

Paladin Energy: Financial Report for Year Ended 30 June 2013

29.08.2013 | [Marketwired](#)

PERTH, WESTERN AUSTRALIA--(Marketwired - Aug 29, 2013) - [Paladin Energy Ltd.](#) ("Paladin" or "the Company") (**TSX:PDN**)(**ASX:PDN**) announces the release of its consolidated Financial Report for the year ended 30 June 2013. The Financial Report is appended to this News Release.

HIGHLIGHTS

OPERATIONS

- Combined production for the year of 8.255Mlb U₃O₈, an increase of 20% over the year ended 30 June 2012.
- June 2013 quarterly combined production of 2.143Mlb U₃O₈, an increase of 8% over the March 2013 quarter.
- C1 cost of production⁽¹⁾ continued to fall quarter on quarter. Langer Heinrich C1 cost of production has fallen 9% from US\$32.2/lb in the June 2012 quarter to US\$29.4/lb in the June 2013 quarter. Kayelekera C1 cost of production has decreased 25% from US\$52.2/lb U₃O₈ in the June 2012 quarter to US\$39.2/lb in the June 2013 quarter.
- Both mines now operating consistently and production optimisation initiatives continue to improve recoveries and reduce unit operating costs.
- Completion Tests satisfied at both Langer Heinrich and Kayelekera.
- FY2013 production well within guidance of 8.0 - 8.5Mlb U₃O₈.

SALES AND REVENUE

- Strong sales of US\$107.4M for the June 2013 quarter selling 2.326Mlb U₃O₈ at an average realised sales price of US\$46.22/lb.
- Sales revenue for the year increased by 12% from US\$365.8M in 2012 to US\$408.4M in 2013. Sales volume for the year increased by 23% from 6.698Mlb U₃O₈ in 2012 to 8.253Mlb U₃O₈ in 2013.
- Average realised sales price of US\$49.5/lb U₃O₈ for the year ended 30 June 2013, compared to average UxC spot price of US\$43.9/lb.

CORPORATE

- Successful raising of A\$88M/US\$80.7M through a private placement of 125.6M ordinary shares in August 2013.
- Payment of US\$200M received from Electricité de France S.A. ("EdF") pursuant to the Long-term Off-take Contract.
- Total debt repayment of US\$181M during the year including repayment of balance of March 2013 Convertible Bond of US\$134M.
- Post year-end negotiations were terminated for the sale of a minority interest in the Langer Heinrich Mine after the preferred bidder advised at a late stage that because of the recent weakness in the uranium spot price it wanted to renegotiate the terms, including price, to an unacceptable level.
- Total impairment for the year of US\$335.9M as previously advised.

⁽¹⁾ C1 cost of production = cost of production excluding product distribution costs, sales royalties and depreciation and amortisation before adjustment for impairment. C1 cost, which is non-IFRS information, is a widely used 'industry standard' term.

Results

(References below to 2013 and 2012 are to the equivalent year ended 30 June 2013 and 2012 respectively).

- **Safety and Sustainability:**

- Continued high safety performance with the 12-month moving average Lost Time Injury Frequency Rate increasing from 0.9 to 1.1. This rate still compares favourably with the West Australian metalliferous surface mining LTIFR of 3.0. For FY2013, there were six LTIs compared to seven LTIs for the previous year.
- The annual NOSA HSE grading audit for Langer Heinrich confirmed a 4 Star Platinum rating.
- During the June quarter, the annual external safety, health and environment NOSA audit at Kayelekera Mine for the period May 2012 to May 2013 was conducted and a 5 Star Platinum result achieved with a higher effort performance (92%) than last year (90%). In addition, Kayelekera Mine also achieved a milestone of 459 LTI free days on 30 June 2013.
- Post year end the Kayelekera Mine suffered a workplace fatality. A Malawi national employee died on 30 July 2013 after being struck in the chest by a light vehicle wheel he was inflating at the time. Relevant authorities were notified and the Malawian Police and the Company have investigated the incident, with the findings and outcomes pending. Prior to this tragic accident, Kayelekera Mine had operated for 489 days without a LTI.

- **Production:**

- Record production for the year of 8.255Mlb U_3O_8 , an increase of 20% on year ended 30 June 2012, well within stated guidance of between 8.0 and 8.5Mlb.
- June quarterly production of 2.143Mlb U_3O_8 , up 8% on the March 2013 quarter.

