

# Lithium Americas Provides Update on Cauchari-Olaroz Lithium Project

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TORONTO, ONTARIO -- (Marketwired - Sep 3, 2014) - [Lithium Americas Corp.](#) (TSX:LAC) ("Lithium Americas", "LAC", or the "Company") is pleased to provide an update on the development of its Cauchari-Olaroz project, including the progress made with POSCO on the previously signed Co-Operation Agreement, the continued strong support from various Argentine government entities including Jujuy Energia y Minería Sociedad del Estado ("JEMSE"), the Company's strong balance sheet, and the evolution of the Company's senior management team and Board of Directors.

## **POSCO Co-Operation Agreement and Large Scale Pilot Plant**

As previously reported, POSCO, Korea's largest steel company, has been developing an innovative lithium extraction technology, which is much faster than traditional brine evaporation technology, minimizes the environmental footprint associated with large scale evaporation ponds, and achieves significantly higher lithium recovery rates than traditional evaporation technology. In January 2014, Lithium Americas signed a Co-Operation Agreement with POSCO (see our press release dated January 17, 2014), pursuant to which POSCO's Large Scale Pilot Plant (PP3) will be located on the Cauchari-Olaroz site. Since that time, the Company has been actively working with POSCO, preparing the Cauchari-Olaroz property to receive POSCO's lithium extraction pilot plant.

POSCO issued a press release in mid August updating the market on the progress of its lithium extraction pilot plant, and re-affirming its commitment to developing its proprietary lithium extraction technology on a large scale. The PP3 Plant is now shipboard, is expected to arrive in Antofagasta, Chile by mid-October, and is targeted to be in operation within the fourth quarter of 2014. POSCO expects the PP3 will be operating for several months in order to complete large scale testing. Following POSCO's determination of successful testing of the pilot plant, the Co-Operation Agreement contemplates a 90-day exclusivity period to negotiate the terms associated with a commercial-scale lithium plant at the Cauchari-Olaroz project.

## **Strong Relationships and Full Argentine Support**

Lithium Americas' management met with senior executives of POSCO and with senior Argentine federal and provincial government officials in Argentina last week, and is pleased to report that all requisite approvals have been confirmed for the importation and operation of the POSCO pilot plant at the Cauchari-Olaroz project. These approvals follow the earlier Environmental Impact approval received in July for the POSCO process. The meetings in Buenos Aires with federal officials were hosted by Jujuy Governor, Eduardo Fellner. As widely reported in Argentine papers, the government is fully supportive of increasing production of lithium in Argentina and benefiting the local provincial economy and communities.

The Company's management also met last week with senior executives of JEMSE, the government of Jujuy's mining investment company, involved in the development of mining projects in the province of Jujuy. In November 2012, the Company announced that it had entered into a letter of intent with JEMSE, whereby JEMSE will acquire an 8.5% equity interest in the Cauchari-Olaroz lithium project, as it will with other lithium projects in the Province. JEMSE has reaffirmed its support of the Company's business relationship with POSCO, and is excited to be involved with the commercialization of POSCO's high efficiency technology. Last week's meeting with JEMSE focused on the long term sustainable development of the Cauchari-Olaroz basin, and LAC confirmed that it is fully supportive of following industry best practices in order to protect this world class resource so the local economy can benefit for generations.

## **Financial, Senior Management and Board of Directors Update**

As at June 30, 2014, the Company had repaid all its long-term debt, had a cash balance of \$6.5 million, and positive working capital of \$5.3 million, having successfully completed a common share financing in March 2014, based on an offering of rights to holders of its common shares for gross proceeds of approximately \$18.6 million. The Company expects to have sufficient funds to carry itself through the POSCO evaluation period and the Company determining the optimal future course of development, estimated to occur by mid

year 2015.

At the Company's Annual General Meeting ("AGM") in June, 2014, four new directors were named to the Board: Gary Cohn, Gerry Feldman, Sergio Marchi and Myron Manternach. At the Board of Directors' meeting immediately following the AGM, John Kanellitsas was appointed President and CEO of Lithium Americas on a permanent, full-time basis, having served as the Company's Interim CEO since June, 2013, and as a Director of the Company since 2011. Mr. Kanellitsas joins Tom Hodgson, the Company's Executive Chairman, and Franco Mignacco, the Company's Vice Chairman, as full time senior executives focused on creating long-term shareholder value by using Cauchari-Olaroz as the foundation of a major world-class lithium enterprise.

"We are delighted that John has accepted the position of President and CEO on a permanent basis," commented Tom Hodgson, Executive Chairman of Lithium Americas. "We are also extremely fortunate to be able to leverage the knowledge and resources of a very business oriented board of directors. The outlook for lithium is extremely positive, and the Company is very well-positioned to play a leadership role in the quickly-evolving lithium industry."

LAC's CEO, John Kanellitsas added, "We are committed to aggressively pursuing our mission to create value for all our stakeholders, ranging from our public shareholders to the local economies and people of Jujuy Province in Argentina, and our technology partners at POSCO in Korea. The tremendous benefits of the POSCO process are potentially industry changing. We are proud to be working with POSCO in this effort."

### **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 "developing", "expect", "will", "continue", "implementing", 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; changes in project parameters as plans continue to be refined; 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 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 enter into a commercialization agreement for the project, extraction technologies may not function as expected or at all, or may fail to obtain further 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.*

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