

# Anfield Provides Update on Operations

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Apr 15, 2014) - [Anfield Nickel Corp.](#) (TSX VENTURE:ANF) ("Anfield" or the "Company") hereby provides the following update with respect to its ongoing operations, specifically with respect to its license applications in Guatemala and the Company's current working capital (including its impairment of the Mayaniquel Project in Guatemala), each of which was previously reported in the Company's management discussion and analysis dated March 21, 2014, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## *Update on Licensing*

On July 8, 2013, the Company received the Sechol mining exploitation license which gives it the right to mine the area for a period of 25 years with an option to renew the license for an additional 25-year period. The Company has analyzed the terms of the license and determined the different remaining actions required in order to comply with its terms, including final land change permits, forest land use permits, the granting of an export license, entering into land access agreements with the local communities and commencing development of the license area within one year of permit award, and commencing mining activities on the license area within three years of permit award. Accordingly, the Company has taken steps to obtain the various licenses and permits required to commence development of the license area. The Company has also reviewed, and continues to analyze, the merits of a direct shipping ore ("DSO") operation (for export of unprocessed mineralized materials that do not provide the value added benefit of processing ferronickel as contemplated in the PFS (as defined below)). Undertaking such an operation would require the Company to raise additional financing, which may not be available to it.

The Company is continuing the process of obtaining the exploitation licenses on the areas, in addition to Sechol, that contain the mineral reserves reported in the Company's prefeasibility study ("PFS") on the Mayaniquel Project.

The Company is aware of the Guatemalan government's desire for the Company to proceed with the development of a mine on the Sechol license area. The PFS contemplated development of all the mineral reserves in the three exploitation license areas (Sechol, Tres Juanes and Amanecer) in the Mayaniquel Project economic evaluation and project plans. The PFS did not evaluate and made no assumptions concerning the development and mining of individual license areas as stand-alone projects. Accordingly, notwithstanding the grant of the existing exploitation license, all three exploitation licenses are required to develop the Mayaniquel Project as contemplated in the PFS.

The Company submitted its two additional exploitation license applications to the Guatemalan Ministry of Energy and Mines ("MEM") in August 2012 and submitted EIAs to the Guatemalan Ministry of Environment ("MARN") for the Tres Juanes and Amanecer license areas in October 2012. The EIA for Tres Juanes was approved by the MARN on February 21, 2014 and the Company was notified of the approval of the Amanecer EIA on March 19, 2014. No date has been set by the MEM for the approval of either of the outstanding exploitation license applications, but the Company expects them to be approved prior to the commencement of any feasibility study on the Mayaniquel Project. Based on past experience, the Company expects that the exploitation license applications will require a significant amount of time prior to MEM approval.

The Company has experienced lengthy delays in permitting. The receipt of the Sechol exploitation license, without receiving, on a timely basis, the Tres Juanes and Amanecer exploitation licenses, has changed the current scope of the Mayaniquel Project. Development and production of just DSO without processing at the Sechol license area is very different in scope to the operations contemplated by the Company's PFS. Should the Tres Juanes and Amanecer exploitation licenses either (i) not be granted or (ii) be granted only after substantial delay, it is possible that the Mayaniquel Project will be further materially adversely impacted.

Furthermore, the government in Guatemala has submitted a proposal for a moratorium on acceptance of

new licenses pending reforms of the Mining Law of Guatemala (the "Mining Law"). On July 9, 2013, the President of Guatemala announced that the Government would be sending a proposal for a moratorium on new mining licenses, including exploitation and exploration licenses, to the Congress for approval. The proposed moratorium would give the Congress up to two years to enact reforms to the Mining Law. The proposed moratorium would expire at the earlier of (i) a new Mining Law being enacted or (ii) two years after the moratorium goes into effect. There is no certainty, however, as to whether, and when, the Guatemalan Congress will enact the moratorium or that any such moratorium would, if enacted, be enacted in the form as currently proposed. The bill has been under evaluation by the Energy and Mines Committee since August 2013. If a temporary moratorium is enacted, the Company may be denied, or may be substantially delayed in obtaining, approval for pending exploration and exploitation licenses, which could materially adversely impact the Company's ability to achieve its plans on a timely basis, including its potential to advance the development of the Mayaniquel Project as currently contemplated, as well as materially adversely impact the Company's operations and potential profitability.

#### *Update on Working Capital and Impairment of Mayaniquel Project*

Effective December 31, 2013, management identified that there were indicators of impairment concerning the Mayaniquel Project, as well as lack of available equity financing. International Financing Reporting Standards requires management to establish the carrying value based on the higher of (i) fair value less costs of disposal or (ii) value in use. The carrying value of the Mayaniquel Project has been determined primarily on the fair value less costs of disposal methodology, based upon efforts of management to seek a strategic transaction. As a result, an impairment provision of \$17,990,555 was recorded against exploration and evaluation asset and \$332,652 against plant and equipment for the year ended December 31, 2013.

As at December 31, 2013, the Company had cash and cash equivalents of \$342,536 compared to cash and cash equivalents of \$3,569,098 at December 31, 2012. The Company's working capital at December 31, 2013 was a deficit of \$4,034,175 compared to positive working capital of \$2,933,272 at December 31, 2012. The Company's cash and current assets are not sufficient to meet the Company's current liabilities without raising additional capital or extending or increasing the scope of its existing debt to its major shareholder.

While the Company's existing debt is sufficient to cover the immediate working capital needs of the Company, additional capital or other financing will be required for the Company to continue its current forecast activity levels. The Company is currently evaluating alternatives to secure long-term financing or may need to seek to extend or increase its existing debt.

