

Strategic Minerals Reports First Quarter 2024 Financial Results

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Toronto, May 14, 2024 - [Strategic Minerals Europe Corp.](#) (Cboe CA: SNTA) (FSE: 26K0) (OTCQB: SNTAF) ("Strategic Minerals" or the "Company"), a company focused on the production, development, and exploration of tin, tantalum and niobium, announces the results for the three months ended March 31, 2024. Strategic Minerals' first quarter 2024 ("Q1 2024") financial statements and MD&A have been filed on SEDAR+ (www.sedarplus.ca). Unless otherwise indicated, all currency amounts are in U.S. dollars.

Q1 2024 Highlights

- On October 19, 2023, the Superior Court of Xustiza of Galicia (the 'TSXG') provisionally suspended the section C permit for the Company's Penouta Project (the "Decision"). The Decision followed a complaint filed against the regional mining authority Xunta de Galicia, requesting a revocation of the section C permit granted to the Company in May 2022. The Company immediately submitted an appeal of the Decision to the Administrative Court of the High Court of Justice of Galicia (the 'High Court'). On December 13, 2023, the Company received the news that the High Court would maintain the Decision and continue the provisional suspension of the Penouta Project until the main proceeding is decided. The TSXG is expected to reach its verdict with respect to the Decision on May 31, 2024, which will be communicated to the Company in the following weeks after the verdict document is prepared and formalized. Meanwhile, operations at section C of the Penouta Project continue to be suspended.
- The Company renegotiated the terms of its power purchase agreement with Exeria Galega Mais, S.L. for its Penouta Project, deferring payments related to long-term solar energy coverage until operations resume, with all accumulated invoices due by March 31, 2025, including a 3% annual interest rate.
- On March 19, 2024, the Company entered into a business combination agreement with IberAmerican Lithium Corp. ("IberAmerican") and IberAmerican Resources Inc., a wholly-owned subsidiary of IberAmerican incorporated solely to complete the amalgamation. Under the agreement, IberAmerican will acquire all of the issued and outstanding common shares in the capital of Strategic Minerals, with shareholders of the Company entitled to receive one common share of IberAmerican for every seven common shares of Strategic Minerals held. The proposed transaction details can be found in the Company's Q1 2024 MD&A.
- On March 20, 2024, a secured grid promissory note was executed by the Company and Strategic Minerals Spain, S.L. ("SMS"), a wholly-owned subsidiary of the Company, in favor of IberAmerican for up to \$0.89 million (the "IberAmerican Note"). The IberAmerican Note bears interest at a rate of 8% per annum and is due on demand by IberAmerican at any time upon or after termination of the business combination agreement. On March 20, 2024, IberAmerican advanced \$0.52 million to the Company under the IberAmerican Note. The IberAmerican Note is secured by a second-degree share pledge over all of the issued and outstanding shares of SMS.
- The expenses related to maintaining the plant in safe conditions while operations are suspended resulted in a net loss for the first quarter of 2024 of \$1.4 million (\$0.006 per share), which is slightly higher compared to the net loss for the same period of 2023 (\$1.3 million or \$0.006 per share), during which production at the plant was stopped for a period of 21 days while the Company was improving production, and performed a scheduled overhaul of the plant.
- In response to the continued suspension of activities at the Penouta Project, which has restricted the Company's ability to generate recurring revenue, the Company developed and presented a restructuring plan directed at commercial suppliers with overdue debts totaling \$2.7 million.
- As at March 31, 2024, the Company had cash of \$0.25 million (December 31, 2023 - \$0.82 million) available to settle current liabilities of \$7.3 million (December 31, 2023 - \$6.9 million). The Company has taken several actions to reduce costs while operations are idled and is actively pursuing new sources of financing.

Operational and Financial Summary for the quarter ended March 31, 2024

Description	Units	Actual		% Change
		Q1 2024	Q1 2023	
Total Concentrate Production	Tonnes	-	121	(100)%
Tin Concentrate Sold	Tonnes	-	105	(100)%
Tantalite Concentrate Sold	Tonnes	-	29	(100)%
Revenue	\$'000	-	2,902	(100)%
Profit before expenses & other	\$'000	(274) 807	NM
Adjusted EBITDA ¹	\$'000	(870) (1,053) 17.4%
Net Income (Loss) Per Share	\$	(0.006) (0.006) -

¹This is not a standardized financial measure and may not be comparable to similar financial measures of other issuers. See "Use of Non-IFRS Financial Measures" below for the composition and calculation of this financial measure.

"As a result of the court-ordered suspension of production in October 2023, the Company had no production or concentrate sales in the first quarter of 2024," said Jaime Perez Branger, CEO of Strategic Minerals. "We maintain that the complaint filed against the regional mining authority Xunta de Galicia holds no merit and await the decision of the High Court after May 31st. To ensure the Company's financial stability, the Board has decided that the best course for the Company is to complete the announced business combination with IberAmerican Lithium. This will enable operations at Penouta to continue when allowed and grant Strategic Minerals shareholders exposure to the lithium exploration opportunities at the property."

Operational and Financial Performance

Despite the Company's eagerness to resume operations during the first quarter of 2024, operations remained suspended due to the Decision. Before the halt of operations, the Company continuously improved output and quality of concentrate. Maintenance has continued to keep the plant in optimal condition so that operations can resume soon after they are allowed.

The loss before expenses and other during the first quarter of 2024 was \$0.27 million, driven exclusively by the depreciation of the period. Profit before expenses and other for the same period of 2023 was \$0.81 million.

