



August 1, 2013

Lightbridge Announces 2013 Second Quarter Business Update and Financial Results

Live Conference Call and Webcast Scheduled at 11 a.m. EDT Friday, August 2 at:

<http://ir.ltbridge.com/eventdetail.cfm?eventid=132154>

MCLEAN, Va., Aug. 1, 2013 (GLOBE NEWSWIRE) -- [Lightbridge Corporation](#) (Nasdaq:LTBR), a leading innovator of next generation nuclear fuel designs and provider of nuclear energy consulting services to commercial and governmental organizations, today provided a business update on the progress of its nuclear fuel technology and consulting operations and reported financial results for the quarter and six months ended June 30, 2013.

"As Lightbridge approaches the next critical juncture in the Company's growth, we remain confident and well positioned to continue to advance development of our fuel technology, secure new consulting contracts and enhance shareholder value," said [Seth Grae](#), President and Chief Executive Officer. "We expect to complete the contract negotiations with fuel fabricators by year-end that are essential to demonstrating our technology in U.S. and Russian test reactors under prototypical power reactor operating conditions. We also intend to raise additional capital to support fuel technology research and development."

Lightbridge is developing and commercializing next generation nuclear fuel technology with benefits of improving safety, increasing power output of existing and new reactors, reducing nuclear waste, and enhancing proliferation resistance of spent fuel. Lightbridge's comprehensive advisory services are helping existing clients with on-time and on-budget development and regulation of nuclear power plants to expand electricity generation capabilities.

"Lightbridge technology and services can help answer the most pressing global questions facing the commercial nuclear energy industry as the industry works to deliver safer, long-term, efficient, base-load and carbon-free electric power," Grae said.

2013 Second Quarter Business Update

Fuel Technology

During the second quarter, Lightbridge completed an important technical development that enhances its fuel product offerings to currently operating pressurized water reactors (PWRs), the largest segment of the Company's initial target market, Grae said.

"In response to specific feedback from Lightbridge's Nuclear Utility Fuel Advisory Board comprised of senior fuel managers from four large U.S. nuclear utilities (Exelon, Duke, Dominion, and Southern Company), we have enhanced our metallic fuel assembly design for existing PWRs, eliminating the outer blanket row of oxide fuel rods and making our entire fuel assembly metallic," he added. "As a result, nuclear utilities using our metallic fuel in existing PWRs can realize improved safety and operating benefits (i.e., power uprate and longer fuel cycle) without the fuel performance constraints imposed by introducing oxide fuel rods into an assembly."

In the first half of 2013, two independent studies by Siemens Industry, Inc. and a [peer-reviewed journal article](#) were published that validate the [proliferation resistance](#), safety and [economic benefits](#) of Lightbridge fuel technology, Grae said. The fuel design's operating and economic benefits include increased power output of up to 10% with a 24-month fuel cycle, and reduced volumes of used fuel per kilowatt-hour.

"The [safety features of Lightbridge metallic fuel](#) are compelling and, along with power up-rate and longer fuel cycle benefits, will improve the economics of reactor operation and help moderate the expense of post-Fukushima safety requirements," Grae said.

In a large break, loss-of-coolant accident (LOCA) scenario, preliminary analytical modeling shows that the temperature of zirconium cladding on Lightbridge metallic fuel rods remains at least 200 degrees Celsius below the temperature at which steam begins to react with zirconium to generate hydrogen gas and an explosion risk. Additional tests are planned to confirm these preliminary results, Grae said. Under normal conditions, Lightbridge fuels are designed to operate approximately 1,000 degrees Celsius lower than conventional uranium oxide fuels.

Lightbridge also reiterated key research and development milestones for its fuel technology.

- Demonstrate the full-scale fabrication process for Lightbridge metallic fuel rods in 2014.
- Perform in-reactor and out-of-reactor experiments in 2013-2016.
- Develop analytical models in 2013-2016 for the Company's metallic fuel technology that can be used for regulatory licensing activities.
- Begin lead test assembly (LTA) operation in a full-size commercial light water reactor in 2017-2018, which involves testing a limited number of the full-scale fuel assemblies in the core of a commercial nuclear power plant over three 18-month cycles.

Advisory Services

Lightbridge's comprehensive advisory services for developing safe, secure and cost-effective nuclear power have generated more than \$40 million in revenue since 2008.

"Our pipeline of advisory services proposals continues to increase," Grae said. "Proposals are pending before relevant government agencies in Europe, Asia and the Middle East. While the review process for these complex, multi-million dollar contracts can be long, we remain optimistic that in 2013 Lightbridge will obtain consulting contracts from other governments interested in deploying nuclear power in their countries. Responses are expected in coming quarters."

