

Lithium Americas Announces Financial and Operating Results for Fiscal Year 2012

29.05.2012 | [Marketwired](#)

TORONTO, ONTARIO -- (Marketwire) -- 05/29/12 -- [Lithium Americas Corp.](#) (TSX: LAC)(OTCQX: LHMAF) ("Lithium Americas" or the "Company"), reported its financial and operating results for the fiscal year ended February 29, 2012 today. All amounts are expressed in Canadian dollars, unless otherwise indicated.

As at February 29, 2012, the Company has invested a total of \$39.8 million in property rights, exploration and evaluation activities related to the Cauchari-Olaroz lithium project in Argentina. During the twelve months ended February 29, 2012 the Company incurred \$11.4 million in property rights, exploration and evaluation cost activities necessary to complete the Definitive Feasibility Study ("DFS"). As at February 29, 2012, the Company had \$7.3 million in cash and cash equivalents and positive working capital of \$5.3 million. The Company also has an undrawn \$10 million stand-by line of credit available to fund current operations.

"After consistently achieving the key milestones in defining and understanding our resource, Lithium Americas is now positioned to complete its Definitive Feasibility Study ("DFS") and commence construction of one of the world's largest and lowest cost lithium operations", said Dr. Waldo A. Perez, President and CEO of Lithium Americas. "In addition to our cash balance, we have secured additional funding through a \$10 million stand-by line of credit, which provides us with the financial flexibility to negotiate transactions that will fully maximize shareholder value after completion of the DFS."

Operational Highlights

Operational highlights during the year ended February 29, 2012 include:

Completion of 3D Brine Numerical Model - In February 2012 the Company announced that it had completed a 3D brine numerical model (the "Model") used to simulate brine extraction from its Cauchari-Olaroz Lithium Project. The Model was developed in FEFLOW hydrogeology modeling software by AquaResource Inc, and enables prediction of brine flow within the Olaroz and Cauchari salt lakes, mine life, lithium grade depletion over time, and reserves. The modeling is supported by geological, hydrogeological, and geochemical data collected through field programs at the site.

Long Term Land Use Agreements - In January 2012 the Company announced that it had secured long-term land use agreements (the "Agreements") with five aboriginal communities located on the Cauchari-Olaroz properties. Under the terms of the Agreements, Lithium Americas will pay pre-determined fees upon signing of the Agreements, approval of the Environmental Impact Statement, as well as annual fees over the 30 year term of the Agreements. Other important aspects of the Agreements are to provide employment priority to individuals living in the local communities, to provide training programs to the local communities, to establish joint environmental monitoring programs, and to implement a program to develop local service providers. Lithium Americas expects to finalize the land use agreement with the sixth and final aboriginal community in the near future.

Completion of Environmental and Social Baseline Study - In January 2012 the Company announced that the Environmental and Social Baseline Study (the "Baseline") is complete and has been presented to the Mining Judge of the Province of Jujuy, the Director of Mines and Energy Resources, the Director of Environmental Policies for Natural Resources and the Provincial Committee of Experts. While presentation of the Baseline is not compulsory under Argentinean regulations, Lithium Americas has shared the Baseline with various government authorities and the aboriginal communities, because Lithium Americas believes that a transparent relationship with the provincial mining authorities and the local communities will make the Environmental Impact Statement approvals process both easier and quicker.

Submission of Environmental Impact Statement - In January 2012 the Company announced that it had completed and submitted the Environmental Impact Statement for approval to the Director of Mines and Energy Resources for the Province of Jujuy.

Completion of Lithium Carbonate Pilot Plant - In November 2011 the Company announced that its lithium carbonate pilot plant, designed and constructed by SGS Minerals Services ("SGS") in Lakefield, Ontario, had been completed, tested, and that pilot production was achieved in accordance with design specifications.