At the end of the period, cash and cash equivalents were \$0.25 million compared to \$0.82 million on December 31, 2023. The Company has taken several actions to reduce costs while operations are idled and is actively pursuing new sources of financing.

Outlook

The Company is currently focused on maintaining the plant ready to resume operations at Section C of its Penouta Project once the TSXG reaches its verdict concerning the provisional suspension. It is also considering resuming production at a different section of its Penouta Project, in compliance with the TSXG Decision, with the exploitation of tailings and waste deposits to generate immediate cash flow.

Additionally, the Company has executed the Business Combination Agreement and is working towards closing the Proposed Transaction, as described in the Proposed Transaction section of the Company's Q1 2024 MD&A. If completed, the Proposed Transaction is expected to significantly influence the Company's future operations and financing strategies.

Upon a favorable outcome of the Decision and the completion of the Proposed Transaction, the Company would be positioned to shift its focus toward executing the strategic plan for the Penouta Project, as described in the Company's MD&A for the year ended December 31, 2023, and in its Annual Information Form dated March 27, 2024, both of which are available on the Company's website and www.sedarplus.ca.

In the event the Decision is not favorable to the Company, further legal recourses will be analyzed and

executed. If necessary, depending on the amount of funding raised, the Company may review priorities to guarantee the Company's continuity while the procedure advances and additional financing is obtained. As at March 31, 2024, the Company had cash of \$0.25 million available to settle current liabilities of \$7.3 million. These matters represent material uncertainties that cast significant doubt as to the ability of the Company to fulfill its commitments as planned.

Proposed Transaction

On March 19, 2024, the Company entered into a business combination agreement (the "Business Combination Agreement") with IberAmerican and IberAmerican Resources Inc. ("Subco"), a wholly-owned subsidiary of IberAmerican. Pursuant to this agreement, IberAmerican will acquire all of the issued and outstanding common shares in the capital of the Company ("Strategic Shares") (the "Proposed Transaction"). Under the terms of the Business Combination Agreement, each holder of Strategic Shares will be entitled to receive one common share of IberAmerican ("Iber Share") for every seven Strategic Shares held.

The company's board of directors has unanimously approved the Business Combination Agreement and determined that the Amalgamation is fair to shareholders and in the Company's best interest. The board recommends that shareholders vote in favor of the Proposed Transaction.

The Company has issued a Notice of Meeting of a special meeting of the shareholders to be held on May 24, 2024, to seek shareholder approval for the Proposed Transaction.

For more information on the Proposed Transaction, please refer to the Company's Q1 2024 MD&A filed on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).

About Strategic Minerals Europe Corp.

Strategic Minerals' wholly-owned subsidiary, Strategic Minerals Spain, S.L. ("SMS"), produces, identifies, explores, and develops mineral resource properties critical to the green economy, predominantly in Spain. SMS holds permits and a license for the Penouta Project. SMS is the largest cassiterite concentrate and tantalite producer in the European Union and has been recognized within the EU as an exemplary company of good practices in the circular economy. The Company is well-positioned as a major producer of sustainable and conflict-free tin, tantalum, and niobium. Strategic Minerals is a "reporting issuer" under applicable securities legislation in the provinces of British Columbia, Alberta, and Ontario.

Additional information on Strategic Minerals can be found by reviewing its profile on SEDAR+ at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Information:

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release, including, without limitation, management's beliefs regarding maintaining the current levels of production and meeting guidance targets, and the Proposed Transaction as proposed to be affected pursuant to the Business Combination Agreement, the ability of the parties to satisfy the conditions to closing of the Proposed Transaction, the mailing of the management information circular in connection with the Meeting, delisting of the Company from Cboe Canada and the timing thereof and the anticipated timing of closing of the Proposed Transaction. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may

cause the actual results, performance or achievements of Strategic Minerals to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risks Factors" in the Company's Annual Information Form dated March 27, 2023, which is available for view on SEDAR+ at www.sedarplus.ca. These risks include but are not limited to, the risks associated with the mining and exploration industry, such as operational risks in development or capital expenditures, the uncertainty of projections relating to production, and any delays or changes in plans with respect to the exploitation of the site. Forward-looking statements contained herein, are made as of the date of this press release, and Strategic Minerals disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

This announcement refers to the following non-IFRS financial performance measures:

Adjusted EBITDA

Adjusted EBITDA represents earnings before interest, income taxes, depreciation, and amortization ("EBITDA"), adjusted to exclude share-based payments, gain on retained investment in associate, gain on sales of assets, gain on disposal of investment in associate and reverse takeover ("RTO") transaction costs. Adjusted EBITDA provides insight into our overall business performance (a combination of cost management and growth) and is intended to provide additional information for the reader as we believe certain investors could use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers.

The following table provides a reconciliation of adjusted EBITDA to net income (loss) as reported in the Financial Statements:

(\$ thousands)	Q1 2024	Q1 2023
Net income (loss)	(1,404)	(1,321)
Finance income	(1)	(137)
Finance costs	221	147
Gain on settlement of debt	-	(8)
Change in fair value of investment	-	15
Income tax expense	-	62
Depreciation and amortization expense	298	470
EBITDA	(887)	(772)
Gain on sale of assets and investment in associate	-	(529)
Loss from investment in associate	17	-
Share-based payments	-	248
Adjusted EBITDA	(870)	(1,053)

Further Information

For further information regarding Strategic Minerals, please contact:

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