

Global Atomic Announces Q2 2021 Results

12.08.2021 | [CNW](#)

Dasa Uranium Project Feasibility Study Advances towards Completion

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Stronger Zinc Pricing at the Turkish Zinc Joint Venture

TORONTO, Aug. 12, 2021 - [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, 2021.

HIGHLIGHTS

Dasa Phase 1 Uranium Project in the Republic of Niger

- The Company advanced key components of its Feasibility Study including:
 - Completion of water boreholes and water pump tests of various aquifers
 - Filtration and settling tests to confirm the process flowsheet
 - Process plant engineering, including detailed process design, piping, instrumentation and electrical requirements
 - Design of the underground mine, including stope sizing, optimum excavation size, and equipment requirements
 - Trade-off studies for several components of the Dasa Project including backfill system design, mining methods, and tailings storage
 - Accurate cost quotations for equipment and materials, including reagents
 - Mine Boxcut and Portal design completion
 - Geotechnical drilling and lab testing of core samples for rock strength
- HCF International Advisers Limited was engaged as the Company's financial adviser to assist in project debt financing and development of the Dasa Project. A short list of interested financial institutions has been presented to the Company.
- Orano Mining ("Orano") completed successful testing of Dasa ore to confirm blending characteristics at Orano's Saint-Laurent uranium processing plant. As a result, the Company is advancing negotiations with Orano relating to direct shipment of Dasa concentrate to Orano.
- The Company announced a drill program beginning in September 2021, with a focus on upgrading the extensive Measured and Inferred mineral resources to Measured and Indicated categories through infill drilling on strike of the Phase 1 mining area. Exploration drilling along strike will also be completed on high priority targets at Dasa.

Turkish Zinc Joint Venture in Turkey

- The Company's share of the Turkish Zinc Joint Venture ("Turkish JV") EBITDA was \$1.6 million in Q2 2021 compared to \$0.9 million in Q2 2020, reflecting higher zinc prices, partially offset by scheduled maintenance shut downs and limited supply from steel mills. Year-to-date, the Company's share of EBITDA was \$5.8 million compared to \$1.7 million in 2020.
- The Company's share of the Turkish JV Net Income for Q2 2021 was \$0.3 million compared to a loss of \$0.4 million in Q2 2020. For H1 2021, the Company's share of Turkish JV Net Income was \$1.8 million compared to a loss of \$1.6 million in H1 2020.
- For the 6 months ended June 30, 2021, the Turkish JV processed 36,642 tonnes EAFD (2020 - 29,026 tonnes) and 20.0 million pounds zinc contained in concentrates (2020 - 24.3 million pounds).
- Cash balance for the Turkish JV at June 30, 2021 was US \$5.0 million.
- The non-recourse Turkish JV debt owing to Befesa was reduced to US \$7.65 million at June 30, 2021 (Global Atomic's share was US \$3.75 million).

Corporate

- In anticipation of the completion of the Feasibility Study, the Company added four key members to the management team: Pierre Hardouin, VP Finance; Jacques Tremblay, P. Eng., Manager Mining Operations; Ian Moffatt, Project Superintendent; and Becher Raffoul, IT Manager.
- Appointed Dean Chambers to the Board of Directors
- Cash balance at June 30, 2021 was \$10.1 million.

Stephen G. Roman, President and CEO commented, "Extensive work has been done to advance our Feasibility Study of the Dasa Uranium Project. Based on the work of the 2020 PEA, as well as various trade-off studies, the better-than-expected results of our Pilot Plant trials as well as the extensive and detailed engineering work completed to date, Global Atomic is on schedule to break ground for the Dasa Mine Portal in Q1, 2022. We continue to work on a Project Debt Solution with our financial advisers."

and expect bid proposals in Q4 from several EPCM contractors regarding the construction of the Process Plant. We have expanded and strengthened our management and operations teams as we move closer to field operations."

"Our Turkish Zinc JV in Iskenderun is performing as expected and the price of zinc has recovered well from the initial market downturn in 2020, reaching an average of US\$1.32 per pound in the second quarter of 2021. In that quarter we took planned maintenance downtime to finetune the plant and clean the kiln and built up EAFD stockpiles to enable higher operating rates in the second half of the year. We expect that cash flow in the second half will be sufficient to pay off the remaining Befesa debt from the 2019 plant expansion and modernization, which will then allow the cash flow to accumulate again for annual dividend payments to the Company."

"During the quarter, we were pleased to have Dean Chambers join our Board of Directors, bringing significant financial expertise to our Audit Committee and the benefit of his extensive career in the mining and chemical industries. Dean was appointed to the Audit Committee and replaces Paul Cronin who stepped down from the Board to pursue his many other interests. We thank Paul for his years of valuable guidance on matters relating to mining and capital markets and wish him well in all his endeavors."

