

Orocobre Limited: Quarterly Report of Operations for the Period Ended 31 March 2013

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BRISBANE, AUSTRALIA -- (Marketwired - April 30, 2013) - [Orocobre Limited](#) (TSX:ORL) (ASX:ORE) -

HIGHLIGHTS AND SIGNIFICANT DEVELOPMENTS

Salar de Olaroz Lithium-Potash Project:

- Construction of the project is proceeding on time and within budget.
- A total of USD\$87m has been spent or committed via executed contracts in the construction project to date.
- A large function involving dignitaries, government, company staff, ten local community representatives and members of the business community was held on Thursday 14 March at the Salar de Olaroz to celebrate the official opening of the Olaroz project construction. Approximately 500 people attended.

Corporate

- The Company announced on 21 January the appointment of Mr Neil Kaplan to the position of Chief Financial Officer and Mr David Hall to the position of Business Development Manager.
- Cash Position of A\$12.3 million at the end of the quarter.

Salar De Olaroz Lithium-Potash Project

The Olaroz Project is Orocobre's flagship project located in Jujuy province of Argentina. Together with partners, Toyota Tsusho Corporation ("TTC") and Jujuy Energia y Minería Sociedad del Estado ("JEMSE"), Orocobre is building the first large scale "green fields" lithium brine project in approximately 20 years. The project has a budgeted construction cost of US\$229m and has a design capacity of 17,500tpa of battery grade lithium carbonate. Financing has been completed with the partners contributing US\$82.8m. A low cost debt facility for up to US\$192m has been arranged with Mizuho Corporate Bank.

The Olaroz Project joint venture is operated through Argentine subsidiary, Sales de Jujuy S.A. ("SDJ SA"). The effective Olaroz Project equity interest is Orocobre 66.5%, TTC 25.0% and JEMSE 8.5%.

Salar de Olaroz Construction Update

Construction of the Olaroz lithium project officially began on 21 November, 2012. Progress has been swift due in a large part to the preparation and planning that took place in the preceding year. Sinclair Knight Merz, with the assistance of INFA, a well-respected Argentine engineering group, completed detailed engineering for all areas of the operation, including brine extraction, transport and evaporation, the lithium carbonate plant and key areas of the re-purification and micronizing circuits. The procurement process was also well advanced with all main suppliers identified and with many construction and supply contracts at an advanced stage of negotiation or ready for awarding by the construction commencement date.

In addition, prior to official construction start, various aspects of site preparation had been advanced, including the drilling of fresh water bores and pumping station and the time consuming removal of scrubby vegetation, "tolar", from the area of the evaporation ponds prior to earth moving. This includes the earth moving contracts for the construction of the 4.2 square kilometres of evaporation ponds and road construction for the bore field access road across the salt lake (which will allow production bores to be drilled), the drilling contract for sixteen 200m production bores, purchase of 37km of pipeline for gas supply, and the establishment of the construction camp, fuel and water supply. All major contracts awarded and executed to this point have been on or under budget.

Since the start of official construction significant progress has been made on site as follows:

- The establishment of the construction camp at Olaroz, and the renting of supplementary accommodation at the nearby town of Susques for first stage construction crews
- Mobilization of earth moving equipment and commencement of works
- The clearing of tolar over the majority of the evaporation pond area (4.2 sq km) and the commencement of earth works for evaporation pond construction.
- Establishment of a long term water supply to be used both for both domestic and construction purposes
- Establishment of fuel supply/storage and telecommunications
- The continuing construction of the access roads on the salar to the bore field area.

The following tasks have been completed to date:

- Earthworks and platform construction for the camp, customs yard, lime plant and effluent treatment plant
- Fencing for the customs yard
- Vegetation removal at 5A and 5B evaporation ponds
- Aquaduct pipe manufacturing
- Dining area and labour bedroom modules
- Sewage treatment plant construction
- Lime plant conveyor construction
- Concrete supplier mobilization
- Concrete Plant installation
- Contractors camp relocation
- Sewage treatment plant construction

The following tasks are currently in progress:

