

Los Andes Announces Hydroelectric Project Development Agreement

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 17, 2014) - [Los Andes Copper Ltd.](#) ("Los Andes", or the "Company") (TSX VENTURE:LA)(PINKSHEETS:LSANF) is pleased to announce that the Company's wholly owned subsidiary, Rocin SpA ("Rocin"), has entered into an agreement (the "Agreement") with Icafal Inversiones S.A. ("Icafal") for the development and financing of a hydroelectric project generation facility with an expected installed capacity of 28-30 MW (the "Hydroelectric Facility") on the Rocin River, Putaendo, Fifth Region, Chile.

Icafal Inversiones S.A. is the investment subsidiary of Icafal S.A., one of the leading engineering and construction conglomerates in Chile (www.icafe.cl). Icafal S.A. has been in operation for more than 30 years, has 2,800 employees and annual revenues in excess of US\$200 million. Icafal's vast experience in design and construction of infrastructure, water management and hydroelectric facilities includes the construction of run-of-river hydroelectric plants of a similar configuration as the planned Hydroelectric Facility.

The main terms of the Agreement are:

- Rocin will incorporate a subsidiary company (the "Subsidiary") that will own, develop, build and operate the Hydroelectric Facility and will transfer to the Subsidiary its non-consumptive water rights over a section of the Rocin River, Putaendo, Fifth Region, Chile, together with the engineering and other studies and reports for the development of the Hydroelectric Facility
- Icafal has agreed to make an investment of US\$7.5 million (the "Total Investment") in shares of the Subsidiary
- US\$2 million of the Total Investment will be used to finance the development of the Hydroelectric Facility, to be invested during the initial development period
- The remaining \$5.5 million will be used to partially finance construction, and will be invested by Icafal once the Subsidiary has obtained all required permits and construction and other material contracts are in place
- Icafal will be entitled to a 36.3% interest in the Subsidiary after it has made the Total Investment of US\$7.5 million
- The Subsidiary and Icafal have agreed to enter into a fixed price contract for the initial development of the Hydroelectric Facility

Energy prices in Chile are currently among the highest in Latin America, and domestic energy consumption is projected to continue to increase at annual rates of 6% to 7% at least to 2020. The development of new generation projects to satisfy this increased demand is proving to be a major challenge.

A number of power projects in Chile, in particular large-scale hydro and thermal plants, have been suspended in recent years, mainly due to resistance from local communities and environmental groups and difficulties in securing environmental approvals. The Chilean government's strategy for the development of the power sector is to prioritize the development of renewable energies, including small to mid-size run-of-river hydroelectric plants.

The Company estimates that development and construction of the Hydroelectric Facility will take approximately 3-4 years to complete. Once in operation, the Hydroelectric Facility is expected to generate operating cash flow sufficient to cover the Company's working capital needs and a portion of the exploration and feasibility work for the Vizcachitas project. The Hydroelectric Facility is also expected to ultimately provide a portion of the power requirements for the Company's mining operations.

Certain of the information and statements contained herein that are not historical facts, constitute "forward-looking information" within the meaning of the Securities Act (British Columbia), Securities Act (Ontario) and the Securities Act (Alberta) ("Forward-Looking Information"). Forward-Looking Information is

often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. More specifically, Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information; including, without limitation, the achievement and maintenance of planned production rates, the evolving legal and political policies of Chile, the volatility in the Chilean economy, military unrest or terrorist actions, metal and energy price fluctuations, favourable governmental relations, the availability of financing for activities when required and on acceptable terms, the estimation of mineral resources and reserves, current and future environmental and regulatory requirements, the availability and timely receipt of permits, approvals and licenses, industrial or environmental accidents, equipment breakdowns, availability of and competition for future acquisition opportunities, availability and cost of insurance, labour disputes, land claims, the inherent uncertainty of production and cost estimates, currency fluctuations, expectations and beliefs of management and other risks and uncertainties, including those described in Management's Discussion and Analysis in the Company's financial statements.

Such Forward-Looking Information is based upon the Company's assumptions regarding global and Chilean economic, political and market conditions and the price of metals and energy, and the Company's production. Among the factors that have a direct bearing on the Company's future results of operations and financial conditions are changes in project parameters as plans continue to be refined, a change in government policies, competition, currency fluctuations and restrictions and technological changes, among other things. Should one or more of any of the aforementioned risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise.

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