

Lithium Australia NL

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Lithium Australia in deal to sell 80% stake in Greenbushes South Lithium Project to Galan Lithium

Lithium Australia NL (ASX:LIT) (FRA:3MW) has entered into an acquisition and joint venture agreement with Galan Lithium Ltd (ASX:GLN) (FRA:9CH) for the sale of its 80% interest in the Greenbushes South Lithium Project.

Partnering with dedicated explorer Galan will drive the Greenbushes South Lithium Project forward as well as reduce the company financial commitment and exploration risks.

Lithium Australia will still retain significant lithium commodity exposure through its stake in Galan as well as the 20% project equity.

Strategy to create energy-metals loop

Lithium Australia managing director Adrian Griffin said: "The company's divestment of a majority interest in the Greenbushes South Lithium Project to Galan is consistent with our ongoing strategy, to advance proprietary, downstream lithium and battery technologies and to deliver an ethical and sustainable supply of energy metals for batteries through innovative minerals processing and battery recycling techniques, thus creating an energy-metals loop.

"Lithium Australia is pleased to partner with Galan, a dedicated explorer that will drive the Greenbushes South Lithium Project forward.

"This transaction means that the company reduces its financial commitment and exploration risk yet retains significant lithium commodity exposure by way of both Galan shares and 20% project equity."

Terms of agreement

The terms of the agreement include:

? The formation of an unincorporated joint venture between Galan (80%) and Lithium Australia (20%) by the issue of 1.221 million fully paid ordinary Galan shares;

? Galan to pay Lithium Australia's joint-venture expenditure share until completion of a preliminary feasibility study;

? Thereafter both parties will contribute on a pro-rata basis or the company may dilute out but retain a 2% Net Smelter Royalty;

? The acquisition is expected to be completed within five business days, or at such later date as the parties agree; and

? The sale of the exploration licence and prospecting license applications are subject to regulatory approvals.

Greenbushes South Lithium Project

Price: 0.099

Market Cap: \$79.88 m

1 Year Share Price Graph



Share Information

Code: LIT

Listing: ASX

52 week High Low
0.105 0.032

Sector: Battery Metals

Website: www.lithium-au.com

Company Synopsis:

Lithium Australia NL (ASX:LIT) aspires to close the loop on the energy-metal cycle. Its disruptive technologies are designed to furnish the lithium battery industry.

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The Greenbushes South Lithium Project is 200 kilometres south of Perth, with an area of 353 square kilometres.

Lithium Australia was initially attracted to the project due to its proximity to the world-class Greenbushes Lithium Mine and tenure that covered the southern strike projection of the geological structure that hosts Greenbushes.

The project area commences about 3 kilometres south of the Greenbushes open pit mining operations.

Greenbushes is currently the largest hard-rock lithium mine in the world and produces a concentrate of the lithium mineral, spodumene to feed both Chinese- and Western Australian-based mineral conversion plants, or consumers of technical-grade spodumene concentrates in Europe, North America and China.

Australian mining company, IGO Ltd (ASX:IGO) (OTCMKTS:IPGDF) (FRA:IDZ) recently signed a deal to acquire a 24.99% stake in Greenbushes from Tianqi Lithium.

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