Lithium Power divests Argentinian Assets

Lithium Power International (ASX:LPI)

Executed a sales agreement with Canada-based Vertex Lithium Corporation to divest its remaining 70% interest in lithium exploration properties on the Centenario Salar in Argentina.

The company will now focus on developing its flagship Maricunga Lithium Brine Project.

Lithium Power Intl.	ASX : LPI
Stage	Exploration
Metals	Lithium
Market cap	A$66 m @ 22 c
Location	Maricunga, Chile

Comment

This is a good move by management in my opinion, as it removes the problems of having an asset in Argentina, where the politics change frequently, and generate uncertainty.

It also monetises a non core asset, giving the company extra cash to invest into their core asset, their Maricunga Lithium Brine project in Chile.

Lithium Power International Ltd – To focus on Maricunga flagship project in Chile after divesting properties in Argentina

Lithium Power International Ltd (ASX:LPI) (OTCMKTS:LTHHF) has executed a sales agreement with Canada-based Vertex Lithium Corporation, to divest its remaining 70% interest in lithium exploration properties on the Centenario Salar in Argentina.

In 2018, LPI sold a 30% interest in the Centenario properties to ASX-listed Marquee Resources Ltd (ASX: MQR).

The company will now focus on developing its flagship Maricunga Lithium Brine Project in tier 1 jurisdiction Chile.

Lithium Power Management Comments

> *"This transaction with Vertex provides LPI with an immediate value for our holding in Centenario while retaining a very solid presence in Latin America with our flagship Maricunga lithium brine project in Chile.*

"We remain committed to our strategy to be a diversified lithium explorer and developer, with projects now in Chile and Western Australia, that provide the considerable potential to expand the company.

"The release of value from Centenario is a more effective means of deploying the company's capital."

Lithium Power chief executive officer Cristobal Garcia-Huidobro

Advantages of the transaction

The sale of the remaining Centenario asset releases the company from future annual exploration spending obligations set under Argentinean regulations. It also removes the cost of holding the asset, in which the company has no plans to conduct future exploration.

The key terms of the transactions include:

A cash payment of US$700,000, plus US$40,000 transaction execution costs, and the issue of C$250,000 worth of fully paid ordinary shares in Vertex.

For brevity, this summary has been redacted. To read the full news release, please click HERE

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