OUTLOOK

Dasa Uranium Project

- Complete the Feasibility Study by the end of Q3 2021
- Arrange off-take agreements for a portion of Dasa Phase 1 yellowcake production
- Commence a 15,000 meter drill program, September 2021, to upgrade extensive uranium resources on-strike of the Flank Zone and increase the overall uranium resources at Dasa with along strike step-out drilling
- Upgrade on-strike resources to enable design of the Dasa Phase 2 Mining Area with economics to increase current Project NPV and IRR.
- Arrange project debt financing
- Break ground to begin Boxcut and Mine Portal in Q1 2022
- Advance ramping and continue underground development in 2023; begin plant construction
- Commission Dasa Uranium Plant and commence commercial production in Q4 2024

Turkish Zinc Joint Venture

- The zinc plant is expected to operate at target operating efficiencies in the second half of 2021 and attain up to 70% capacity EAFD processing for 2021.
- Zinc prices, which staged a strong recovery in 2020 and averaged \$1.32/pound in Q2 2021, are expected to remain strong through the balance of the year.
- Turkish steel production is expected to strengthen through the remainder of 2021 and into 2022.
- Full repayment of the Befesa plant modernization loan is anticipated by the end of 2021, subject to zinc prices and loan availability.
- Turkish JV dividend payments will resume following repayment of the non-recourse loan from Befesa.
- Global Atomic will continue to receive monthly management fees and sales commissions helping to offset corporate overheads.

Comparative Results

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

Comparative Results

	Three months ended June 30, Six months ended June 30,			
(all amounts in C\$)	2021	2020	2021	2020
Revenues	\$ 166,627	\$ 225,456	\$ 609,790	\$ 449,653
General and administration	1,704,173	948,460	3,715,706	1,501,288
Share of equity loss (earnings)	(308,491)	363,072	(1,809,581)	1,604,274
Other income	(32,000)	(30,000)	(67,000)	(60,000)
Finance expense	6,262	4,412	10,601	8,856
Foreign exchange loss (gain)	82,755	7,063	53,373	(18,129)
Net income (loss)	\$ (1,286,072)	\$ (1,067,551)	\$ (1,293,309)	\$ (2,586,636)
Other comprehensive income (loss)	\$ (792,754)	\$ (1,672,774)	\$ (3,886,893)	\$ (99,289)
Comprehensive income (loss)	\$ (2,078,826)	\$ (2,740,325)	\$ (5,180,202)	\$ (2,685,925)
Basic net income per share	(\$0.008)	(\$0.007)	\$ (0.008)	\$ (0.017)
Diluted net income per share	(\$0.008)	(\$0.007)	\$ (0.008)	\$ (0.016)
Basic weighted-average number of shares outstanding	162,119,449	150,610,282	158,934,765	149,338,229
Diluted weighted-average number of shares outstanding	162,119,449	159,229,299	158,934,765	158,801,398
	As at			
	30-Jun	31-Dec		
	2021	2020		
Cash	\$ 10,080,192	\$ 2,448,235		
Exploration & evaluation assets	40,731,752	37,812,477		
Investment in joint venture	11,206,341	11,497,351		
Other assets	1,558,228	1,283,024		
Total assets	\$ 63,576,513	\$ 53,041,087		
Total liabilities	\$ 1,019,047	\$ 1,231,149		

Shareholders' equity	\$ 62,557,466	\$ 51,809,938
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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.

Upon completion of the PEA, the Company undertook various optimization and trade-off studies and initiated the final Feasibility Study for the Phase 1 mine plan. The Feasibility Study is well underway, and results are expected to be announced by the end of Q3 2021.

The Orano underground Cominak mine in Arlit, Niger, ceased operating in March of this year and has resulted in a large work force of skilled personnel seeking employment opportunities. Global Atomic is reviewing resumes as we plan our organization to begin the development of the Dasa mine and construction of the mill.

The Company previously entered a Memorandum of Understanding with Orano to explore opportunities to cooperate, including the potential shipment of ore to Orano's operation in Somaïr, Niger. In July 2021, Orano completed successful test work on Dasa ore to confirm blending characteristics with Somaïr ore. As a result, the Company has advanced its negotiations with Orano to process up to 500,000 tonnes of Dasa ore at the Somaïr facility.

The Company has engaged HCF International Advisers as financial adviser to assist with the arrangement of project debt financing. Concurrently, the Company has developed a marketing strategy and initial contacts have been made with utilities, with a view to securing contracts for a portion of Dasa Phase 1 yellowcake production.

In April, the Company announced that it will begin a 15,000 meter drill program in September. The drill program is focused on upgrading the extensive Indicated and Inferred resources at Dasa to the Measured and Indicated categories on strike of the Flank Zone. With the upgrading of the on-strike resources, the Phase 1 Flank Zone mining area is expected to be expanded, adding to the current 12-year mine plan at the Flank Zone as well as allowing Global Atomic to define the Phase 2 mine plan incorporating the upgraded mineral resources. In addition to the infill drilling, an exploration drill program is also planned to potentially increase the overall uranium resources at Dasa.

Turkish Zinc JV, Iskenderun, Turkey

The following table summarizes comparative operational metrics of the Turkish JV facility.