To date, the capital requirements of Anfield have been met by equity or loan proceeds. The Company has incurred cumulative losses of \$27,169,422 as at December 31, 2013 and has reported a net loss of \$19,443,461 during the year then ended. The Company's ability to continue as a going concern is dependent upon successfully obtaining additional financing, a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company or a combination thereof. At the current time the Company is dependent on loans advanced by its major shareholder.

The Company will require additional capital in the near term in order to continue its operations and to repay its existing debt. In light of current depressed commodity prices and limited ability of junior mining issuers to access capital markets, the Company is exploring equity financing and alternative ways to advance its corporate objectives, including a joint venture, a merger or other business combination transaction involving a third party, the sale of all or a portion of the Company's assets, the outright sale of the Company, debt financing, or any combination thereof. There are no assurances or guarantees: (i) that an alternative transaction will be undertaken; or (ii) as to the terms or timing of such alternative transaction, if undertaken. To date, the Company has not identified an alternative transaction that would generate shareholder value equal to or greater than the Company's current market capitalization.

#### **Anfield Nickel Corp.**

*David Strang*

**CAUTION REGARDING FORWARD-LOOKING INFORMATION:** Information and statements in this news release that are not historical facts are "forward-looking information" within the meaning of the applicable Canadian securities legislation. This news release contains forward-looking information such as estimates

and statements that describe Anfield's future plans, objectives or goals, including words to the effect that Anfield or management expects a stated condition or result to occur. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "estimates", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "can", "could", "would", "might" or "will be taken", "occur" or "be achieved". Examples of forward-looking information in this news release include, but are not limited to statements with respect to Anfield's plans and expectations for the Mayaniquel Project; Anfield's ability to raise additional debt or equity financing or seek alternative ways to advance its corporate objectives, including a joint venture, a merger or other business combination transaction involving a third party, the sale of all or a portion of the Company's assets, the outright sale of the Company, or any combination thereof; Anfield's plans related to mine development and design, operations, equipment, and infrastructure; Anfield's applications for two exploitation licenses (Tres Juanes and Amanecer) and the timing and receipt of such licenses and the related impact of receipt of such licenses; the potential imposition and effect on Anfield of a temporary moratorium in Guatemala on the granting of new exploitation and exploration licenses; Anfield's plans relating to exploration and development of the Mayaniquel Project, including permitting and regulatory requirements related to any such plans; Anfield's plans to complete work required for a feasibility study and the timing thereof; Anfield's plans related to the Sechol exploitation license, including investigation of the terms of the license, steps to acquire operating permits and the development of plans related to future operations; the adequacy of the Company's working capital; and the Company's ability to continue as a going concern.

These forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions include, but are not limited to: nickel prices and iron by-product credits; that the existing exploitation license is maintained and not revoked; short and long term power and coal prices; mine plans and production scheduling; process and infrastructure design and implementation; accuracy of the estimation of operating and capital costs; applicable tax and royalty rates; accuracy of mineral reserve and resource estimates and reserve and resource modeling; reliability of sampling and assay data; representativeness of mineralization; accuracy of metallurgical test work; amenability of upgrading and blending mineralization; ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain timely receipt of regulatory approvals, including fulfillment of the terms and conditions of exploration and exploitation licenses related to the Mayaniquel Project; no moratorium on granting new exploitation and exploration licenses in Guatemala is implemented; ability to maintain and secure the requisite surface access rights to conduct future work and carry out plans for the Mayaniquel Project; and ability to successfully raise additional capital. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of [Anfield Nickel Corp.](#) to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks relating to the Company's working capital deficit; risks relating to nickel, iron and other mineral price fluctuations; risks relating to estimates of mineral reserves and resources, production, purchases, costs, decommissioning or reclamation expenses, proving to be inaccurate; the inherent operational risks associated with mining and mineral exploration, development, mine construction and operating activities, many of which are beyond Anfield's control, including, the ability to secure the requisite surface access rights to conduct future work and carry out plans; risks relating to Anfield's ability to enforce Anfield's legal rights under permits or licenses; risks that current litigation in which Anfield is a party will have a negative outcome; risks that Anfield will become subject to new litigation or arbitration and that these processes will have adverse outcomes; risks relating to the Mayaniquel Project being in Guatemala, including political, social, economic, security and regulatory instability; risks relating to the uncertainty of applications to extend and renew exploration licenses, applications for new exploration licenses, and applications for exploitation licenses for the Tres Juanes and Amanecer license areas, including the effect of a government proposed temporary moratorium in Guatemala on the granting of exploitation and exploration licenses; risks relating to potential challenges to Anfield's right to explore and/or develop the Mayaniquel Project; risks relating to Anfield's ability to fulfill the terms and conditions of exploitation and exploration licenses, including the Sechol exploitation license; risks relating to Anfield's operations being subject to environmental and remediation requirements, which may increase the cost of doing business and restrict Anfield's operations; risks relating to being adversely affected by environmental, safety and regulatory risks, including increased regulatory burdens or delays and changes of law; risks relating to the fact that Anfield's properties are not yet in commercial production; risks relating to the uncertainty as to whether Anfield will be granted permits required to further explore and develop the Mayaniquel Project and risks related to the permitting timelines; and risks relating to Anfield's ability to raise funding to continue its exploration, development and mining activities, as well as those factors discussed in the sections relating to risk factors of our business filed in [Anfield Nickel Corp.](#)'s required securities filings on SEDAR. Although [Anfield Nickel Corp.](#) has attempted to identify important factors and risks that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended.

There can be no assurance that any forward-looking information will prove to be accurate, as actual results

and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. [Anfield Nickel Corp.](#) does not undertake to update any forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

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