

Bacanora Minerals Ltd. Announces Annual Financial Results

25.10.2017 | [FSCwire](#)

Calgary - [Bacanora Minerals Ltd.](#) ("Bacanora" or the "Company") (TSX-V: BCN and AIM: BCN), the Canadian and London listed lithium exploration and development company, is pleased to announce its audited final results for the 12 months ended 30 June 2017.

The Company's Audited Annual Financial Statements and Management's Discussion and Analysis for the year ended 30 June 2017 are being printed and will be posted to shareholders shortly. Electronic copies of these documents are available on the Company's website at www.bacanoraminerals.com and on SEDAR at www.sedar.com. This announcement of final results is presented in Canadian dollars, unless stated otherwise.

Highlights

- Delivering on objective to transform Bacanora into a global lithium producer
- Strategic partnership and offtake agreement for flagship Sonora lithium project in Mexico ("Sonora" and the "Project") secured with Hanwa Co., LTD. ("Hanwa"), a leading Japan-based global trading company and one of the larger traders of battery chemicals in Japan
 - ° Partnership provides third party validation of quality of resource, process and product and follows extensive due diligence by Hanwa covering the Project, Pilot Plant and battery grade lithium carbonate samples
- Feasibility Study ("FS") on course to be completed in Q4 2017 and expected to confirm Sonora occupies a favourable position on the industry cost curve
- Battery grade lithium carbonate continuously produced at the Company's Pilot Plant since May 2016 has enabled optimisation and refinement of beneficiation process for Sonora FS
- 4,000 metre infill drilling programme completed to upgrade a portion of the current Mineral Resource from the Indicated to Measured category, in conjunction with geotechnical and hydrological drilling for the FS
 - ° Sonora currently has a large Indicated Resource comprised of 259 Mt averaging 3,200 ppm Li for 4.5 Mt of lithium carbonate equivalent ("LCE")
 - ° An updated resource model prepared by SRK Exploration Ltd to be included in the FS
- Acquisition of 50% interest in, and joint operatorship of, the Zinnwald Lithium Project ("Zinnwald") in southern Saxony, Germany- provides potential entry into the thriving European lithium market, which is being driven by the automotive, renewable energy storage and chemicals industries
- FS at Zinnwald commenced post period end:
 - ° Bulk ore sampling work to provide samples for metallurgical testwork for the flowsheet
 - ° Infill drilling programme planned for late 2017 to upgrade the existing resource model in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects

Chairman's Statement

We are developing one of the world's largest lithium projects and I believe we are at a tipping point. We have already proved that we can produce high quality battery grade lithium at our flagship Sonora Lithium Project in Mexico, which is one of the world's larger deposits with an Indicated Mineral Resource of 4.5 million tonnes and 2.7 million tonnes Inferred of lithium resources. We have received backing from institutional investors and we have secured an agreement with one of the world's largest traders of battery chemicals.

The stand-out development was the signing of a strategic partnership and off-take agreement with leading

Japanese trading house Hanwa for up to 100% of production. In our view, securing a partnership with a major trader of battery chemicals in Japan with reported net sales of more than ¥1,000 billion in 2016 provides industry validation of the large and scalable resource we have identified at Sonora; the work we have done to prove the metallurgical process; and the quality of the battery grade lithium carbonate produced by our pilot plant. Having secured Hanwa both as a partner and as an investor in Bacanora and having demonstrated Sonora is more than capable of meeting the stringent requirements of battery manufacturers for lithium products of the highest quality, we are looking forward to the completion of the Feasibility Study in Q4 2017, at which point we will then look to move onto the construction phase.

At Sonora we set ourselves three core targets for the year: sign an offtake agreement for lithium carbonate produced at the Project; commence and progress a Feasibility Study focused on an operation capable of delivering 17,500 tonnes per year of high quality battery-grade Li_2CO_3 for the first two years, followed by an expansion of the operations to 35,000 tonnes Li_2CO_3 per year; and finally prove up the detailed flow sheet and metallurgical process using our large scale lithium carbonate pilot plant in Hermosillo. We have delivered on all three counts.

