

Orocobre attracts Japanese partner

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OROCOBRE has announced a joint venture with Toyota Tsusho Corporation to develop its flagship Salar de Olaroz lithium-potash project in Argentina.

Toyota Tsusho will provide \$US4.5 million (\$A4.8 million) to fund the definitive feasibility study, which is expected to be completed in the third quarter of this year.

Toyota Tsusho will acquire a 25% interest in the project at a cost to be determined by the net present value of the project estimated in the DFS.

The company will also assist with funding, being responsible for securing a Japanese government-guaranteed low-cost debt facility for a minimum 60% of the cost of the project.

The funding is expected to be secured through Japan Oils, Gas and Metals National Corporation.

A scoping study completed last year estimated capital costs of \$80-100 million.

Under the deal, Toyota Tsusho can also negotiate a lithium chemicals offtake agreement.

Orocobre said it had been in discussions with potential partners for months, but Toyota Tsusho – 22%-owned by the Toyota Motor Corporation – seemed like the best fit, giving the company access to Toyota partners such as Sanyo and Panasonic.

"These companies have significant expertise and understanding of supply requirements in large format lithium-ion batteries for the automotive industry and consumer sector, and that will add greatly to our understanding of end-user requirements and demand," Orocobre managing director Richard Seville said.

"As environmentally friendly electric car demand continues to grow, Toyota Motor Corporation will have the opportunity to become a cornerstone offtake customer."

Salar de Olaroz has an inferred resource estimate of 350 million kilolitres of brine at 800 grams per kilolitre lithium and 6600gpk potassium.

The resource equates to 1.5 million tonnes of lithium carbonate and 4.1Mt of potash.

The scoping study investigated annual production of 15,000 tonnes lithium and 36,000t potash.

Orocobre recently listed gold spin-off company Elementos on the Australian Securities Exchange, in order to focus on Salar de Olaroz.

Shares in Orocobre emerged from a trading halt this morning and soared 26% or A37c to \$1.77.