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	100%	100%	100%	100%
Exchange rate (TL/C\$, average)	6.84	4.96	6.34	4.74
Exchange rate (C\$/US\$, average)	1.23	1.39	1.25	1.37
Exchange rate (TL/C\$, period-end)	7.02	5.03	7.02	5.03
Exchange rate (C\$/US\$, period-end)	1.24	1.36	1.24	1.36
Average zinc price (US\$/lb)	1.32	0.89	1.28	0.93
EAFD processed (DMT)	12,235	20,606	36,642	39,026
Production (DMT)	4,262	7,715	13,017	14,161
Shipments (DMT)	3,742	7,738	13,197	15,752
Shipments (zinc content '000 lbs)	5,632	11,842	20,056	24,345

The average zinc price in Q2 2021 was US \$1.32/lb, up from US \$0.89/lb in Q2 2020. The zinc price was negatively affected due to COVID-19 in Q1 & Q2 2020, but then began recovering from the summer 2020 through to the end of the year. The zinc price has continued to hold up throughout 2021, in view of tight concentrate supplies and continued demand recovery.

A general recovery in the steel industry began in Q3 2020 and has continued into 2021, with all global regions showing total increased production of 14.4% in H1 2021 compared with H1 2020. Compared to the pre-COVID H1 2019, global steel production has increased by 8.5%. The regional increases in H1 2021 compared with H1 2020 were as follows: Chinese production increased 11.8%; European Union production increased 18.4%; North American production increased 16.4%, and; Turkish production increased 20.6%. In H1 2021, Turkish steel production was 19.7 million tonnes, indicating a capacity utilization of 79%, although steel mills with blast furnaces typically run at higher rates than those mills using electric arc furnaces which supply the EAFD for our Turkish JV.

The Turkish JV processed 36,642 tonnes EAFD in H1 2021 (H1 2020 - 39,026 tonnes), which represents approximately 67% of plant capacity. In Q2 2021, BST processed 12,235 tonnes EAFD compared with 24,407 tonnes in Q1 2021. The decline in throughput resulted from a planned maintenance shut down as well as less EAFD availability in Q2 2021. The zinc content in concentrate shipments during H1 2021 was 20.1 million pounds compared with 24.3 million pounds in H1 2020.

The following table summarizes comparative results for 2021 and 2020 of the Turkish Zinc JV at 100%.

	Three months ended June 30, Six months ended June 30,			
	2021	2020	2021	2020
	100%	100%	100%	100%
Net sales revenues	\$ 6,408,616	\$ 8,810,299	\$ 22,207,251	\$ 17,094,569
Cost of sales	3,279,251	7,281,400	11,266,770	14,430,707
Foreign exchange loss (gain)	(88,850)	(259,670)	(817,225)	(755,091)
EBITDA ⁽¹⁾	\$ 3,218,215	\$ 1,788,569	\$ 11,757,705	\$ 3,418,953
Management fees & sales commissions	320,933	457,545	1,226,675	907,972
Depreciation	614,511	712,625	1,343,868	1,610,037
Interest expense	190,139	428,088	470,957	913,123
Foreign exchange loss on debt	611,937	1,242,187	3,234,932	4,254,847
Deferred tax expense	851,121	(310,914)	1,788,251	(992,997)
Net income	\$ 629,573	\$ (740,962)	\$ 3,693,022	\$ (3,274,029)
Global Atomic's equity share	\$ 308,491	\$ (363,071)	\$ 1,809,581	\$ (1,604,274)
Global Atomic's share of EBITDA	\$ 1,576,925	\$ 876,399	\$ 5,761,276	\$ 1,675,287

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

The Turkish JV realized significant growth in revenues during H1 2021 compared to the same period in 2020, largely impacted by the higher zinc price in 2021. However, due to lower throughput in Q2 2021 compared with Q2 2020, revenues in the quarter declined from \$8.8 million in 2020 to \$6.4 million in 2021. Notwithstanding the decline in revenues for the quarter, improved operating efficiencies and reduced smelter treatment charges resulted in an increase in EBITDA to \$3.2 million for Q2 2021 compared with \$1.8 million in Q2 2020.

The cash balance of the Turkish JV was US \$5.0 million at June 30, 2021.

Total debt has been reduced to US \$14.7 million in 2021 from US \$21.8 million at the end of 2020. At June 30, 2021, the Befesa loans totalled US \$7.7 million (December 31, 2020 - US \$13.6 million) and bear interest at Libor + 4.0% with no fixed maturity date. The Turkish bank loan balance was US \$7.0 million at June 30, 2021 (December 31, 2020 - US \$8.2 million) and bears interest at 3.18%.

The Befesa loans have no fixed payment terms. Subject to continued strong zinc prices and a strong steel market to provide EAFD supplies, it is expected that the Befesa loans will be largely paid out by the end of 2021. The Turkish bank loans are structured as a revolving credit facility and can be rolled forward. Once the Befesa loans have been repaid, dividend payments to the Company are expected to resume.

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 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, highgrade 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. Final design in support of the Company's Feasibility Study is ongoing.

Global Atomics' 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 zinc production plant, 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.

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 Atomics' development potential and timetable of its operations, development and exploration assets; Global Atomics' 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 Atomics' 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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