- Manufacturing of the worker's accommodation and dining pavilions
- Manufacturing of the lime plant conveyor belt
- Manufacturing of the ball mill for the lime plant
- Installation of the camp effluent plant
- Erection of the water pumping station equipment
- Construction of evaporation ponds
- Road and drilling platform construction on the salar
- Manufacturing of lime plant silo and tanks
- Equipment and mechanical installation at pumping station and water intake
- Tola Vegetation Removal and recycling at the pond area
- Lime plant silos, tanks and other facilities construction
- Road and platform construction on the salar
- Evaporation ponds construction
- Production wells drilling
- Grounding and concrete foundations for Lime Plant
- Aqueduct construction
- Gas Pipeline construction
- Brine pipeline construction
- Protection channels construction
- Camp modules installation
- Warehouse Area fence construction

Approximately \$87m of the US\$229m capital budget has been committed or spent and all major contracts awarded to this point remain on, or under, budget.

The project implementation is through EPCM (Engineering, Procurement and Construction Management) with a high proportion of local involvement through construction and supply contracts and local employment. The unique community and shared value policy continues as a key success factor, training local people with supervision by high quality experienced professionals.

Celebration of the Official Opening of Olaroz Construction

A large function involving dignitaries, government, company staff, ten local community representatives and members of the business community was held on Thursday 14 March at the Salar de Olaroz to celebrate the official opening of the Olaroz project construction. Approximately 500 people attended.

The ceremony was attended by dignitaries Amado Bodou, Vice-President of Argentina; Eduardo Fellner,

Governor of the Province of Jujuy; Hector Luzco, Susques Municipal Commissioner; Misashi Mizukami, Japan's Ambassador to Argentina and company representatives, James Calaway, Chairman; Richard Seville, Managing Director; Federico Nicholson, Director; Jose De Castro Alem, Group General Manager.

Borax Argentina

Borax Argentina has extensive operations and has a fifty year production history producing borax chemicals, boric acid and boron minerals. Production currently comes from three principal mines at Tincalayu, Sijes and Porvenir with concentrators at the first two locations and a chemicals plant at Campo Quijano producing refined products.

There are historical estimates on the mineralisation at these mines and at two undeveloped deposits. These form the basis for developing plans for the business.

Operations

The Borax Argentina operation performed as planned and expected over the quarter. At Tincalayu, 6,615 tonnes of tincal mineralisation was mined and 14,430 tonnes of hydroboracite, ulexite and colemanite mineralisation was mined at Sijes. Porvenir has been in a planned shut down this quarter.

Approximately 9,182 tonnes of combined products were sold, in line with budget although prices received were lower than expected due to generally softer market conditions.

During the quarter, work progressed in the programmes to convert some of the historical estimates to JORC compliant resources. Also during the quarter a number of projects were progressed to improve operations and reduce unit costs.

New developments - Borax Argentina Develops Nuclear Grade Boric Acid

On 20 March the Company announced the development of a new chemical product by Borax Argentina.

In early March Borax Argentina SA made the first shipment of Boric Acid HPN (High Purity Nuclear) Grade to a customer in Brazil. Boric Acid HPN is a new refined chemical product developed by Borax Argentina over the last six months with characteristics of high purity (greater than 99.9%) and low levels of key impurities such as iron, sodium, chlorine, sulphur. Heavy metal levels are less than one part per million. The high boric acid content and low impurity levels makes the product suitable for use in nuclear power plants. Boric acid is used in nuclear power plants to slow down the rate at which fission is occurring.

The development of this new product reinforces the inherent flexibility in the Borax Argentina operation and highlights the ability of the business to produce new specialist high specification products for high value niche markets. Boric Acid HPN will form an integral part of the product portfolio as Borax Argentina becomes more geographically diverse by growing its presence in key international markets.

This follows on from the recent development of a high grade hydroboracite product for the agriculture market.

Corporate

New Executive Appointments

On 21 January, 2013 the Company announced the appointment of Mr Neil Kaplan to the position of Chief Financial Officer and Mr David Hall to the position of Business Development Manager.

Neil Kaplan brings a wealth of knowledge to the Company with over 20 years of experience in managerial and finance positions obtained on four different continents. Neil's experience in the resources sector was obtained working in executive financial roles for Glencore International and formerly listed Coalcorp Mining, both based in Colombia.