Financial Results and Guidance

For the quarter ended June 30, 2013, Lightbridge's net loss was \$1.0 million, or a loss of \$0.08 per share, on revenue of \$0.7 million, compared to a net loss \$1.3 million, or a loss of \$0.11 per share, on revenue of \$1.0 million in the second quarter of 2012. For the six months ended June 30, 2013, the Company's net loss was \$2.3 million, or a loss of \$0.18 per share, on revenue of \$1.2 million. In the same period of 2012, the net loss was \$2.1 million, or a loss of \$0.17 per share, on revenue of \$2.2 million. Lightbridge revenues are derived from consulting and strategic advisory services for foreign governments planning to create or expand electricity generation capabilities using nuclear power plants, and are used to help fund the continuing development of the Company's nuclear fuel technologies.

Lightbridge reiterated that nuclear fuel research and development expenses over the next 12 to 15 months are expected to be in the range of \$3 million to \$4 million, contingent on execution of R&D agreements with outside contractors. "We spent approximately \$0.6 million and \$0.5 million for research and development during the three months ended June 30, 2013 and 2012, respectively," Grae said. "For the six months ended June 30, 2013 and 2012, R&D expenses were \$1.3 million and \$1.0 million, respectively."

Balance Sheet Overview

At June 30, 2013, the Company had approximately \$2.2 million in cash and cash equivalents, restricted cash and marketable securities, and approximately \$3.0 million of working capital, with no long-term debt. Stockholders' equity was approximately \$3.7 million at June 30, 2013 compared with \$5.8 million on December 31, 2012. Common shares outstanding at June 30, 2013 totaled 12,556,400.

"We will seek new financing or additional sources of capital in 2013 to support ongoing R&D activities required to continue to advance Lightbridge fuel products to a commercial stage," Grae reiterated. "Potential sources of cash available to us include equity investments from institutional or retail investors; strategic investment through alliances with major fuel vendors, fuel fabricators and/or other strategic parties during the next three years; and new consulting contracts. Over the next two to three years, our R&D activities are expected to increase with continued tests and demonstrations of our metallic fuel technology for Western pressurized water reactors. These activities are necessary to prepare for full-scale demonstration of our fuel technology in an operating commercial PWR."

2013 Second Quarter Conference Call

Lightbridge will hold a conference call on Friday, August 2, at 11 a.m. EDT to discuss the Company's 2013 second quarter results and provide an update on recent corporate developments. Seth Grae, President and Chief Executive Officer, will lead the call and additional members of the senior management team will be available to answer questions. Questions may be asked live, using the telephone lines below. Questions also may be submitted in writing before or during the conference call to ir@ltbridge.com. All written questions will be read and answered during the call.

Date: Friday, August 2, 2013
Time: 11 a.m. EDT
Domestic Call-In: 877-440-7569
International Call-In: 253-237-1189
Live Webcast: <http://ir.ltbridge.com/eventdetail.cfm?eventid=132154>
Replay: Available for one year at the URL above.

About Lightbridge Corporation

Lightbridge is a US nuclear energy company based in McLean, Virginia with operations in Abu Dhabi, Moscow and London. The Company develops proprietary, proliferation resistant, next generation nuclear fuel technologies for current and future nuclear reactor systems. The Company also provides comprehensive advisory services for established and emerging nuclear programs based on a philosophy of transparency, non-proliferation, safety and operational excellence. Lightbridge's breakthrough fuel technology is establishing new global standards for safe and clean nuclear power and leading the way to a sustainable energy future. Lightbridge consultants provide integrated strategic advice and expertise across a range of disciplines including regulatory affairs, nuclear reactor procurement and deployment, reactor and fuel technology and international relations. The Company leverages those broad and integrated capabilities by offering its services to commercial entities and governments with a need to establish or expand nuclear industry capabilities and infrastructure.

Lightbridge is on Twitter. Sign up to follow @LightbridgeCorp at <http://twitter.com/lightbridgecorp>.

Forward Looking Statements

This news release contains statements that are forward-looking in nature, including statements regarding the Company's competitive position and product and service offerings. These statements are based on current expectations on the date of this news release and involve a number of risks and uncertainties that may cause actual results to differ significantly from such estimates. The risks include, but are not limited to, the degree of market adoption of the Company's product and service offerings; market competition; dependence on strategic partners; and the Company's ability to manage its business effectively in a rapidly evolving market. Certain of these and other risks are set forth in more detail in Lightbridge's filings with the [Securities and Exchange Commission](#). Lightbridge does not assume any obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise.

