

# Anthony Tse on Galaxy Resources' \$280 million POSCO transaction

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"The interesting thing about that transaction was, we have a substantially large tenement holding to the south of that part of the salar and we managed to structure the transaction where although we were selling a reasonable level of our resource it actually did not have any impact at all on our reserves or the project. The 1.1 million tons of reserves for the Sal De Vida Project actually remained 100% intact. We actually still retain a little over 4 million tons of lithium carbonate equivalent. Essentially, we were able to sell a certain portion of our tenement package and obviously for significant consideration, \$280 Million U.S. dollars gross." States Anthony Tse, Managing Director & Chief Executive Officer of [Galaxy Resources Limited](#) (ASX: GXY), in an interview with InvestorIntel's Tracy Weslosky.

**Tracy Weslosky:** We have just all been watching you. Your settlement with the POSCO deal – you will be receiving \$271.6 million. Can you tell us more about the highlights of this please?

**Anthony Tse:** This was a deal that we had announced early on in the year. In 2018 we signed definitive binding agreements. I think it was at the end of August 2018. It took basically the remainder of the year to go through the necessary administrative closing of the transaction in Argentina. The transaction basically involved us selling just over 40 tenements in the northern basin of the Salar De Hombre Muerte where our Sal De Vida Project is located bordering the Catamarca and South

Province. Those 40 plus tenements involved a tentative resource of about 2 ½ million tons of lithium carbonate equivalent all measured and indicated of approximately 1.6 million. The interesting thing about that transaction was, we have a substantially large tenement holding to the south of that part of the salar and we managed to structure the transaction where although we were selling a reasonable level of our resource it actually did not have any impact at all on our reserves or the project. The 1.1 million tons of reserves for the Sal De Vida Project actually remained 100% intact. We actually still retain a little over 4 million tons of lithium carbonate equivalent. Essentially, we were able to sell a certain portion of our tenement package and obviously for significant consideration, \$280 Million U.S. dollars gross. That will allow us to continue to develop the project. We have not actually technically sold the project. We have just sold a little bit of what I would call resource upside. Essentially at 1.1 million tons of reserves we already have a very long-life project. It is a 40-year project life project for us as it is today. Importantly the proceeds of the transaction will actually be applied for developing the Sal De Vida Project going forward.

**Tracy Weslosky:** I would love to thank you for knowing that our analyst is so excited about knowing the Sal De Vida Project. He asked me to find out what you plan on doing next. I think you have just answered that for us. Let me just make sure I have got this correct. You plan on using some of POSCO's settlement proceeds towards the development of this property.

**Anthony Tse:** That is correct.

**Tracy Weslosky:** Okay. Also, I would like to talk to you a little bit more about your Mt. Cattlin Project. Your quarterly results you discuss sales spodumene concentrate. Talk to us a little bit more about this.

**Anthony Tse:** Sure. We are about to issue our annual results shortly, this week. If you refer back to the quarterly results for the December quarter and obviously also referring—aggregating the previous quarter’s results you would see that for the whole year of 2018 we did in the range of just under 160,000 tons of lithium concentrate. That lithium concentrate or the spodumene that we actually produce we ship to our customers in China who are predominately lithium converter facilities.

To access the complete interview, [click here](#)

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