

LIGHTBRIDGE Corp
Form 10-Q
August 09, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **June 30, 2018**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-34487**

LIGHTBRIDGE CORPORATION

(Exact name of registrant as specified in its charter)

Nevada
*(State or other jurisdiction of incorporation
or organization)*

91-1975651
(I.R.S. Empl. Ident. No.)

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11710 Plaza America Drive, Suite 2000

Reston, VA 20190

(Address of principal executive offices, Zip Code)

(571) 730-1200

(Registrant's telephone number, including area code)

(Former Name, Former Address and Former Fiscal Year if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	..	Accelerated Filer	..
Non-Accelerated Filer	..	Smaller reporting company	x
(Do not check if a smaller reporting company)		Emerging growth company	..

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
o No x

The number of shares outstanding of the issuer's common stock, as of July 26, 2018 is as follows:

Class of Securities	Shares Outstanding
Common Stock, \$0.001 par value	29,476,219

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JUNE 30, 2018

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PART I—FINANCIAL INFORMATION

Lightbridge Corporation
Condensed Consolidated Balance Sheets

	June 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 25,707,368	\$ 4,515,398
Accounts receivable - project revenue and reimbursable project costs	-	10,400
Other receivable from joint venture	414,957	-
Prepaid expenses and other current assets	107,861	70,067
Deferred financing costs, net	-	491,168
Total Current Assets	26,230,186	5,087,033
Investment in Joint Venture	2,415,228	-
Other Assets		
Patent costs	1,506,672	1,367,692
Deferred financing costs, net	-	491,268
Total Other Assets	1,506,672	1,858,960
Total Assets	\$ 30,152,086	\$ 6,945,993

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,405,341	\$ 1,151,210
Total Current Liabilities	1,405,341	1,151,210
Total Liabilities	1,405,341	1,151,210

Commitments and Contingencies – Note 5

Stockholders' Equity

Preferred stock, \$0.001 par value, 10,000,000 authorized shares:		
Convertible Series A preferred shares, 908,740 shares and 1,020,000 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively (liquidation preference \$2,849,000 and \$3,088,764 at June 30, 2018 and December 31, 2017, respectively)	909	1,020
Convertible Series B preferred shares, 2,666,667 and 0 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively (liquidation preference \$4,116,667 at June 30, 2018)	2,667	-
	28,622	12,738

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Common stock, \$0.001 par value, 100,000,000 authorized, 28,621,758 shares and 12,737,703 shares issued and outstanding as of June 30, 2018 and December 31, 2017, respectively

Additional paid-in capital	124,774,561	93,602,539
Accumulated deficit	(96,060,014)	(87,821,514)
Total Stockholders' Equity	28,746,745	5,794,783
Total Liabilities and Stockholders' Equity	\$ 30,152,086	\$ 6,945,993

The accompanying notes are an integral part of these condensed consolidated financial statements

Table of Contents**Lightbridge Corporation****Unaudited Condensed Consolidated Statements of Operations**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue				
Consulting Revenue	\$ -	\$ 14,425	\$ -	\$ 149,910
Cost of Consulting Services Provided	-	4,300	-	89,663
Gross Margin	-	10,125	-	60,247
Operating Expenses				
General and administrative	1,453,030	971,290	3,676,620	2,179,592
Research and development	538,031	545,644	1,449,065	1,009,987
Total Operating Expenses	1,991,061	1,516,934	5,125,685	3,189,579
Other Operating Income and (Loss)				
Other income from joint venture	187,031	-	587,374	-
Equity in loss from joint venture	(1,773,445)	-	(2,801,772)	-
Total Other Operating Income and (Loss)	(1,586,414)	-	(2,214,398)	-
Operating Loss	(3,577,475)	(1,506,809)	(7,340,083)	(3,129,332)
Other Income and (Expenses)				
Interest income	60,462	-	84,019	-
Financing costs	-	(130,877)	(982,436)	(253,681)
Other income	-	23	-	47
Total Other Income and (Expenses)	60,462	(130,854)	(898,417)	(253,634)
Loss before income taxes	(3,517,013)	(1,637,663)	(8,238,500)	(3,382,966)
Income taxes	-	-	-	-
Net loss	\$ (3,517,013)	\$ (1,637,663)	\$ (8,238,500)	\$ (3,382,966)
Accumulated preferred stock dividend	(119,000)	(49,000)	(214,667)	(98,000)
Deemed additional dividend on preferred stock dividend due the beneficial conversion feature	(49,373)	-	(85,680)	-
Deemed dividend on issuance on Series B convertible preferred stock due to	-	-	(2,624,836)	-

beneficial conversion feature				
Net loss attributable to common stockholders	(3,685,386)	(1,686,663)	(11,163,683)	(3,480,966)
Net Loss Per Common Share, Basic and Diluted	\$ (0.14)	\$ (0.17)	\$ (0.50)	\$ (0.37)
Weighted Average Number of Common Shares Outstanding	25,702,352	9,911,864	22,484,840	9,524,939

The accompanying notes are an integral part of these condensed consolidated financial statements

Table of Contents**Lightbridge Corporation****Unaudited Condensed Consolidated Statements of Cash Flows**

	Six Months Ended June 30,	
	2018	2017
Operating Activities		
Net Loss	\$ (8,238,500)	\$ (3,382,966)
Adjustments to reconcile net loss from operations to net cash used in operating activities:		
Stock-based compensation	1,421,745	427,880
Amortization of deferred financing cost	982,436	245,609
Equity in loss from joint venture	2,801,772	-
Changes in operating working capital items:		
Accounts receivable - fees and reimbursable project costs	10,400	377,545
Other receivable from joint venture	(414,957)	-
Prepaid expenses and other assets	(37,794)	(50,384)
Accounts payable and accrued liabilities	254,131	(48,540)
Deferred lease abandonment liability	-	(72,186)
Net Cash Used In Operating Activities	(3,220,767)	(2,503,042)
Investing Activities		
Investment in joint venture	(5,217,000)	-
Patent costs	(138,980)	(115,172)
Net Cash Used In Investing Activities	(5,355,980)	(115,172)
Financing Activities		
Net proceeds from the issuance of common stock	25,868,716	3,025,544
Net proceeds from the issuance of preferred stock	3,900,001	-
Restricted cash	-	(47)
Net Cash Provided by Financing Activities	29,768,717	3,025,497
Net Increase In Cash and Cash Equivalents	21,191,970	407,283
Cash and Cash Equivalents, Beginning of Period	4,515,398	3,584,877
Cash and Cash Equivalents, End of Period	\$ 25,707,368	\$ 3,992,160
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest paid	\$	