Lightbridge Corporation Condensed Consolidated Balance Sheets

	June 30,	December
	2013	31,
	(Unaudited)	2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 586,016	\$ 2,197,555
Marketable securities	1,085,039	1,598,209
Restricted cash	554,452	553,682
Accounts receivable - project revenue and reimbursable project costs	663,229	601,803
Prepaid expenses & other current assets	<u>521,745</u>	<u>574,590</u>
Total Current Assets	<u>3,410,481</u>	<u>5,525,839</u>
Property Plant and Equipment —net	<u>4,831</u>	<u>17,221</u>
Other Assets		
Patent costs — net	<u>673,950</u>	<u>600,596</u>
Total Assets	<u>\$ 4,089,262</u>	<u>\$ 6,143,656</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts payable and accrued liabilities	<u>\$ 422,942</u>	<u>\$ 385,223</u>
Total Current Liabilities	<u>422,942</u>	<u>385,223</u>

Commitments and contingencies —Note 6

Stockholders' Equity

Preferred stock, \$0.001 par value, 50,000,000 authorized shares, no shares issued and outstanding	--	--
Common stock, \$0.001 par value, 500,000,000 authorized, 12,556,400 shares and 12,526,240 shares outstanding at June 30, 2013 and December 31, 2012, respectively	12,556	12,526
Additional paid in capital - stock and stock equivalents	72,169,379	71,955,631
Deficit	(68,515,615)	(66,212,849)
Common stock reserved for issuance, 2,264 shares at December 31, 2012	<u>0</u>	<u>3,125</u>
Total Stockholders' Equity	<u>3,666,320</u>	<u>5,758,433</u>

Total Liabilities and Stockholders' Equity

\$ 4,089,262 \$ 6,143,656

Lightbridge Corporation
Unaudited Condensed Consolidated Statements of Operations

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Revenue:				
Consulting Revenue	\$ 658,859	\$ 981,016	\$ 1,174,809	\$ 2,238,537
Cost of Consulting Services Provided	<u>365,704</u>	<u>607,780</u>	<u>650,041</u>	<u>1,377,465</u>
Gross Margin	<u>293,155</u>	<u>373,236</u>	<u>524,768</u>	<u>861,072</u>
Operating Expenses				
General and administrative	672,084	1,246,233	1,553,862	2,191,595
Research and development expenses	<u>615,281</u>	<u>518,360</u>	<u>1,258,554</u>	<u>1,015,068</u>
Total Operating Expenses	<u>1,287,365</u>	<u>1,764,593</u>	<u>2,812,416</u>	<u>3,206,663</u>
Operating Loss	<u>(994,210)</u>	<u>(1,391,357)</u>	<u>(2,287,648)</u>	<u>(2,345,591)</u>
Other Income and (Expenses)				
Investment income	(27,309)	81,510	(11,753)	233,068
Other income (expenses)	<u>(2,325)</u>	<u>(5,089)</u>	<u>(3,365)</u>	<u>1,053</u>
Total Other Income and (Expenses)	<u>(29,634)</u>	<u>76,421</u>	<u>(15,118)</u>	<u>234,121</u>
Net loss before income taxes	(1,023,844)	(1,314,936)	(2,302,766)	(2,111,470)
Income taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Net loss	<u>\$ (1,023,844)</u>	<u>\$ (1,314,936)</u>	<u>\$ (2,302,766)</u>	<u>\$ (2,111,470)</u>
Net Loss Per Common Share, Basic and diluted	<u>\$ (0.08)</u>	<u>\$ (0.11)</u>	<u>\$ (0.18)</u>	<u>\$ (0.17)</u>
Weighted Average Number of shares outstanding	<u>12,555,156</u>	<u>12,491,750</u>	<u>12,542,174</u>	<u>12,462,182</u>

Lightbridge Corporation
Unaudited Condensed Consolidated Statements of Cash Flows

	Six Months Ended	
	June 30, 2013	
	<u>2013</u>	<u>2012</u>
Operating Activities:		
Net Loss	\$ (2,302,766)	\$ (2,111,470)
Adjustments to reconcile net loss from operations to net cash used in operating activities:		
Stock based compensation	210,653	628,445
Depreciation and amortization	12,390	14,517
Unrealized and realized (gains) and losses on marketable securities	46,001	(109,757)
Changes in non-cash operating working capital items:		
Accounts receivable - fees and reimbursable project costs	(61,426)	(387,179)
Prepaid expenses and other assets	52,845	(244,885)
Accounts payable, accrued liabilities and other current liabilities	<u>37,719</u>	<u>(750,108)</u>
Net Cash Used In Operating Activities	<u>(2,004,584)</u>	<u>(2,960,437)</u>
Investing Activities:		
Proceeds from the sale of marketable securities	500,000	397,926
Purchase of marketable securities	(32,831)	(121,173)
Patent costs	(73,354)	(38,956)
Property and equipment	<u>0</u>	<u>(19,738)</u>
Net Cash Provided By Investing Activities	<u>393,815</u>	<u>218,059</u>
Financing Activities:		
Proceeds from the issuance of common stock	0	1,733
Restricted cash	<u>(770)</u>	<u>(967)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(770)</u>	<u>766</u>
Net Decrease In Cash and Cash Equivalents	(1,611,539)	(2,741,612)
Cash and Cash Equivalents, Beginning of Period	<u>2,197,555</u>	<u>3,569,098</u>
Cash and Cash Equivalents, End of Period	<u>\$ 586,016</u>	<u>\$ 827,486</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest paid	<u>\$ 0</u>	<u>\$ 0</u>
Income taxes paid	<u>\$ 0</u>	<u>\$ 0</u>

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Source: Lightbridge Corporation

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