Ganfeng deal to get Goulamina project into construction next year

FURTHER clarity on the Goulamina lithium transaction has been provided with project owner Firefinch reporting incoming partner Ganfeng will stump up US$40-64 million in debt on top of the $130 million in equity for the $194 million project development in Mali.

Source: https://www.miningnews.net/m-a/news/1412054/ganfeng-deal-to-get-goulamina-project-into-construction-next-year

All going to plan, the expectation is Ganfeng will hand over $39 million in the December quarter, and $91 million in the June quarter 2022 when the final investment decision has been flagged.

It is then anticipated Ganfeng will sort out the debt four months after the FID.

If Ganfeng comes up with $40 million, its understood the notional $24 million balance will be made-up by the joint venture partners.

However, Firefinch chairman Dr Alistair Cowden made the point to MNN he believes there is potential to better the current $194 million capital cost estimate.

And he also noted working capital would be needed in any case.

Ganfeng and Firefinch's set-to-be-separately-listed ASX lithium vehicle will hold 45% each in Goulamina, with the Mali government having 10%. The latter has the right to move to 20% at "fair value".

Previous feasibility work has modelled a pre-tax NPV of $1.2 billion and IRR of 56%.

Shares in Firefinch were up 16.5% to A53c in morning trade, capitalising the company at $416 million.