- **Langer Heinrich Mine:**

- Production for FY2013 of 5.292Mlb U_3O_8 , an increase of 20% over the year ended 30 June 2012.
- June quarterly production of 1.353Mlb U_3O_8 , an increase of 10% over the March 2013 quarter:
 - Processing recovery for FY2013 of 86.0% versus design of 85%.
 - Feed grades for FY2013 of 812ppm U_3O_8 versus design of 800ppm.
- The ongoing efforts to improve water efficiency continue. The negotiations to obtain desalinated water from the Areva plant were delayed but have since progressed well and finalisation is imminent. Despite this delay, no adverse impacts on production are expected as the site is now self-sufficient in water due to the successful implementation of a number of initiatives.
- Production capacity remains robust and consistent.
- Langer Heinrich C1 cost of production has fallen 9% from US\$32.2/lb in the June 2012 quarter to US\$29.4/lb in the June 2013 quarter.
- Further optimisation initiatives are underway. The addition of the demonstration Hydrosort unit is progressing well in terms of both time and cost and commissioning of this unit is expected in the September 2013 quarter.

- **Kayelekera Mine:**

- Production for FY2013 of 2.963Mlb U_3O_8 , an increase of 20% over the year ended 30 June 2012.
- Record June quarterly production of 0.790Mlb U_3O_8 , an increase of 4% over the March 2013 quarter:
 - Processing recovery of 84.6% versus design of 87%.
 - Feed grades for FY2013 of 1,143ppm U_3O_8 on track (design is 1,150ppm).
- The improved leach performance is attributable in part to the successful completion of a mill classification optimisation initiative, which has resulted in consistently finer leach feed material at the same mill power consumption.
- Kayelekera C1 cost of production has fallen quarter on quarter from US\$52.2/lb in the June 2012 quarter to US\$39.2/lb in the June 2013 quarter, a decrease of 25%.
- Benefits of process optimisation will continue to be realised. The acid recycling (Nano technology) project and grid power supply remain the two key elements of production optimisation.
 - Acid recycling initiatives remain on schedule for commissioning in the September 2013 quarter.
 - The grid power initiative is now scheduled for completion in the March quarter of 2014, a delay of 3 months.

- **Completion Tests:**

- The Completion Tests under both the Langer Heinrich Mine project finance facility and the Kayelekera Mine project finance facility were satisfied during the March 2013 quarter which has resulted in a reduction in interest charges and provides greater flexibility with regards to voluntary prepayments and distributions under both facility agreements.

● **Cost Reduction/Production Optimisation Initiative:**

- Following both operations reaching steady state operation, the sites successfully completed their stated production and optimisation targets for FY 2013. This work to improve process recoveries and reduce unit operating costs will continue. Some elements of this work have the potential to better utilise the reserve base at Langer Heinrich by being able to use lower ROM feed grades.
- Paladin also remains focused on reducing costs across all facets of the business and work continues to identify more cost saving opportunities. Paladin is currently undertaking a further review of costs across the organisation with a particular focus on exploration costs, corporate costs, discretionary capex and site costs.
- With realisation of the acid recycling and grid power initiatives at the Kayelekera Mine, a reduction in C1 cost of production of between US\$4-6/lb is expected by the June 2014 quarter.

