

Orocobre Limited: Quarterly Activities & Cashflow Report - June 2014

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Perth, Australia (ABN Newswire) - [Orocobre Ltd.](#) (ASX:ORE) (TSE:ORL) provide the Quarterly Activities & Cashflow Report for the period ending June 2014 with significant highlights.

For The Period Ended 30 June 2014

HIGHLIGHTS

Olaroz Lithium-Potash-Boron Project:

- Project construction is approximately 93% physically complete with significant milestones achieved.
- A total of approximately US\$214 m has been spent or committed via executed contracts on the construction project to date.
- Construction is projected to be completed on budget with the primary lithium carbonate plant start-up/commissioning scheduled to commence at the end of August 2014.

Borax Argentina

- Completed the year on budget.
- Borax plant relocated within the original budget of US\$3.7m from Campo Quijano (close to the city of Salta) to the Tincalayu mine with production commencing on 5 July 2014.

Corporate

- Cash position of A\$25.8m at the end of the quarter excluding funds in Olaroz Lithium Project companies.
- Corporate videos produced and available on the Company website.

Olaroz Lithium-Potash-Boron 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 at a capital cost of US\$229m and will have a design capacity of 17,500tpa of battery grade lithium carbonate. The Olaroz Project joint venture is operated through Argentine subsidiary Sales de Jujuy SA (SDJ SA). The effective Olaroz Project equity interest is: Orocobre 66.5%, TTC 25.0% and JEMSE 8.5%.

Construction Update

The construction of the project continues to proceed within budget and a total of approximately \$214m has been spent or committed via executed contracts in the construction project (refer Construction Update on the Olaroz Lithium Project, 2 July, 2014). In terms of physical progress, the construction program is approximately 93% complete.

During the quarter, import licences were received by the Company for its purchase of the remaining directly imported equipment required for the Olaroz project. Primary lithium carbonate plant start-up/commissioning is scheduled to commence at the end of August 2014, with commissioning/start up of the micronizing and drying circuit to follow in mid September. Full automated control operations are scheduled to be introduced during October (refer Construction Update on the Olaroz Lithium Project dated 2 July, 2014). 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 community and shared value policy "Jujuy First" continues as a key success factor, training local people under the supervision of high quality experienced professionals.

Borax Argentina

Borax Argentina has extensive operations and a fifty year production history producing borax chemicals, boric acid and boron minerals. The 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. The borax circuit at the chemicals plant has been relocated to the Tincalayu mine where the mineral for borax production, tincal, is mined.

Operations

Approximately 9,558 tonnes of combined products were sold during the quarter. This is in line with the June quarter last year but lower than budget. Sales were negatively impacted by insufficient stocks caused by the relocation of the borax plant. Demand for borax chemical products was higher than anticipated in the original inventory planning. The company expects to recover the sales momentum during the coming quarters as production ramps up at the borax plant. This is against a backdrop of improving market conditions for borax products. In spite of the challenging market conditions during the year and a dip in borax sales during the past quarter, Borax Argentina achieved its budget for the financial year.

*Combined product sales volume by quarter:

Quarter	Combined Product Sales (tonnes)
September 2012	9,161
December 2012	10,007
March 2013	9,182
June 2013	9,562
September 2013	10,103
December 2013	11,410
March 2014	9,027
June 2014	9,558

*Combined product sales volumes include borax chemicals, boric acid and boron minerals

Borax Plant Relocation

During the quarter, the relocation of the borax decahydrate plant from Campo Quijano to the Tincalayu mine was completed with production commencing on 5 July 2014 (for more detail refer Borax Plant Relocation Completed).

The relocated plant will produce 100tpd of borax decahydrate at full capacity and the project has been completed within the original budget of US\$3.7m net of existing plant and equipment.

As a result of the borax plant relocation significant benefits are expected to be achieved in both the reduction of operating unit costs and an increase in overall mineral recovery from the mine. Previously, run-of-mine ore at 17% B₂O₃ was concentrated at Tincalayu using dry magnetic separation at about 60% recovery to produce a 21% B₂O₃ grade, which was then transported 350 kms to Campo Quijano for further production into borax chemicals. Relocating the borax plant to the Tincalayu mine site allows for the direct processing of run-of-mine ore at a 15% B₂O₃ head grade without the need for magnetic separation and associated mineral losses plus it improves transport efficiency and cost by carting a 37% B₂O₃ refined product rather than the 21% B₂O₃ grade concentrate.

The Company considers this project an exciting development which will position the Borax Argentina business well for the future.

Historical Estimates to JORC Compliant Resource Conversion Programme

JORC Program

The company is in the process of upgrading the historical estimates of the different Borax Argentina mining properties to JORC/NI43-101 compliant mineral resources.

The Porvenir resource estimate, calculated in accordance with the requirements of JORC 2012 was the first re-evaluation of the Company's borate resource base (refer Amended Porvenir Resource Announcement, 29 April 2014). Geological interpretation and re-estimation of the resources at the Diablillos and Tincalayu projects is currently underway. The new resource estimate and exploration review reports for Tincalayu are expected to be completed by the end of the quarter and will shortly after lead into the development of a Life of Mine Plan (LOMP).

Once the geological interpretation and re-estimation of the resources at the Diablillos and Tincalayu projects are completed, the focus will move to the tertiary Sijes hydroboracite deposit.

Corporate and Administration

Cash Position

At the end of the quarter, the company had a cash position of A\$25.8m excluding funds in Olaroz Lithium Project companies.

Corporate Video

The Company has produced a corporate video package comprising three separate films, "Orocobre Corporate", "Salar de Olaroz Lithium Project" and "Borax Argentina". The links to these films are posted on the Orocobre home page.

To view all diagrams and photographs, please visit:
<http://media.abnnewswire.net/media/en/docs/ASX-ORE-809203.pdf>

About Orocobre Limited:

[Orocobre Ltd.](#) is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE) (TSE: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, "greenfield" 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 at the end of Q2, 2014. The Company also wholly-owns Borax Argentina, an important regional borate producer. Orocobre is included in the S&P/ASX 300 Index and was named 2012 Mining Company of the Year by Argentine mining magazine Panorama Minero and the Fundacion para el Desarrollo de la Mineria Argentina ("Fundamin" or Foundation for Development of Argentina Mining).

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