The pilot plant is designed to produce approximately 30 kilograms of battery grade lithium carbonate (99.5% purity) per day. The pilot plant has subsequently been shipped to the Company's project site, where it is being re-assembled.

Confirmation that Potash will be included in the Definitive Feasibility Study - In October 2011 the Company announced that potash tests had yielded positive results, thereby confirming that potash will be included in the Company's Definitive Feasibility Study. Lithium Americas has harvested approximately 1.5 tonnes of potash rich salts from its on-site evaporation ponds, which have now completed a full evaporation cycle at its Cauchari-Olaroz project. A total of 300 kilograms of the harvested salts have been sent to Saskatchewan Research Council's laboratories in Saskatoon, where mineralogical analysis and floatation testing was completed and confirmed that potassium chloride at 95 percent purity is achievable and that potash output during commercial production is expected to be in the ratio of 2 tonnes of potash per tonne of lithium carbonate.

Completion of Significant Engineering Milestones - In September 2011 the Company announced the completion of significant engineering milestones:

Completion of Bench Scale Tests

The Company's bench scale tests were completed by SGS. The brine processing route and the reagents are currently being patented. The information from these tests was used to design the Company's lithium carbonate pilot plant.

Completion of Evaporation Cycle

The Company has completed a full cycle of evaporation from its industrial scale ponds. The 180-day cycle, which was in line with estimates provided in the PEA, produced approximately 15 tonnes of concentrated lithium brine. This concentrated lithium brine was processed in the pilot plant to produce 99.5 percent purity lithium carbonate. Lithium Americas continues producing concentrated lithium brine through this evaporation process in order to feed the Company's pilot plant once it has been reassembled on-site.

Completion of Laboratory Expansion

The Company has completed the expansion of its on-site laboratory which is now able to analyze 50 full samples a day for the following elements: Lithium, Sodium, Potassium, Calcium, Magnesium, Boron, Sulphates, Chlorides as well as physical parameters including pH and conductivity. The lab is fully equipped with atomic absorption facilities and completed round robin comparisons with five different certified international labs. The lab has been designed and audited by Alex Stewart Assayers for Quality Assurance and Quality Control.

Completion of Thermodynamic Model

The completion of this model allows the Company to predict the brine processing route - from brine extraction at the wells to the evaporation ponds, through the evaporation cycle and finally to the lithium carbonate processing plant. The model reconstructs the changes to the brine throughout the process route at different chemical and physical parameters (including weather, interaction with reagents, time, etc.), assisting the Company in optimizing its design efforts. The model was designed exclusively for the Cauchari-Olaroz brine and constitutes proprietary technology.

Production Well Pump Test Results

In September 2011 the Company announced the pump test results from its production well drilling program. A total of five production wells were tested. Four of the wells were used to evaluate the yield potential of the brine aquifer, and one was used to evaluate the yield of the freshwater aquifer. Access to freshwater is key in keeping operating costs low, as freshwater is required for the planned on-site lithium carbonate processing plant.

Brine Aquifer Wells:

The four production wells were used to evaluate the yield of the brine aquifer. The flow rates identified in

three of the four wells are more than double the estimates used in the Preliminary Economic Assessment (PEA), independently produced by ARA Worley Parsons and filed on May 4th, 2011. According to the PEA, a total brine production rate of approximately 400 litres per second is required to produce 20,000 tonnes per year of lithium carbonate. The PEA assumed that 40 production wells were required to achieve this production. The pump test results indicate that the actual number of required production wells could be approximately half of the original estimate, thereby decreasing both the capital cost and operating cost requirements.

Chemical sampling of the brine was conducted daily for the duration of the pump tests.

The average lithium grade of the measured resource, as previously reported in the PEA, is 656 milligrams per litre. Chemical sampling results confirm that after extracting significant amounts of brine, the composition remains stable and is comparable to the resource average. This result indicates continuity of grade across the extensive hydraulic capture zones of the pumping wells, and provides a high degree of confidence in the resource estimate.