● **Profit and Loss:**

- Total sales volume for the year of 8.253Mlb U₃O₈ being a 23% increase over the year ended 30 June 2012 sales of 6.698Mlb U₃O₈.
- Sales revenue increased 12% from US\$365.8M in 2012 to US\$408.4M for the year ended 30 June 2013, as a result of the higher sales volumes. The average realised uranium price for the year was US\$49.5/lb U₃O₈ (2012: US\$54.6/lb). The average UxC spot price for the year was US\$43.9/lb.
- Gross profit for the year of US\$25.0M is 5% higher than in 2012 (US\$23.9M) due to a 23% increase in sales volume and a lower impairment of Kayelekera Mine inventory of US\$30.9M (2012: US\$39.0M), which has partially been offset by lower prices.
- Total impairment of US\$335.9M for the year including US\$180.0M advised on 2 August 2013:
 - US\$97.1M has been recorded for Kayelekera Mine assets for the June 2013 quarter, totalling US\$237.9M for the year due to continued uranium price weakness
 - US\$17.2M has been recorded to reduce the cost of Kayelekera Mine inventory held to net realisable value for the June 2013 quarter, totalling US\$30.9M for the year
 - US\$62.1M impairment of exploration assets:
 - Niger exploration assets were impaired by US\$37.4M due to the cessation of exploration activities by Paladin in Niger as a consequence of significantly increased security risks.
 - Angela Uranium Project was impaired by US\$6.8M; and
 - Bigirlyi Project was impaired by US\$17.9M.
 - US\$5.0M impairment of investments.
- Income tax expense for the year of US\$88.4M is predominantly the result of the de-recognition of the net deferred tax asset at December 2012 of US\$98.2M at Kayelekera arising from unrealised foreign exchange differences and carry forward tax losses previously recognised. The unrealised foreign exchange difference had arisen on intercompany loans due to the extreme devaluation of 104% in the Malawian Kwacha over the previous 12 months from an average of US\$1=MKW160 to US\$1=MKW327 at 31 December 2012.
- Net loss after tax attributable to members of US\$420.9M was recorded for the year.

● **Cash Flow:**

- Positive cashflow from operating activities of US\$194.5M for the year ended 30 June 2013 was primarily due to receipts from customers of US\$400.0M and receipt of the long-term off-take agreement funds of US\$200.0M. Positive cash flow of US\$86.8M was generated by the Langer Heinrich and Kayelekera operations before investment in working capital required to support higher production levels, payments for administration, marketing and non-production costs of US\$33.9M. The remaining expenditure comprises US\$1.4M for exploration and net interest paid of US\$41.4M.
- Cash outflow from investing activities of US\$46.2M for the year ended 30 June 2013:
 - plant and equipment acquisitions of US\$30.6M, predominantly due to the new tailings facility at Langer Heinrich and Kayelekera; and
 - capitalised exploration expenditure of US\$16.5M. Exploration expenditure in foreseeable periods will be lower.
- Cash outflow from financing activities of US\$181.5M for the year ended 30 June 2013 was mainly attributable to repayment of the US\$134M remaining on the US\$325M Convertible Bonds issued on 11 March 2008, repayment of project financing for Kayelekera Mine of US\$29.9M and Langer Heinrich Mine of US\$17.0M.

● **Cash Position:**

- Cash of US\$78.1M at 30 June 2013.
- Successful raising of A\$88M/US\$80.7M through a private placement to institutional and accredited investors of 125.6M ordinary shares in August 2013.
- Post capital raising and assuming an average spot price of US\$42.50 for the period, the new cash position (prior to cost savings targeted) will see Paladin into the September 2014 quarter.

● **Long-term Off-take Contract with a US\$200M prepayment:**

- US\$200M payment received pursuant to the Long-Term Off-take Contract with Electricité de France S.A.

● **Mid-term Sales Contracts Secured:**

- Two mid-term off-take agreements secured for a total of 6.3Mlb U₃O₈ being delivered from late 2012 to end of 2015 at approximately 2Mlb pa from both mines. Pricing will be determined predominately by the market price at the time of delivery (without floor or ceiling limitations), while a minority portion of the delivery prices will be in accordance with a series of specified fixed prices, which exceed current spot uranium prices.

● **Exploration and Development:**

- Aurora - Michelin Uranium Project, Canada - Work is now substantially complete on an updated mineral resource estimate for the Michelin deposit. Final Quality Analysis/Quality Control and peer review of the mineral resource is now underway and announcement of the results is expected in the next quarter. Preparation for the upcoming summer exploration programme is ongoing.
- Manyingee Project, Western Australia - Work at Manyingee concentrated on updating the geological model to provide input into an updated mineral resource estimate. Water sampling was undertaken to obtain baseline data and hydrogeological modelling was commenced in support of an application for a future Field Leach Trial. Preliminary metallurgical test results indicate that an alkaline leach solution under six bars of oxygen pressure (approximately equivalent to the depth of the ore body under the water table) will leach up to 90% of the contained uranium.
- Angela Project, Northern Territory Australia -Paladin is the sole owner of the Angela project following the completion of an agreement to purchase the 50% interest previously held by Cameco Australia Pty Ltd. As a consequence, an additional 15.4Mlb U₃O₈ of Inferred mineral resources has been added to Paladin's attributable mineral resource base.
- Niger -Terrorist attacks on the Areva mining operations at Arlit and in the nearby town of Agadez in Niger have halted the Company's planned activities on its nearby exploration properties. Paladin is currently in discussion with the relevant Niger authorities and has applied for a Force Majeure consideration so it can halt expenditure until the security situation improves.