From the outset, our intention was to secure an off-take partner for Sonora's production. The outcome surpassed our expectations. Not only did we award an off-take agreement for up to 100% of the Company's stage 1 production at Sonora to Hanwa at the prevailing market price, but we also signed a strategic partnership with the leading Japanese trading house. This saw Hanwa acquire an initial 10% equity stake in the Company via the purchase of 12,333,261 new common shares in the Company. Hanwa also has the option to increase its interest in Bacanora to up to 19.9%. Off-take agreements typically do not require any investment on the part of the off-taker until production commences so for Hanwa to agree to invest in the business represents a major vote of confidence not just in Sonora, but also in Bacanora and the management team.

We expect the upcoming FS, which is on course to be completed in Q4 2017, to go a long way to showing just why Hanwa elected to invest in Bacanora. Our previous work had already established Sonora as one of the world's larger lithium resources which benefits from being both high grade and scalable. We believe the FS report will confirm Sonora occupies a favourable position on the industry cost curve. This is due to a combination of factors: the plan to develop Sonora as an open pit mining operation; the nature of the deposit which is in the form of free digging lithium, thereby removing the need for the ore to be drilled, blasted, crushed and ground prior to processing as is the case with hard rock; the development of a conventional beneficiation process followed by a standard SO_4 roasting process that has been de-risked by the Project's pilot plant; and the capability to re-cycle Na_2SO_4 into the roaster which negates the need to purchase expensive sulphuric acid as a sulphate SO_4 source.

In addition to the world-class qualities of the deposit, our large-scale pilot plant in Hermosillo played a key role in securing such a high-quality partner. The integrated lithium carbonate facility, which includes pre-concentration, roasting, leaching and IX circuits, has been continuously producing battery grade lithium carbonate samples since May 2016. Integrated laboratory facilities at the site have enabled us to process and test battery grade samples from the plant which have then been distributed to Hanwa and its customers. As well as proving the detailed flow sheet and metallurgical process to be deployed at Sonora, the plant is also enabling us to train our workforce to operate the facilities. We intend to run the pilot plant continuously until 2019 to facilitate operator training prior to production.

To ensure we maintain the momentum behind the Company once the FS has been completed and move onto the construction phase as quickly possible, during the period we submitted an Environmental Impact Statement, the Manifestacion de Impacto Ambiental ("MIA"), for Sonora. This was based on environmental and social baseline studies that were carried out over the Project site over a two year period from early 2015. I am pleased to report that post period end, the MIA for Sonora, which was submitted to the appropriate authorities in June 2017, was approved in October 2017.

Our overall objective is to build a multi-project lithium company and with this in mind during the year under review we acquired a 50% interest in and joint operatorship of the Zinnwald Project in Germany. Zinnwald is located in a granite hosted Sn/W/Li belt that has been mined historically for tin, tungsten and lithium in the heart of Germany's industrial region. In terms of final product, end markets and stage of development, Zinnwald neatly complements Sonora. Zinnwald provides an excellent entry point into the rapidly growing market for lithium in Germany which is being driven by the automotive, renewable energy storage and chemicals industries. Meanwhile initial laboratory testwork has demonstrated that higher value lithium products can be produced from the Zinnwald concentrates. In line with this a Feasibility Study is underway to develop a strategy to produce higher value downstream, lithium products for the European battery and automotive sectors.

Corporate

During the year a number of changes were made to the Board of the Company. In October 2016, the Company confirmed the appointment of Mr. Jamie Strauss as a non-executive independent director. Mr. Strauss is the founding partner of Strauss Partners Ltd and has worked as a stockbroker in the City of London for over 25 years, specialising in the natural resources sector for nearly 20 years. In November 2016, I assumed the role of Chairman of the Board replacing James Leahy, interim Non-Executive Chairman. At the same time Mr. Ray Hodgkinson was appointed as a Canadian based Non-Executive Director of the Company, replacing Shane Shircliff who stepped down from this role to pursue other business interests. Ray Hodgkinson has substantial public company and natural resource experience. He is very familiar with Bacanora having been on its board between 2006 and 2013, prior to its AIM listing.

