

Lithium Americas Announces Financial and Operating Results for the Three Months Ended August 31, 2012

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HIGHLIGHTS

- **Announced Completion of Positive Definitive Feasibility Study Confirming Cauchari-Olaroz as One of the World's Largest and Lowest Cost Lithium Brine Resources**
- **Received Approval of Environmental Impact Statement. Final Government Approval to Proceed With Construction and Production Expected in Q4 of Calendar Year 2012**
- **Negotiations With Strategic Partners Regarding Project Financing Have Commenced, and Are Expected to Conclude Within Q4 of Calendar Year 2012 or Early in Calendar Year 2013**

TORONTO, ONTARIO -- (Marketwire) -- 10/15/12 -- [Lithium Americas Corp.](#) (TSX: LAC) (OTCQX: LHMAF) ("Lithium Americas" or the "Company") today reported that it has filed its interim financial reports, including the unaudited condensed consolidated interim financial statements and management discussion and analysis, as at, and for the three months ended, August 31, 2012. These documents are available in the SEDAR database at www.sedar.com and on the Company's website www.lithiumamericas.com. All amounts are expressed in Canadian dollars, unless otherwise indicated.

Results For The Period

During the three months ended August 31, 2012, the Company incurred a net loss of \$1.2 million (August 31, 2011 - \$2.1 million). Loss per share for the quarter amounted to \$0.02 compared to \$0.03 in the same period of 2011. General and administrative expenses during the first quarter amounted to \$0.34 million (August 31, 2011 - \$0.47 million), losses on foreign exchange were \$0.01 million (August 31, 2011 - \$0.07 million), while share-based compensation expense, a non-cash item totalled \$0.2 million (August 31, 2011 - \$0.6 million).

As at August 31, 2012, the Company had \$2.3 million in cash and cash equivalents and positive working capital of \$0.7 million, and \$8 million available under its stand-by line of credit to fund current operations.

"With our definitive Feasibility Study complete and the pilot plant operational, our attention has been focussed on obtaining final government approval and on securing our project financing," said Waldo Perez, President and CEO of Lithium Americas. "The global market for lithium continues to be supported by strong demand for batteries of all sizes, from hand held electronic devices to large scale grid storage, creating upward pressure on lithium carbonate prices. The scale and projected low operating cost of the Cauchari-Olaroz project is expected to make us extremely competitive in this growing market."

Operational Highlights

During the three months ended August 31, 2012, the Company announced the following significant developments associated with the advancement of its principal property:

Announcement of Definitive Feasibility Study Results

According to the Reserve Estimate outlined in the definitive Feasibility Study ("FS"), Lithium Americas' Cauchari-Olaroz property has proven and probable reserves sufficient to operate at a production rate of up to 40,000 tonnes per annum ("TPA") of lithium carbonate and up to 80,000 TPA of potash for 40 years, which would include an initial five year ramp-up period. Consistent with the Company's previously released Preliminary Economic Assessment, Lithium Americas' business plan is to build the project in two stages, with each stage consisting of a 20,000 TPA lithium carbonate facility and a 40,000 TPA potash facility. The second stage is not expected to commence until 2018 and it will be the subject of a separate study to be

undertaken by the Company. Stage 2 is expected to improve the already robust project financials for stage 1, as outlined in the FS. No estimated financial results associated with stage 2 are included in the FS results identified below.

The FS results identify that Lithium Americas is expected to have one of the largest and lowest cost lithium operations in the industry and calculates a base case pre-tax net present value ("NPV") of US\$738 million, assuming an 8% discount rate, and an after-tax NPV of US\$464 million. The base case pre-tax Internal Rate of Return ("IRR") is 23% and after-tax IRR is 20%. The FS estimates cash operating costs for lithium carbonate at US\$1,876 per tonne, or US\$1,332 per tonne if expressed on a net cash operating cost basis (ie if the cash operating margin benefits of potash are deducted from the cash operating costs of lithium carbonate (which is customary in the mining industry when reporting the costs of the main product vs the by-product)).

