

## ASX ANNOUNCEMENT

25 June 2018



### BLUE SKY LITHIUM ACQUISITION COMPLETED

Dempsey Minerals Limited (ASX:DMI) (**Dempsey or the Company**) is pleased to announce that the Company has now completed the 100% acquisition of the issued capital of Blue Sky Lithium Pty Ltd ('Blue Sky'). Blue Sky owns the rights, interest and title to the mining tenements associated with the Hombre Muerto Lithium Project (**the Project**) located in Catamarca Province, Argentina.

The Company is also pleased to announce the appointment of two new directors to the Board - Mr Juan Pablo ("JP") Vargas de la Vega as the Managing Director and Mr Jinyu (Raymond) Liu as a Non-Executive Director.

JP is a Chilean/Australian mineral industry professional with 15 years broad experience in ASX mining companies, stockbroking and private equity firms and holds a Masters in Mineral Economics from Curtin University, Perth. He has a firm understanding of the global lithium market stemming from his prior role as a specialist lithium analyst in Australia and has successfully negotiated agreements with one of the largest world lithium producers SQM (NYSE:SQM). JP commenced as General Manager of Dempsey in February this year and has previously worked for BHP, Rio Tinto and Codelco.

Mr Liu is a qualified mining engineer with a commercial background and received his degree in Mining Engineering from University of Western Australia. He also holds a Master of Mineral Economics from Curtin University and a Western Australia Unrestricted Quarry Manager's licence. Mr Liu is the founding Managing Partner of Havelock Mining Investment, a Hong Kong investment company and has been involved with numerous investments in ASX listed companies and is currently a Director of Okapi Resources Ltd. Previously, he has served as a Director of Fosun International Australia, a Chinese conglomerate and investment company. Prior to this, he held technical roles at Rio Tinto, KCGM and Mt Gibson Iron.

Mr Patrick Corr has resigned from the Board of the Company due to increased business commitments. The Board would like to thank Patrick for his services and wish him every success in his future endeavours.

In accordance with Listing Rule 3.16.4, the key terms of Mr Vargas de la Vega's employment, at this point in time, are the same as when he was appointed as General Manager. His total remuneration is \$180,000 per annum (including superannuation). Appointment is on an on-going basis subject to termination by either party with 3 months' written notice. Performance incentives are being finalised but will be linked to a 1Mt of LCE in a Measured or Indicated JORC Compliant resource and the closure of financing to develop a mining operation.

Dempsey's Non-Executive Chairman, Mr Nathan McMahon, said, *"We are pleased to have now finalised the acquisition of Blue Sky Lithium and warmly welcome JP and Raymond to the Board and thank Patrick for his term with the Company. JP and the team have already shown a real 'go to' attitude and have hit the ground running. The results from our initial work at Hombre Muerto has exceeded our original expectations and we look forward to rapidly progressing the project"*.

## Compliance update

The ASX has been contacted by an anonymous party requesting some clarification on the ownership of the El Deceo tenements included in the Hombre Muerto Project.

As noted in the Company's Notice of Meeting to shareholders dated 3 April 2018, the Company had an option to acquire Blue Sky Lithium Pty Ltd or Blue Sky's rights, interests and titles in and to the mining tenements associated with the Hombre Muerto projects. Since the shareholder meeting held on 4 May 2018, and with the transaction approved by shareholders, the Company has now acquired all the issued shares in the capital of Blue Sky.

Blue Sky has agreements with various parties covering its licenses at Hombre Muerto. These licences and agreements were independently confirmed as being valid and binding by the Company's legal representatives.

It should be noted that after the application for registration of a purchase option contract by Blue Sky, the El Deceo concessionaires filed an action of contractual recession in the Court of Catamarca, Argentina, alleging non-compliance with the stipulated deadline to make a bank transfer. This action was relayed to us by third parties and not directly by the concessionaires. More importantly, the Company executed the bank transfer as requested by the concessionaires and the Company disputes any claim of non-compliance. It should be noted that the action does not affect any of the Candelas licences where the Company has conducted its most recent work.

The Company's legal advice on this and any other possible claim on El Deceo breaches, are also not deemed to be valid. Furthermore, Blue Sky has not formally been notified by the Court of Catamarca Court of their requirement to defend the case.

As for the remaining concessions, outside of the Salta-Catamarca provincial boundary dispute outlined in the Company's Notice of Meeting dated 3 April 2018, there are no legal ownership issues with Blue Sky's holdings and we are not aware of any other action against the Company.

### **For further information contact:**

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