Fresh Water Aquifer Well:

A fresh water well was drilled down 51 meters. According to the PEA, the lithium carbonate processing plant needs approximately 60 to 80 litres per second of freshwater. The PEA estimated that 6 wells would be required to satisfy this amount of freshwater. The updated pump test results from the freshwater well suggest that adequate supply may be obtained from fewer than 6 wells, to supply all the freshwater required to operate the on-site lithium carbonate processing plant.

This freshwater, while not of potable quality, is suitable for the industrial water requirements of the lithium refining process. This access to freshwater represents a significant cost advantage for the project as it confirms that the lithium processing plant can be built on-site. Lack of local freshwater is a common problem for some current lithium carbonate producers. Consequently, there is often a need to transport concentrated brine to an off-site facility in order to complete final processing of the lithium carbonate, adding significantly to the overall operating costs.

Completion of Preliminary Economic Assessment - In April 2011 the Company announced the results of a National Instrument 43-101 compliant Preliminary Economic Assessment and Economic Evaluation of the Cauchari-Olaroz Lithium Project, Jujuy Province, Argentina, effective April 30, 2011, ("PEA") for its Cauchari-Olaroz Lithium Project in Argentina. The PEA was prepared by the independent engineering firm, ARA WorleyParsons ("ARAWP"). ARAWP has a significant amount of experience in lithium brine processing, having designed and participated in building the world's largest and lowest cost lithium brine processing facility in Chile. The PEA provides for a 40,000 tonne per annum ("TPA") lithium carbonate ("LCE") production facility built in two phases, with construction of the first 20,000 TPA phase expected to begin in 2012, and construction of the second phase expected to begin in 2016. Potash and borax by-products were not included in the economic assessment, and could potentially add further value to the project.

The PEA calculates a base case pre-tax net present value ("NPV") of US\$983 million, assuming an 8% discount rate, and an after-tax NPV of US\$715 million. The base case pre-tax Internal Rate of Return ("IRR") is 30% and after-tax IRR is 26%. Production of LCE is assumed to be 40,000 TPA, achieved via an evaporation pond system and processing plant built in two phases, with each phase capable of producing 20,000 TPA. The first phase is expected to begin generating revenue from LCE production in 2014, while the second phase is expected to begin generating revenue in 2018. The capital costs associated with the first phase are estimated to be US\$217 million, while the capital costs associated with the second phase are estimated to be US\$181 million.

The PEA estimates cash operating costs at US\$1,434 per tonne which the Company believes may be one of the lowest operating costs in the industry.

Lithium Processing Facility - In March 2011 the Company engaged SGS Minerals Services ("SGS"), from Lakefield in Ontario, Canada to complete bench studies required to design the lithium carbonate production plant and the construction of a continuous lithium carbonate pilot plant to produce a 99.5% purity lithium carbonate. Construction of the pilot plant commenced in April 2011. As identified above in point 5 of this Operational Highlights section, Lithium Americas announced in November 2011 that its lithium carbonate pilot plant was completed, tested, and that pilot production was achieved in accordance with design specifications. The plant has been shipped to Argentina, and it is being re-assembled at the project site.

Corporate Highlights

During the year ended February 29, 2012, The Company achieved a number of important corporate

milestones including:

Secured \$10 Million Stand-By Credit Facility from Key Shareholders - In January 2012 the Company announced that it had secured a \$10 million stand-by credit facility ("Credit Facility") from a syndicate of lenders comprised of Geologic Resource Partners LLC, Pinetree Capital Ltd, and PowerOne Capital Markets Limited (the "Lenders"). Each of the Lenders is currently a significant shareholder of Lithium Americas, with the Lenders collectively owning approximately 38% of the Company's outstanding shares. Under the Credit Facility, Lithium Americas has the ability to draw down amounts in increments of \$2 million, with repayment of any draw down to be made by January 6, 2015. Any amounts drawn down will bear interest at 9% per annum, payable semi annually in arrears. In consideration for the Lenders' commitment under the Credit Facility, Lithium Americas agreed to issue the Lenders, in aggregate, 2 million common share purchase warrants of the Company (the "Warrants"). Each Warrant is exercisable into one common share of the Company until January 6, 2015 at a price of \$1.68 (the "Exercise Price"). The Exercise Price is equal to 125% of the volume weighted average price of the Company's common shares over the 20 trading days immediately preceding the date of the Credit Facility.