In May 2017, the Company announced the appointment of Dr. Andres Antonius, who is based in Mexico City, and Mr. Junichi Tomono, head of the Speciality Metals and Alloys department of Hanwa, as Non-Executive directors of the Company. The two appointments replace Mr. James Leahy, who stepped down from the Board as Non-Executive Director to pursue other business interests, and Mr. Kiran Morzaria who resigned from his position as Non-executive Director of the Company. Mr. Tomono's appointment to the board follows the signing of the strategic partnership and offtake agreement with Hanwa.

Financial

The Company held cash balances of approximately US\$25.0 million at the date of this report and is therefore fully funded through to the initial project development and the start of the construction stages at Sonora.

The current working capital is dedicated towards the completion of exploration programs, feasibility studies on the lithium projects along with continued work at the pilot plant. In order to meet the Company's planned growth and development activities, the Company budgets to spend an aggregate of approximately \$19.5 million during fiscal 2018, with approximately \$6.0 million on the Feasibility Study and related expenditures, approximately \$2.6 million on pilot plant related capital expenditures, approximately \$4.0 million on the Zinnwald project and approximately \$6.9 million on general and administrative corporate expenditures.

At June 30, 2017, the Company did not have any bank debt. The Company intends on meeting its financial commitments through further equity financings, as and when required.

In May 2017, in conjunction with the strategic partnership with Hanwa, the Company announced the issuance of 12,333,261 new common shares to Hanwa at a price of £0.83 (approximately \$1.46) per share to raise approximately £10.2 million (approximately \$18.1 million). The new common shares represented 10.0% of the issued and outstanding share capital of the Company at the time of the issue. Also in May 2017, the Company announced the issuance of 8,573,925 new shares at a price of £0.86 (approximately \$1.49) to Capital Research and Management Company, a US based investment company that manages in excess of US\$1.4 trillion, for total gross proceeds of approximately £7.4 million (approximately \$12.8 million). When combined with the previous investments by BlackRock Inc. and M&G Investment Funds, the Company is continuing to build a strong institutional shareholder base.

During the year ended June 30, 2017, the Company issued 2,925,000 common shares as a result of warrants exercise and 200,000 common shares as a result of stock options exercised for total proceeds of \$3,998,000.

For the year ended June 30, 2017 an impairment charge of \$8,037,430 was recognized in respect of the Magdalena Borate property. As a result of the Company's decision not to invest any further capital in the project and the Company's focus on the Lithium projects an impairment test was performed. The recoverable amount is its estimated fair value less costs to sell and is determined to be \$679,125. The Company plans to maintain the mining concessions in good standing for the next fiscal period.

The Company has previously disclosed the existence of an agreement between the late Mr. Colin Orr-Ewing, the past Chairman of Bacanora, and the Company subjecting the Sonora Lithium Project to a 3% gross overriding royalty on production from certain concessions within the Sonora Lithium Project. The Company understands that the royalty is now held by the estate of Mr. Colin Orr-Ewing. The circumstances of the granting of this royalty were reviewed by the Company and as a result of that review the legitimacy of the royalty is being disputed by the Company with the Orr-Ewing estate.

Outlook

We have known for a long time that Sonora holds one of the larger high grade and scalable lithium resources in the world. It is one thing to have a world class deposit and another to be able to extract a high value product from it. The year under review has seen us focus on proving that Sonora can become the next major

producer of battery grade lithium carbonate. In our view, the continuous production of battery grade lithium carbonate over an 18 month period at our pilot plant in Hermosillo, which played a major part in securing a strategic partnership with leading Japanese trading house Hanwa, demonstrates just that.

