

Lithium Americas Announces Financial and Operational Results for the Ten Month Period Ended December 31, 2012

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TORONTO, ONTARIO -- (Marketwire) -- 04/01/13 -- [Lithium Americas Corp.](#) (TSX: LAC) (OTC PINK: LHMAF) ("Lithium Americas" or the "Company") today reported that it has filed its audited consolidated financial statements, management discussion and analysis, and annual information form, as at, and for the ten month period ended December 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.

Financial Results

The Company changed its financial year-end date from February 28 to December 31. This change was made to conform to a more standardized industry and calendar basis. As such, financial and operational results are presented for the ten month period ended December 31, 2012, with comparative information for the year ended February 29, 2012.

As at December 31, 2012, the Company had invested a total of \$45.7 million in property rights, exploration, and evaluation activities related to its Cauchari-Olaroz lithium project. As at December 31, 2012, the Company had \$1.0 million in cash and cash equivalents, and \$7 million available under its stand-by line of credit facility. Given Lithium Americas is a development stage company, it is not yet in a position to generate any revenue, and as such, reported a net loss of \$4.3 million during the ten month period ended December 31, 2012. This resulted in a loss per share of \$0.06.

"Lithium Americas made great strides in 2012 towards putting its world-class lithium deposit into commercial production", said Dr. Waldo Perez, President and CEO of Lithium Americas. "Having completed our Feasibility Study, and having obtained the final project approval from the respective governmental authorities, we are now in a position to commence the detailed engineering work for construction of our project, once project financing is obtained. We are actively involved in project financing discussions with a number of interested parties."

Operational Results

During the ten months ended December 31, 2012, the Company announced the following significant developments associated with the advancement of its Cauchari-Olaroz lithium project:

Received Final Decree, Approving the Development of its Cauchari-Olaroz Lithium Project

In December 2012, the Company announced that it received final project approval for the construction of its Cauchari-Olaroz lithium project. Upon the recommendation of the Committee of Experts, the Jujuy Government executed the final decree, through the joint resolution of the Production Minister and Secretary to the Government, which approved the development of Lithium Americas' Cauchari-Olaroz lithium project. Such approval included water use permitting, confirmation of mining licences in good standing, environmental approval for lithium and potash production, and all other permits required to start project construction.

Received Committee of Experts Project Approval

In November 2012, the Company announced that it received approval for the construction of its Cauchari-Olaroz lithium project from the Committee of Experts of the province of Jujuy. The Committee of Experts is tasked with assessing the impact and benefits to the province of Jujuy of any proposed lithium project.

Committee of Experts' approval was granted following the Company entering into a letter of intent ("LOI")

with Jujuy Energia y Minería Sociedad del Estado ("JEMSE"). JEMSE is the government of Jujuy's mining investment company, involved in the development of mining projects in the province of Jujuy. The LOI with JEMSE, whereby JEMSE will acquire an 8.5% equity interest in the Company's Argentinean subsidiary ("Minera"), provides Lithium Americas with valuable management services in order to develop its world class lithium project. These management services include:

- Liaison with the national customs authorities to facilitate import of all the necessary equipment and components, primary materials and/or necessary services for the development of the project and the export of products
- Liaison with the governing bodies of the province of Jujuy and the municipality of Susques
- Liaison with the authorities of the Republic of Argentina's Central Bank to facilitate the import and export of currency
- JEMSE to obtain a list of local providers such that the Company can make an appropriate selection based on their qualifications. Priority will be given to local providers to ensure quality, opportunity, price and local participation on the basis of the project schedule, financial requirements, and best practices

JEMSE will be required to cover its pro rata share of the financing requirements for the construction of the Cauchari-Olaroz lithium project. These funds will be loaned to JEMSE by Lithium Americas and will be repayable out of one-third of the dividends to be received by JEMSE from Minera over future years of the Cauchari-Olaroz lithium project. The distribution of dividends to JEMSE and other shareholders of Minera will only commence once all commitments related to the project and debt financing are met.

The terms of the JEMSE LOI with Lithium Americas are comparable to a similar agreement entered into between JEMSE and another Jujuy-based lithium development company. A most favoured nations clause ensures that, should JEMSE reach an agreement with any other lithium company on terms that are more favourable than those in Lithium Americas' agreement, those more favourable terms will automatically apply to Lithium Americas' agreement with JEMSE. A definitive agreement with JEMSE is expected to be executed at the time that project financing is obtained.