Appointment of Executive Chairman - In January 2012 the Company appointed W. Thomas Hodgson as Executive Chairman of the Board of Directors. Mr. Hodgson has been a Director of the Company since January 2010, and was appointed Chairman of the Board following the Company's annual meeting in June 2011 (see point 5 below).

Appointment of CFO - In August 2011 the Company announced the appointment of Mr. Omar Salas as the Company's Chief Financial Officer. Mr. Salas is a financial executive with extensive international experience in the mining industry, which includes eight years with Placer Dome, where he held different financial positions in Canada and overseas. Mr. Salas received his Master of Business Administration from McGill University, and is a Certified Management Accountant.

Trading on US Market - In June 2011 the Company's shares commenced trading on the OTCQX International Marketplace ("OTCQX") in the United States of America, under the symbol "LHMAF". Lithium Americas retained Stifel, Nicolaus & Company, Incorporated to serve as the Company's Principal American Liaison ("PAL"), responsible for providing guidance on OTCQX requirements.

New Chairman - In June 2011 the Company announced the appointment of Mr. W. Thomas Hodgson as Non-Executive Chairman of the Company. Mr. Hodgson has been a Director of the Company since January 2010, and was formerly a consultant and advisor to the Chairman of Magna International, one of the world's largest automotive suppliers, and has over twenty years of experience in capital markets research, corporate advisory matters, and consulting.

New Director - In June 2011 the Company announced that Mr. John Kanellitsas joined the Board of Directors. Mr. Kanellitsas is the Chief Operating Officer of Geologic Resource Partners, one of the Company's largest shareholders, and an investment manager focusing on the global mining and metals resource industries. Mr. Kanellitsas has worked in financial markets and asset management for over two decades with positions at prominent investment banks and money management firms in San Francisco, New York, and Sun Valley, Idaho.

About the Company

Lithium Americas is developing one of the world's largest and lowest cost lithium operations. The Company has defined the world's third largest lithium brine resource, and a completed Preliminary Economic Assessment identified that Lithium Americas' operating cost per tonne of lithium carbonate is expected to be one of the lowest in the industry. The Company is currently working on completing a Definitive Feasibility Study, with delivery scheduled in the second quarter of 2012. Mitsubishi Corporation and Magna International are shareholders in the Company, in addition to both companies having off-take arrangements with Lithium Americas.

Roger Kelley, B.Sc. (Chem. Eng.), of ARA WorleyParsons and independent QP of the Company has reviewed and approved this press release.

The Preliminary Economic Assessment is based on mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

This press release contains forward-looking statements, which can be identified by the use of statements that include words such as "could", "potential", "believe", "expect", "anticipate", "intend", "plan", "likely", "will"

or other similar words or phrases. The Company does not intend, and does not assume any obligations, to update forward-looking statements, whether as a result of new information, future events or otherwise, unless otherwise required by applicable securities laws. Readers should not place undue reliance on forward-looking statements. Readers should review the Company's annual information form dated May 28, 2011 for a list of risks associated with the Company, and its business.

Contacts:

[Lithium Americas Corp.](#)

Mike Cosic, VP Corporate Development

416-360-1921

mcosic@lithiumamericas.com

www.lithiumamericas.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/126617--Lithium-Americas-Announces-Financial-and-Operating-Results-for-Fiscal-Year-2012.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).