The FS was prepared by the independent engineering firm ARA WorleyParsons ("ARAWP"), the hydrogeologic modelling experts AquaResource, a division of Matrix Solutions Inc., ("AQR"), and by hydrogeology expert Groundwater Insight ("GWI"). The FS builds upon the Company's Preliminary Economic Assessment, also prepared by ARAWP and GWI and filed in May 2011. The FS, dated July 11, 2012 and titled Feasibility Study Reserve Estimation and Lithium Carbonate and Potash Production at the Cauchari-Olaroz Salars, Jujuy Province, Argentina, can be found on SEDAR at www.sedar.com.

Approval of Environmental Impact Statement

The Provincial Environmental Agency of Jujuy Province, Argentina has approved the Environmental Impact Statement for the construction of the Company's Cauchari-Olaroz lithium/potash project. Lithium Americas has previously obtained definitive mining title as well as secured long term land use agreements with the five aboriginal communities on which its Cauchari-Olaroz reserve estimate was calculated and its project will be built.

Final government approval to proceed with construction and production is expected in Q4 of calendar year 2012, and involves the recommendation of the Provincial Committee of Experts constituted to assess the impact and benefits to the Province of lithium projects.

Change of Financial Year End

The Company has changed its financial year end from February 28 to December 31, resulting in a ten month transitional financial year from February 29, 2012 to December 31, 2012. This change will allow Lithium Americas to align its financial year end with that of its wholly-owned Argentinean subsidiary, Minera Exar S.A., thereby simplifying accounting and consolidation activities. It will also align the Company's financial reporting with its operational and budgeting cycles. A Notice of Change in Year End has been filed under the Company's profile on SEDAR at www.sedar.com.

As a result of this change, the Company will not issue interim financial statements as at and for the nine months ended November 30, 2012, in line with its previous financial year end, and will next issue audited annual financial statements as at and for the ten months ended December 31, 2012.

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 definitive Feasibility Study identified that Lithium Americas' operating cost per tonne of lithium carbonate is expected to be one of the lowest in the industry. Mitsubishi Corporation and Magna International are shareholders in the Company, in addition to both companies having off-take arrangements with Lithium Americas.

Cautionary Note and Forward-Looking Statements

This press release contains forward-looking statements, which can be identified by the use of statements that include words such as "plan", "developing", "estimate", "could", "potential", "believe", "expect", "anticipate", "intend", "likely", "will" or other similar words or phrases. Forward-looking statements express, as at the date of this press release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. Forward-looking statements are based on certain assumptions, including the key assumptions and parameters on which such estimates are based, involve risks and uncertainties and there can be no assurance that such statements will prove to be accurate. Therefore,

actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resource and reserve estimates, grade/concentration or recovery rates, lithium or potash prices, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated or other unanticipated difficulties or interruptions; political, community relations, regulatory, environmental and other risks of the mining industry and other risks more fully described in the Company's Annual Information Form dated May 28, 2012 and its most recent management's discussion and analysis available on SEDAR. The Cauchari-Olaroz project has no operating history upon which to base estimates of future cash flow.

The capital expenditures and time required to develop any new project is considerable and changes in capital and/or operating costs or construction schedules can affect project economics. It is possible that actual capital and/or operating costs may increase significantly and economic returns may differ materially from the Company's estimates or that prices of lithium and/or potash may decrease significantly or that the Company could fail to obtain the satisfactory governmental approvals necessary for the operation of a project or obtain project financing on acceptable terms and conditions or at all, in which case, the project may not proceed either on its original timing or at all. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results to be materially different from those planned, estimated, forecasted, projected or expected. 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.

The mineral reserve and resource figures referred to herein are estimates only and no assurance can be given that the anticipated tonnages and grades/concentrations will be achieved, that the indicated level of recovery will be realized or that mineral reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and hydrogeological interpretation. In addition, there can be no assurance that lithium and/or potash recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its reserve estimates from time to time or may render the Company's reserves uneconomic to exploit. Reserve data are not indicative of future results of operations. If the Company's actual mineral reserves and mineral resources are less than current estimates or if the Company fails to develop its resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of reserves and resources occurs from time to time and they may change depending on further hydrogeological interpretation, drilling results and mineral prices. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Until mineral reserves and resources are actually mined and processed, the quantity of mineral reserve and resource grades/concentrations must be considered as estimates only.

Contacts:

[Lithium Americas Corp.](#)

Mike Cosic, VP Corporate Development
416-360-1921
mcosic@lithiumamericas.com
www.lithiumamericas.com

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