Received Recommendation of Approval of Environmental Impact Statement

In August 2012, the Company announced that the Provincial Environmental Agency of Jujuy Province, Argentina ("UGAM") recommended approval of the Environmental Impact Statement ("EIS") for the construction of the Company's Cauchari-Olaroz lithium project. Lithium Americas previously obtained definitive mining title as well as secured long term land use agreements with the five aboriginal communities on which its Cauchari-Olaroz lithium project reserve estimate was calculated and its project to be built.

Filed Definitive Feasibility Study

In July 2012, the Company filed on SEDAR its National Instrument 43-101 compliant Feasibility Study for its Cauchari-Olaroz lithium project.

Announced Definitive Feasibility Study Results

In June 2012, the Company announced the results of its Feasibility Study, which was prepared by independent engineering firm ARA WorleyParsons ("ARAWP"), hydrogeologic modelling expert AquaResource, a division of Matrix Solutions Inc., and hydrogeology expert Groundwater Insight ("GWI"). The Feasibility Study builds upon the Company's Preliminary Economic Assessment ("PEA"), prepared by ARAWP and GWI and filed on SEDAR in May 2011. According to the reserve estimate outlined in the Feasibility Study, Lithium Americas' Cauchari-Olaroz lithium project 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.

The reserve and resource estimate for the Cauchari-Olaroz lithium project is summarized in the tables below for both lithium and potassium. The reserve and resource estimates are expressed relative to a lithium grade cut-off of greater than or equal to 354 milligrams per litre ("mg/L"), which was identified as a brine processing constraint.

Lithium Reserve and Resource Summary

Description	mg/L	Lithium (tonnes)	Lithium Carbonate (tonnes)	Brine (m(3))
Proven Reserves	679	37,000	197,000	5.50 x 10(7)
Probable Reserves	665	477,000	2,517,000	7.16 x 10(8)
Updated Measured Resource	630	576,000	3,039,000	9.14 x 10(8)
Updated Indicated Resource	570	1,650,000	8,713,000	2.89 x 10(9)

Potassium Reserve and Resource Summary

Description	mg/L	Potassium (tonnes)	Potash (tonnes)	Brine (m(3))
Proven Reserves	5,483	302,000	576,000	5.50 x 10(7)
Probable Reserves	5,395	3,863,000	7,378,000	7.16 x 10(8)
Updated Measured Resource	5,156	4,714,000	9,003,000	9.14 x 10(8)
Updated Indicated Resource	4,753	13,755,000	26,271,000	2.89 x 10(9)

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 Feasibility Study. No estimated financial results associated with stage 2 are included in the Feasibility Study results.

The Feasibility Study 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 Feasibility Study 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 Feasibility Study estimates initial capital costs associated with lithium carbonate production to be US\$269 million, and initial capital costs associated with potash production to be US\$45 million.

The Feasibility Study results indicate that Lithium Americas is expected to have one of the largest and lowest cost lithium operations in the industry.

Waldo Perez, P.Geo., is the internal Qualified Person for the Cauchari-Olaroz lithium project in accordance with NI 43-101. Mr Perez has read and approved the contents of this news release.

Executive Committee

In addition to the above mentioned operational achievements, in November 2012 the Company announced the creation of an Executive Committee to oversee discussions with prospective strategic partners and financing proposals. Given the economic value of the Company's Cauchari-Olaroz lithium project, as reflected in the Company's Feasibility Study, Lithium Americas received several new expressions of interest in financing its project, in addition to the agreements that the Company already has with its strategic investors. In order to better manage these project financing discussions, Lithium Americas created an Executive Committee of the Board to oversee the process of soliciting financing proposals for the development of the Company's Cauchari-Olaroz lithium project, and to manage discussions with current and prospective strategic partners. The Executive Committee is comprised of John Kanellitsas (Committee Chair), Constantine Karayannopoulos, and Tom Hodgson (Executive Chairman of the Company), supported by Company CEO Waldo Perez. The Executive Committee is assisted in this effort by Scotia Capital, acting as Lithium Americas' financial advisor.

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", "commence", "future" 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 March 28, 2013 and its most recent management's discussion and analysis available on SEDAR. The Cauchari-Olaroz lithium 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 or maintain governmental approvals necessary for the operation of its 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.

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