

RB Energy Reports 2013 Results and Provides an Operational Update

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 31, 2014) - [RB Energy Inc.](#) (the "Company" or "RBI" or RB Energy") (TSX:RBI)(OTCQX:RBEIF) is pleased to report financial and operating results for the year ended December 31, 2013. The consolidated financial statements together with Management's Discussion and Analysis will be available on the Company's web site (www.rb-e.com) and on SEDAR (www.sedar.com).

2013 was a year of progress and change for the Company, culminating in the announcement of the business combination with [Sirocco Mining Inc.](#) ("Sirocco") on December 4, 2013. This corporate transaction closed on January 31, 2014. Since the date of the announcement, a number of significant events have occurred:

- The Sirocco management team was appointed as officers of RB Energy. This is the core team that contributed to the growth of Red Back Mining's operations, which were acquired by [Kinross Gold Corp.](#) for \$9.2 billion in 2010.
- The Company placed an order for the purchase of a primary optical ore sorter, a key piece of equipment designed to reduce ore dilution and thereby increase lithium concentrate grade, due to be installed and commissioned in Q3 2014.
- The Company successfully negotiated the deferral of scheduled principal repayments under its current senior bank debt facility.
- Battery grade lithium carbonate product (99.9%) was produced at the Quebec Lithium project over six weeks of continuous commissioning operation of the hydro-metallurgical circuit. The first samples from this commissioning run were shipped to RBI's off take partners for quality testing.
- RBI initiated the consolidation of corporate offices into a single location in Vancouver.
- A strategic reduction in iodine production at Aguas Blancas in Chile was initiated to respond to further softening prices in the market.

RESULTS FROM OPERATIONS

The 2013 financial statements of the Company do not include the 2013 results of operations and financial position of Sirocco at December 31, 2013. Sirocco's financial results and net assets will be reflected in the consolidated financial statements of the Company effective January 31, 2014.

In 2013, the Company was in the commissioning stage of its lithium project and did not generate any revenue. Accordingly, the Company incurred a net loss of \$8.3 million (\$0.03 per share) for the year ended December 31, 2013, compared with a net loss of \$6.8 million (\$0.02 per share) in 2012. The losses resulted mainly from general and administrative expenses to maintain administrative offices in Toronto and Montreal, legal costs relating to a class action lawsuit and stock-based compensation. Insurance recoveries of approximately \$2.0 million related to the litigation expenses incurred by the Company were netted against administration costs.

Year Ended	Dec-13	Dec-12	Dec 11
Net loss (\$000's)	8,220	6,640	4,714
Loss per share, basic and diluted (\$)	0.03	0.02	0.02
Total assets (\$000's)	362,929	280,190	157,944
Long-term liabilities (\$000's)	103,568	58,424	139

Note: for complete details, refer to the 2013 consolidated financial statements and MD&A.

The increase in total assets in the year relates principally to the continuing construction and commissioning of the lithium processing plant in Quebec. In addition to construction expenditures, the costs include a non-cash provision for environmental rehabilitation of \$12.4 million (2012 - \$7.8 million), capitalized borrowing costs of \$12.1 million (2012 - \$1.2 million) and capitalized operating costs of \$45.5 million (2012 - nil).

In the absence of revenues, the Company's sources of funding in 2013 were the issuance of equity securities (\$27 million), the final draw from the senior bank debt facility (\$25 million), the issuance of convertible debentures (\$40 million), a cash advance from an off-take partner (US\$5 million) and a loan from Sirocco (\$10 million).

Between December 2013 and March 2014 management negotiated amendments to its existing senior bank debt repayment schedule to better align it with the current forecast ramp up to commercial production of its lithium operations. As a result, the first five quarterly principal repayments scheduled during the period December 31, 2013 to December 31, 2014 have been reduced from an original \$28.1 million to \$11.4 million. The deferred payments have been rescheduled to the periods from March 2015 to March 2017.

OUTLOOK

Lithium

RB Energy's new management team identified four critical operating objectives:

- complete commissioning of the hydro-metallurgical circuit before the end of Q1 2014. This was achieved in March (see March 17, 2017 news release);
- commence producing on a continuous basis from mining to production of battery-grade lithium carbonate by the end of Q2 2014;
- install and commission a primary optical ore sorter to reduce ore dilution and thereby increase concentrate grade in Q3 2014; and
- reach name plate production capacity before the end of 2014.

