

Pomerantz Law Firm Announces the Filing of a Class Action against Turquoise Hill Resources, Rio Tinto plc, Rio Tinto Ltd, Rio Tinto International Holdings Ltd, and Certain Officers

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NEW YORK, Dec. 4, 2020 - Pomerantz LLP announces that a class action lawsuit has been filed against [Turquoise Hill Resources Ltd.](#) ("Turquoise Hill" or the "Company") (NYSE: TRQ), Rio Tinto plc, [Rio Tinto Ltd.](#) (together with [Rio Tinto Plc](#), "Rio Tinto"), Rio Tinto subsidiary Rio Tinto International Holdings Limited, and certain of their officers. The class action, filed in United States District Court for the Southern District of New York, and docketed under 20-cv-10198, is on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Turquoise Hill securities from July 17, 2018 to July 31, 2019, inclusive (the "Class Period"), and who were damaged thereby, subject to certain exclusions. Plaintiff seeks to recover compensable damages on behalf of Plaintiff and the Class caused by Defendants' violations of the federal securities laws under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder.

If you are a shareholder who purchased Turquoise Hill securities during the Class Period, you have until December 14, 2020, to ask the Court to appoint you as Lead Plaintiff for the class. A copy of the Complaint can be obtained at www.pomerantzlaw.com. To discuss this action, contact Robert S. Willoughby at newaction@pomlaw.com or 888.476.6529 (or 888.4-POMLAW), toll-free, Ext. 7980. Those who inquire by e-mail are encouraged to include their mailing address, telephone number, and the number of shares purchased.

[Click here for information about joining the class action]

Turquoise Hill is an international mining company focused on the operation and development of the Oyu Tolgoi copper-gold mine in Southern Mongolia ("Oyu Tolgoi"), which is the Company's principal and only material resource property. Turquoise Hill's subsidiary, Oyu Tolgoi LLC, holds a 66% interest in Oyu Tolgoi, and the remainder is held by the Government of Mongolia.

[Rio Tinto Plc](#) and [Rio Tinto Ltd.](#) are operated and managed together as a single economic unit and engage in mining and metals operations in approximately thirty-five countries. Through their subsidiaries, Rio Tinto owns 50.8% of Turquoise Hill. A Rio Tinto subsidiary, Rio Tinto International Holdings, Inc. ("Rio Tinto International" or "RTIH"; and collectively with Rio Tinto plc and [Rio Tinto Ltd.](#), "Rio Tinto"), is also the manager of the Oyu Tolgoi project, including having responsibility for its development and construction.

The complaint alleges that thought the Class Period, Defendants made materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations, and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) the progress of underground development of Oyu Tolgoi was not proceeding as planned; (ii) there were significant undisclosed underground stability issues that called into question the design of the mine, the projected cost, and timing of production; (iii) the Company's publicly disclosed estimates of the cost, date of completion and dates for production from the underground mine were not achievable; (iv) the development capital required for the underground development of Oyu Tolgoi would cost substantially more than a billion dollars over what the Company had represented; and (v) Turquoise Hill would require additional financing and/or equity to complete the project.

On February 26, 2019, after the close of trading, Turquoise Hill shocked the financial markets by disclosing in a press release that, although "the [Oyu Tolgoi] project cost was expected to remain within the \$5.3 billion budget," a review had determined that "there was an increasingly likely risk of a further delay to sustainable first production beyond Q3'21." In the press release, the Company attributed the "likely risk" to productivity

delays in completing Shaft 2 and "challenging ground conditions that have had a direct impact on the project's critical path."

In response to this news, Turquoise Hill's common share price closed at \$1.83 per share on February 27, 2019, a 12.86% decline from the close at \$2.10 per share on February 26, 2019, on a trading volume of over 18 million shares—more than four times greater than the average daily trading volume over the prior year.

Four and a half months later, on July 15, 2019, after the close of trading, Turquoise Hill issued a press release announcing a further delay and that the underground project would cost substantially more than the Company had repeatedly stated during the Class Period. Sustainable first production from the underground development of Oyu Tolgoi would now be delayed by a further nine to twenty-one months until May 2022 to June 2023, and "the development capital spend for the project may increase by \$1.2 to \$1.9 billion over the \$5.3 billion previously disclosed." Turquoise Hill attributed the change to "[i]mproved rock mass information and geotechnical data modeling," which "confirmed that there are stability risks associated with components of the existing mine design." Turquoise Hill disclosed that the issues with the mine design were so unsettled that it would take until the second half of 2020 to develop a revised design for the mine.

Following this news, Turquoise Hill's common share price closed at \$0.60 per share, down 43.93% from the prior day's closing price of \$1.07 per share, with over 50.2 million shares traded.

On July 31, 2019, after the close of trading, Turquoise Hill issued a press release and Management Discussion & Analysis ("MD&A") making further disclosures about the status of the project, including that Turquoise Hill took a \$600 million impairment charge and a substantial "deferred income tax recognition adjustment" tied to the Oyu Tolgoi project, and that it suffered a loss in the second quarter. The next day, before trading hours, Rio Tinto issued a release concerning in part the project status, including that it had also taken an impairment charge related to the Oyu Tolgoi project, of \$800 million.

Following this news, on August 1, 2019, Turquoise Hill's common share price closed at \$0.53 per share, down 8.62% from the prior day's closing price of \$0.58 per share, with over 16.6 million shares traded.

After the Class Period, on July 2, 2020, Turquoise Hill and Rio Tinto announced that the revised feasibility study for the Oyu Tolgoi project had been completed. The study recommended a new design for the portion of the mine undergoing development, with the addition of structural pillars and other changes, resulting in a reduction to the estimated mineral reserves for the mine. Turquoise Hill's press release also warned that the Oyu Tolgoi team was engaged in "re-design studies" for other portions of the underground mine. Turquoise Hill estimated that there would be an increase in capital costs of \$1.5 billion (with a range of \$1.3 billion to \$1.8 billion), "subject to further studies and any additional scheduling delays or increases in capital costs arising from the impacts of the COVID-19 pandemic."

Also, on September 10, 2020, Turquoise Hill and Rio Tinto announced that they had entered into a non-binding Memorandum of Understanding under which they would seek to "reprofile Oyu Tolgoi's existing debt" and raise an additional \$500 million through debt financing, plus up to \$3.6 billion in equity—thereby diluting Turquoise Hill's public shareholders.

The Pomerantz Firm, with offices in New York, Chicago, Los Angeles, and Paris is acknowledged as one of the premier firms in the areas of corporate, securities, and antitrust class litigation. Founded by the late Abraham L. Pomerantz, known as the dean of the class action bar, the Pomerantz Firm pioneered the field of securities class actions. Today, more than 80 years later, the Pomerantz Firm continues in the tradition he established, fighting for the rights of the victims of securities fraud, breaches of fiduciary duty, and corporate misconduct. The Firm has recovered numerous multimillion-dollar damages awards on behalf of class members. See www.pomerantzlaw.com.

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