● **Guidance FY2014**

- Combined production guidance for FY2014 is forecast to be 8.3 to 8.7Mlb U₃O₈.
- Uranium sales volumes are expected to fluctuate quarter-on-quarter due to the uneven timing of contractual commitments and resultant scheduling by customers. Now that production has reached design levels, sales and production volumes are expected to be comparable on an annualised basis.

● **Langer Heinrich Minority Interest Sale**

- On 1 August 2013 negotiations were terminated for the sale of a minority interest in the Langer Heinrich Mine after the preferred bidder advised at a late stage that because of the recent weakness in the uranium spot price it wanted to renegotiate the terms, including price, to a level that in the Board's view was unacceptable. The Board determined that it would not accept such value destruction and that a price was required that more appropriately reflected Langer Heinrich's intrinsic and strategic value.
- There remains high interest in the asset and Paladin believes that the current weakness in the spot uranium price (US\$35.00/lb) should not overly influence the valuation of a flagship asset such as Langer Heinrich. Specifically, Langer Heinrich:
 - has a +20 years minelife;
 - is a modern, technologically advanced operation;
 - is operating in a country that is politically stable; and
 - is currently operating at consistent levels with further expansion capacity.
- In this context, Paladin strongly believes it can generate greater value to its shareholders through the actions it has taken for Langer Heinrich and has established a threshold expectation for an asset holding very high strategic qualities.
- A number of requests have been received post the termination announcement and Paladin will in September resume efforts to sell a minority interest in Langer Heinrich.

The documents comprising the Financial Report for the year ended 30 June 2013, including the Report to Shareholders, Management Discussion and Analysis, Financial Statements and Certifications are attached and will be filed with the Company's other documents on Sedar (sedar.com) and on the Company's website (paladinenergy.com.au).

Generally Accepted Accounting Practice

The news release includes non-GAAP performance measures: C1 cost of production, non-cash costs as well as other income and expenses. The Company believes that, in addition to the conventional measures prepared in accordance with GAAP, the Company and certain investors use this information to evaluate the Company's performance and ability to generate cash flow. The additional information provided herein should not be considered in isolation or as a substitute for measures of performance prepared in accordance with

GAAP.

Declaration

The information in this Announcement relating to exploration and mineral resources is, except where stated, based on information compiled by David Princep B.Sc who is a Fellow of the AusIMM. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and as a Qualified Person as defined in NI 43-101. Mr Princep is a full-time employee of [Paladin Energy Ltd.](#) and consents to the inclusion of this information in the form and context in which it appears.

Conference Call

Conference Call and Investor Update is scheduled for 06:30 Perth & Hong Kong, Friday 30 August 2013, 18:30 Toronto and 23:30 London, Thursday 29 August 2013. Details are included in a separate news release dated 23 August 2013.

The presentation in relation to this Year End June 2013 Conference Call and Investor Update to be held 29 August 2013 at 6:30pm Toronto time is currently available on Paladin's website.

To view the Financial Report please visit the following link:
http://media3.marketwire.com/docs/Annual_Report_2013.pdf.

Contact

John Borshoff
Managing Director/CEO
+61-8-9381-4366
Mobile: +61-419-912-571
john.borshoff@paladinenergy.com.au
Alan Rule
Chief Financial Officer
+61-8-9381-4366
Mobile: +61-438- 942-144
alan.rule@paladinenergy.com.au
Greg Taylor
Investor Relations Contact
+1 905 337-7673
Mobile: +1 416-605-5120 (Toronto)
greg.taylor@paladinenergy.com.au
Andrew Mirco
Investor Relations Contact
+61-8-9381-4366
Mobile: +61-409-087-171
andrew.mirco@paladinenergy.com.au

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/155652--Paladin-Energy--Financial-Report-for-Year-Ended-30-June-2013.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).