

26 August 2018

Guyana Morabisi Lithium Exploration Farm-in Project

Greenpower Energy Limited (ASX: GPP) now confirms that Phase 3 of the Farm-In under the Heads of Agreement (“HoA”) between GPP and Guyana Strategic Minerals (“GSM”) is complete.

The HoA provided for GPP to spend \$US1m in Phase 3 and by doing so, is now entitled to earn a further 16% interest to move to a total 51% shareholding in GSM. The Phase 3 expenditure was completed by the delivery of the last assays from the drilling campaign carried out by Nagrom in Perth, and the consequent announcement of those results (see GPP’s ASX announcement dated 30 July 2018).

Under the HoA, following satisfaction of the Phase 3 expenditure requirement, GPP then had a 30-day period to exercise a right either to proceed to Phase 4 which would require GPP to complete a bankable feasibility study for the commencement of mining, or alternatively to elect to have the parties meet as soon as practicable to determine the next steps to progress the project and its mineral opportunities.

As the drilling campaign for Phase 3 has identified the presence of lithium at one location, but potentially not at conventionally economic levels, GPP believes that a bankable feasibility study is premature at this stage. Further, the tenement comprising the project will require renewal by 5 December 2018. Therefore, GPP has chosen the second alternative as the best method to progress the development of the project and will not proceed to Phase 4 of the HOA at this time. Accordingly, GPP will continue to maintain its 51% interest but will not expend further on the project at this time. GPP continues to assess the Phase 3 results and consider its plans in respect of the project and will update the market accordingly.

GPP and GSM intend to meet as soon as practicable to decide on the next course of action in respect of the project. GPP will otherwise update the market in due course.

ENDS

For further information:

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