With a flagship project fast approaching the construction phase, a first class partner with long-established relationships in Asia, and end markets that benefit from structural growth drivers in the form of the rapid roll-out of electric vehicles and energy storage, Bacanora is in the right market with the right asset at the right time. The next major milestone will be the completion of the Feasibility Study at Sonora in Q4 2017. Subject to the results we intend to swiftly move into the construction phase, as we look to deliver on our objective to build a leading supplier of high value lithium products for many years to come.

I would like to thank our shareholders, management, employees and advisors for their support during over the course of the year and I look forward to providing further updates on our progress in the near term.

Mark Hohnen
24 October 2017

A copy of the annual report will be available on the Company's website at www.bacanoraminerals.com.

For further information, please contact:

[Bacanora Minerals Ltd.](http://Bacanora%20Minerals%20Ltd.)
Peter Secker, CEO
info@bacanoraminerals.com

Cairn Financial Advisers LLP, Nomad
Sandy Jamieson/Liam Murray
+44 (0) 20 7213 0880

Canaccord Genuity, Broker
Martin Davison, James Asensio
+44 (0) 20 7523 8000

St Brides Partners, Financial PR Adviser
Frank Buhagiar / Megan Dennison
+44 (0) 20 7236 1177

ABOUT BACANORA:

Bacanora is a Canadian and London listed lithium exploration and development company (TSX-V: BCN and AIM: BCN). The Company is exploring for, and developing a pipeline of international lithium projects, with a primary focus on the Sonora Lithium Project. The Company's operations are based in Hermosillo in northern Mexico. The Company is led by a team with lithium expertise and proven mine development, construction and operations experience.

The Sonora Lithium Project, which consists of ten mining concession areas covering approximately 100 thousand hectares in the northeast of Sonora State. The Company, through drilling and exploration work to date, has established an Indicated Mineral Resource (in accordance with NI-43-101) of 4.5 million tonnes (LCE1) and 2.7 million tonnes Inferred.2 A Pre-Feasibility Study completed in Q1 20163 established Probable Mineral Reserve (in accordance with NI 43-101) of 2.1 million tonnes LCE and demonstrated the economics associated with becoming a 35,000 tpa lithium carbonate and 50,000 tpa SOP producer in Mexico.

In addition to the Sonora Lithium Project, the Company also has a 50% interest in the Zinnwald Lithium Project in southern Saxony, Germany. The Zinnwald Lithium Project is located in a granite hosted Sn/W/Li belt that has been mined historically for tin, tungsten and lithium at different times over the past 300 years. The strategic location of the Zinnwald Lithium Project allows immediate access to the German automotive and downstream lithium chemical industries.

1 LCE = lithium carbonate (Li₂CO₃) equivalent; determined by multiplying Li value in percent by 5.324 to get an equivalent Li₂CO₃ value in per cent. Use of LCE is to provide data comparable with industry reports and assumes complete conversion of lithium in clays with no recovery or process losses.

2 See Amended Mineral Resource Estimate for the Sonora Lithium Project, Mexico, April 2016. The lead author of the amended report is Mr. Martin Pittuck (MSc., C.Eng., FGS, MIMMM) of SRK Consulting (UK) Limited ("SRK"). A copy of this report is available under Bacanora's corporate profile at www.sedar.com.

3 See Technical Report on the Pre-Feasibility Study for the Sonora Lithium Project, Mexico, 15 April 2016. The authors of the PFS are Ausenco Limited, SRK and Independent Mining Consultants Inc. A copy of this report is available under Bacanora's corporate profile at www.sedar.com.

Reader Advisory

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to the Company's intention of becoming a lithium carbonate producer and moving into the construction phase, budgeted spending for fiscal 2018, expectations that the FS will confirm Sonora as having a favourable position in the industry cost curve, potential growth in demand for lithium carbonate; and intentions to run the pilot plant continuously until 2019. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: commodity price volatility; general economic conditions in Canada, the United States, Mexico and globally; industry conditions, governmental regulation, including environmental regulation; unanticipated operating events or performance; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors disclosed under our profile on SEDAR at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/280276--Bacanora-Minerals-Ltd.-Announces-Annual-Financial-Results.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).