

Strategic Minerals Reports Second Quarter 2024 Financial Results

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Toronto, August 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 and six month periods ended June 30, 2024. Strategic Minerals' second quarter 2024 ("Q2 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.

Q2 2024 Events

- 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. On June 12, 2024, the Company was notified that the TSXG had upheld on appeal its decision to suspend the section C permit for the Company's Penouta Project. The Company is exploring all available legal avenues to reverse the Decision and to expedite the reinstatement of the section C permit, including an appeal to the Supreme Court of Spain (the "SCS"). Meanwhile, operations at section C of the Penouta Project continue to be suspended.
- Subsequent to the period end, on August 1, 2024, the Company announced the termination of the previously announced business combination agreement between the Company and [IberAmerican Lithium Corp.](#) ("IberAmerican") entered into on March 19, 2024, and amended and restated on June 17, 2024, pursuant to which IberAmerican had previously agreed to acquire all of the issued and outstanding common shares of the Company (the "Amended and Restated BCA"), in accordance with its terms. IberAmerican notified the Company on July 31, 2024, that, as the business combination was not completed on or before July 31, 2024, as required by the Amended and Restated BCA, IberAmerican was exercising its right to terminate the Amended and Restated BCA. The Company continues to seek alternative financing solutions.
- On June 11, 2024, the Company and IberAmerican entered into an amendment to the grid promissory note dated March 20, 2024, by which the line of credit was increased to up to CA\$2.0 million. The current outstanding balance is CA\$1,514,331 (\$1.106 million).
- During Q2 2024, the corresponding court ("Juzgado de lo mercantil") approved the entirety of the balance of the Company's restructuring plan directed at commercial suppliers with overdue debts totaling €2,486,421 (\$2,685,086), which the Company had presented and which was approved by 90.45% of the affected commercial suppliers.
- During Q2 2024, the Company maintained in place the required environmental controls and conducted the corresponding inspections of the compressed air facilities. Essential maintenance tasks were carried out to ensure the readiness of the plant equipment.
- Expenses related to maintain the plant in safe condition while operations are suspended resulted in a net loss for the second quarter of 2024 of \$1.283 million (\$0.005 per share), which compares to a net income of \$0.008 million (\$0.000 per share) during the same period of 2023, the first full quarter of operations after the major overhaul of the main ball mill was successfully performed in February 2023. Net loss for first six months of the year amounted to \$2.687 million (loss of \$0.011 per share) compared to a net loss of \$1.313 million (loss of \$0.006 per share) during the same period of 2023.

- As at June 30, 2024, the Company had cash of \$0.013 million (December 31, 2023 - \$0.817 million) available to settle current liabilities of \$8.926 million (December 31, 2023 - \$6.914 million). The Company has taken several actions to reduce costs while operations are idled and is actively pursuing new sources of financing.

Operational Performance

Despite the Company's eagerness to resume operations during the first half 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. As there were no operations during the second quarter of 2024 due to the Decision, fixed and maintenance costs to keep the plant ready to resume operation, as well as certain services, were kept during the period. Total operating expenses during the three and six months ended on June 30, 2024, \$0.961 million and \$2.669 million respectively, were a third of those during the same periods of 2024 (\$1.854 million and \$5.396 million, respectively.)

Outlook

The Company is currently focused on exploring all available legal avenues to reverse the Decision and to expedite the reinstatement of the section C permit, including an appeal to the SCS. Meanwhile, operations at the section C of the Penouta Project continue to be suspended and the Company continues to maintain the plant ready to resume operations at the Section C of its Penouta Project once allowed, and it is analyzing to resume 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 cashflow.

Upon a favorable outcome of the Decision, the Company would be positioned to shift its focus towards 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 on www.sedarplus.ca.

The Company may review priorities to guarantee the continuity of the Company while the legal avenues regarding the Decision advances and additional financing is obtained. As at June 30, 2024, the Company had cash of \$0.013 million available to settle current liabilities of \$8.926 million. These matters represent material uncertainties that cast significant doubt as to the ability of the Company to fulfill its commitments as planned.

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, and, until suspension of its operations, was 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 to be 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 the ultimate disposition of the Decision, the availability of alternative

financing, the ability to execute its strategic plan, and the ability of the Company to fulfill its commitments as planned. 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, 2024, 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.

Further Information

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