

Galan Lithium Ltd

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Galan Lithium diamond drills Hombre Muerto basin near Galaxy and Livent

Galan Lithium Ltd (ASX:GLN) is progressing well with maiden drilling at its Candelas Lithium Brine Project on the Hombre Muerto depression of Argentina as the company focuses its efforts on South America's Lithium Triangle area.

The company which previously traded as Dempsey Minerals Limited (ASX:DMI) is particularly interested in lithium brines and received a licence for Pata Pila at its greater Hombre Muerto Lithium Brine Project this week.

Pata Pila is on the same salt-encrusted depression or salar as Candelas, Hombre Muerto, Argentina's premier lithium brine basin.

READ: Galan Lithium increases lithium brine project, drilling commenced

Galan's drilling at the northern end of Candelas channel has come only a month after the Catamarca's regulatory body Secretaria de Estado de Minería — Gobierno de Catamarca approved its drilling permits for the project.

Galan's diamond drill team includes Canada-based international drilling company Major Drilling and its contractors who include trained locals from Catamarca.

On-site personnel are saying nearby at private accommodation while a mine camp is being mobilised at the project.

Speaking in its quarterly activities report yesterday, Galan said: "The main focus (in the December quarter) has been the continual development of the company's mining tenement interests in the lithium-bearing Hombre Muerto salt flat in the province of Catamarca, Argentina.

"Drilling has since commenced and ... is progressing well.

"The drilling campaign aims to test the geophysical model developed by the company and its consultants and is also planned to provide detailed data on the stratigraphy within the Candelas channel."

READ: Galan Lithium receives drilling permits for Candelas Lithium Brine Project in Argentina

The five-hole drill program will consist of holes drilled along the 12?15 kilometre extent of Candelas channel.

Galan major shareholder and advisor Clive Jones spoke to Proactive Investors' Stocktube video channel last month about the company's swift progress.

Price: 0.155

Market Cap: \$28.13 m

1 Year Share Price Graph



Share Information

Code: GLN

Listing: ASX

52 week	High	Low
	0.32	0.125

Sector: Rare earths & specialist minerals

Website: www.galanlithium.com.au

Company Synopsis:

*Galan Lithium Ltd (ASX:GLN), formerly Dempsey Minerals, is a mineral exploration company based in Western Australia. It is listed on the Australian Securities Exchange. *

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Jones has been a minerals explorer of more than 26 years and said: "We quickly got on the ground and have completed two rounds of geophysics over the project which, I think as I said earlier, it really exceeded our expectations, the results of that.

"It showed that at Candelas we could potentially be sitting on quite a substantial lithium brine resource, which is quite exciting for us.

"We then went through a long process of getting our permitting. It's been a great process, actually, and we've got to know the bureaucrats and the whole Catamarcan system in Argentina.

"We received our permits ... to conduct our first phase of drilling and we're really looking forward to getting on the ground and seeing what we've actually got there."

READ: Galan Lithium defines new areas of lithium brines at Hombre Muerto project

The first hole is only a kilometre from a rig being operated by neighbour Galaxy Resources Limited's (ASX:GXY) team.

Galaxy has a market capitalisation of \$802.8 million

On Wednesday, Galan said its first hole at Candelas was progressing well, had reached a 130-metre depth and drilling was ongoing.

Galan investor and managing director JP Vargas del a Vega is on-site in Argentina to oversee management of the drilling.

Pata Pila licence

The granted Pata Pila licence is part of Galan's greater Hombre Muerto Lithium Brine Project in Argentina.

Pata Pila covers a large area of alluvial fan that has been interpreted to overlie Hombre Muerto salt lake's western margin.

Galan said today the licensed area was "considered highly prospective for lithium-bearing brines akin to those being exploited by neighbouring Livent Corp (NYSE:LTHM).

Livent has a market cap of US\$1.9 billion and was previously called FMC Corp.

Quarterly results and funds at call

At the end of this month, Galan inked a controlled placement agreement (CPA) with Acuity Capital that gives it access to up to \$5 million of standby equity capital until December 31, 2020.

The company used \$733,000 on operating activities in the December quarter, netting \$2 million from the exercise of share options, and ending the period with \$2.1 million cash.

A large sum of 16,269,109 options expiring on December 31 had been issued by January 2 last year, with 99% of these taken up by year's end.

Galan expects have \$1.7 million of cash outflows in March quarter 2019 while spending \$1.5 million of the sum on exploration and evaluation.

Major shareholders

Galan had 95,240,001 shares on issue on September 14.

The company's top 20 shareholders had 56.6%, of the company's issued shares.

Top holder Hongze Group Ltd had the largest stake, with 14.0%, followed by the company's managing director Juan Pablo Vargas de la Vega, on 7.2%.

Galan advisor Clive Jones and his associated entities had a 6.6% holding while non-executive chairman Nathan McMahon and associated entities had a 5% stake.

— with Danielle Doporto, Tharun George

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