As 2014 will be the first year operation of the plant and will include a period of commissioning, the estimated production may have a degree of variability. Based on the information currently available to the Company, 2014 lithium production is estimated to be in the 9,000 - 11,000 tonne range. The extent of revenue recognition in 2014 will depend on the ramp up of production volumes and the timing of achieving commercial production, currently estimated in late Q3 or Q4. Operating costs for 2014 will be capitalized until commercial production has been achieved.

As part of the commissioning process, various plant improvements have been identified and will be made during 2014, including the installation of an optical sorter (\$5.6 million), completion of mill construction (\$3.3 million), rerouting the local access road from the open pit area (\$1.5m), and construction of a natural gas pipeline (\$4.2 million). RB Energy is in the process of determining whether other capital upgrades are warranted and an estimate of 2014 sustaining capital.

Iodine

Iodine operations at Aguas Blancas will be limited to heap leaching during 2014. Production of iodine is estimated at 1,000 tonnes at a cash cost of approximately \$29/kg. Aguas Blancas expects to supplement the sales of its 2014 production by reducing the level of its approximately 800 tonnes of finished product in inventory.

Completion of the expansion of the Agitated Leach Plant has been deferred until 2015. The majority of the equipment for the completion of the expansion is on site. Capital costs will be limited to settling the balance of payment of equipment orders (\$1.2 million) for the expansion, completion of the chemical plant upgrade (\$0.9 million) and sustaining capital of \$1.4 million.

Financial resources

RB Energy intends to fund continued commissioning of the Quebec Lithium operation through careful management of its treasury. Positive cash flow from the iodine operations will also be used as necessary.

Having successfully negotiated the deferral of 2013 - 2014 principal repayments under the Debt Facility, RB

Energy will look to continue to consider opportunities to re-structure its balance sheet in parallel with its lithium operations reaching commercial and name plate production.

About RB Energy Inc.

RBI is a Canadian company formed pursuant to the arrangement involving [Sirocco Mining Inc.](#) and [Canada Lithium Corp.](#) It currently owns Aguas Blancas, an iodine producing mine in northern Chile, and the Quebec Lithium Project near Val d'Or, the geographical heart of the Quebec mining industry. The Aguas Blancas mine is currently in production. The Quebec Lithium Project has completed construction and is in the commissioning phase. For more information regarding RBI, please refer to its public filings available at www.sedar.com.

The technical contents of this release have been reviewed by Mr. Kevin Ross, Eur. Ing., a Qualified Person pursuant to NI-43-101. Mr. Ross is Chief Operating Officer of the Company and a Member of The Institute of Materials, Minerals and Mining.

Forward-Looking Statements

Certain information contained in this news release, including any information relating to the state of the lithium and iodine industries; statements regarding our ability and the timing to achieve and sustain commercial production and name-plate production levels of iodine; our ability to secure commercial orders from our customers; and our ability to become a material player in the lithium market are "forward-looking statements". These forward-looking statements relate to future events or future performance and reflect the Company's expectations regarding the future growth, results of operations, business prospects and opportunities of RBI. These forward-looking statements also reflect the Company's current internal projections, expectations or beliefs and are based on information currently available to the Company. In some cases forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "budget" or the negative of those terms or other comparable terminology. The estimates and assumptions of RBI underlying the forward-looking statements in this news release may prove to be incorrect. Assumptions upon which such forward looking information include, among other things, successful and timely commissioning, ramp-up and production at the Québec Lithium Project; the lack of any further significant capital expenditures during the commissioning stage or to bring the hydrometallurgical process plant into production; the continuing support and cooperation of RBI's off-take partners; as well as financial predictions premised on such assumptions. Although the Company believes that the forward-looking information contained in this news release is based on reasonable assumptions, readers cannot be assured that actual results will be consistent with such statements. Accordingly, readers are cautioned against placing undue reliance on forward-looking information. RBI expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

On behalf of the Board,

Richard P. Clark, President and CEO

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