related cost.

The cash balance of the Turkish entities was \$2.6 million at June 30, 2020.

The Turkish entities qualified for an investment tax credit incentive on the new plant, of which TL 77.2 million

(C\$16.6 million) remains as a carry-forward balance at the end of Q2 2020. Tax expense (income) shown in the income statement is a non-cash deferred tax amount.

Overall, the Company's share of EBITDA was \$0.9 million in Q2 2020 (\$1.8 million for H1 2020) and its share of net loss was \$0.4 million (\$1.6 million for H1 2020), driven largely by the unrealized foreign exchange loss recognized on the debt balances.

QP Statement

The scientific and technical disclosures in this news release have been reviewed and approved by Ronald S. Halas, P.Eng. and George A. Flach, P.Geo. who are "qualified persons" under National Instrument 43-101 "Standards of Disclosure for Mineral Properties."

About Global Atomic

[Global Atomic Corp.](http://www.globalatomiccorp.com) (www.globalatomiccorp.com) is a TSX 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. The Company plans to submit its Development Plan for the Phase 1 high grade underground mine to the Ministry of Mines in the Republic of Niger together with a Mining Permit application in Q3 2020.

Global Atomic's Base Metals Division holds a 49% interest in the Befesa Silvermet Turkey, S.L. ("BST") Joint Venture, which operates a new, state of the art processing facility, located in Iskenderun, Turkey. 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") 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, with approximately 50% of the European EAFD market and facilities located throughout Europe and Asia.

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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", "is expected", "estimates", variations of such words and phrases or statements that certain actions, events or results "could", "would", "might", "will be taken", "will begin", "will include", "are expected", "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 2017; annual and interim MD&As.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy and accuracy of this news release.

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