David Hall has extensive business management, market development, marketing and logistics experience in domestic and international chemical and industrial minerals markets across a wide range of products and geographies. David served for 19 years with ICI Australia and Orica Australia in a number of roles in both Brisbane and Melbourne and more recently two years with Queensland Magnesia.

Canadian Reporting Update

Orocobre Limited (the Company) announced on 21 March 2013 that the company is now a "designated foreign issuer" pursuant to National Instrument 71-102 - Continuous Disclosure and Other Exemptions Relating to Foreign Issuers ("NI 71-102") and will no longer report under National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102") which would have required the company to prepare and file continuous disclosure documents in the format as required under the relevant Canadian regulatory requirements.

As a "designated foreign issuer", the Company will satisfy its Canadian securities legislation requirements relating to continuous disclosure by complying with the disclosure requirements of Australia and will do so for the remainder of the financial year and thereafter. Under the disclosure requirements of Australia, the Company will file interim six-month and annual financial results within the time limits prescribed by Australia securities legislation and the Australian Securities Exchange Listing Rules. The Company will not prepare and file interim and annual management discussion and analysis as it is not required to do so under the disclosure requirements of Australia.

As a "designated foreign issuer", the Company will also satisfy its other Canadian continuous disclosure requirements by complying with the disclosure requirements of Australia as permitted by NI 71-102. This Press Release was lodged in Canada by the Company at www.sedar.com. The Company is also releasing the Press Release in Australia for the purpose of facilitating equal dissemination of information in the Canadian and Australian markets and, to the extent necessary, to meet its continuous disclosure obligations.

Cash Position

At the end of the quarter, the company had a cash position of A\$12.3 million.

The final fund transfer to cover the Jujuy Energia y Minera Sociedad del Estado (JEMSE) equity component in the Olaroz project will occur in the Apr-Jun 2013 quarter. This is designated as a loan in the cash flow statement and will be repaid from dividend income. The terms of the agreement with JEMSE are that it has been granted an 8.5% equity interest in the Olaroz project. JEMSE's share of the construction financing will be loaned by Orocobre and repayable out of 33.3% of dividends received by JEMSE.

About Orocobre Limited

[Orocobre Limited](http://www.orocobre.com) is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE)(TSX:ORL), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company is building in partnership with Toyota Tsusho Corporation the first large-scale, de-novo brine based lithium project in 20 years at its flagship Salar de Olaroz resource, with projected production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate scheduled to commence in Q2 2014. The Company also wholly-owns Borax Argentina, an important regional borate producer. Orocobre has recently been included in the S&P/ASX 300 Index. For further information, please visit www.orocobre.com.

Technical Information, Competent Persons' and Qualified Persons Statements

The information in this report that relates to Exploration Results or Mineral Resources is based on information prepared by, or under the supervision of Mr. Richard Seville who is a member of the Australasian Institute of Mining & Metallurgy. Mr. Seville is an executive director of Orocobre Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Seville consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Additional information relating to the Company's projects is available in "Technical Report - Salar de Olaroz Lithium-Potash Project, Argentina" dated May 30, 2011, (the Olaroz Report), the "Technical Report - Salinas Grandes Project" dated April 30, 2010 and the "Technical Report - Salar de Cauchari Project, Argentina" dated April 30, 2010, respectively, which have each been prepared by John Houston, Consulting Hydrogeologist, together with, in the case of the Olaroz Report, Mike Gunn, Consulting Processing Engineer, in accordance with NI 43-101.

Caution Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information contained in this release includes, but is not limited to, construction at the Olaroz Project and the timing thereof, the commencement of commercial production at the Olaroz Project and the timing thereof, the projected production of lithium carbonate at the Olaroz Project and the expected brine cost and grade at the Olaroz Project.

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; the risk that the conditions precedent to draw down the project financing with Mizuho Corporate Bank will not be met; that further funding may be required, but unavailable, for the ongoing development of the Company's projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with construction and development of the Olaroz Project; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project; general risks associated with the feasibility and development of the Olaroz Project; as well as those factors disclosed in the Company's Annual Information Form for the year ended June 30, 2012 filed at www.sedar.com.

The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium and potash; and the ability of the Company to operate in a safe, efficient and effective manner. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Not For Release in US

This announcement has been prepared for publication in Australia and may not be released in the U.S. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.

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