

ALITA SENIOR SECURED DEBT FACILITY REPAID BY ADMINISTRATORS

HIGHLIGHTS

- ◆ **The Alita Resources Limited outstanding senior secured loan facility of US\$32.5 million acquired by Galaxy in August 2019 was repaid in full on Friday November 29**
- ◆ **Funds received will be used to repay Galaxy's corporate debt facility**
- ◆ **Galaxy remains in a very strong financial position as it prepares for the acceleration of the Sal de Vida Project development phase**

Galaxy Resources Limited (ASX: GXY, "**Galaxy**") advises that the administrators ("**administrators**") of Alita Resources Limited (ASX: A40; SGX: 40F, "**Alita**") have repaid in full the Alita senior secured loan facility that Galaxy acquired in August 2019 ("**Facility**"). The total amount received on November 29 was US\$32.5 million, including the Facility principal, accrued interest and costs associated with managing the Facility. The costs and expenses of the receivership will be met from funds held by the receiver manager and will not be deducted from the Facility.

Following acquisition of the Facility, Galaxy was able to conduct extensive due diligence on the Alita assets and liabilities, including the Bald Hill mine. Galaxy then proposed a Deed of Company Arrangement ("**DOCA**") to the administrators of Alita.

After negotiations with the administrators on the terms of its DOCA, Galaxy was advised that a Third Party Proposal had been received by the administrators which provided the administrators with the funding required to repay the Facility. Galaxy was not prepared to amend the offer terms included in its proposed DOCA and the administrators chose to repay the Facility in full.

Galaxy's status as a creditor of Alita ceased upon repayment of the Facility. The administrators have not provided Galaxy with details of the Third Party Proposal. Galaxy's DOCA proposal will not be presented by the administrators at the Alita creditors meeting at which it is understood the Third Party Proposal will be considered by Alita creditors.

The funds received by Galaxy will be used to fully repay the corporate debt (US\$31.1 million) drawn down by Galaxy to fund the acquisition of the Facility. After repayment of the corporate debt Galaxy will again have zero debt, further enhancing the Company's strong financial position.

ENDS

This release was authorised by Mr Simon Hay, Chief Executive Officer of Galaxy Resources Limited.

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About Galaxy (ASX: GXY)

Galaxy Resources Limited is an international S&P / ASX 200 Index company with lithium production facilities, hard rock mines and brine assets in Australia, Canada and Argentina. It wholly owns and operates the Mt Cattlin mine in Ravensthorpe Western Australia, which is currently producing spodumene and tantalum concentrate.

Galaxy is advancing plans to develop the Sal de Vida lithium and potash brine project in Argentina situated in the lithium triangle (where Chile, Argentina and Bolivia meet), which is currently the source of more than 40% of global lithium production. Sal de Vida has excellent potential as a low-cost brine-based lithium carbonate production facility.

Galaxy's diversified project portfolio also consists of the wholly owned James Bay lithium pegmatite project in Quebec, Canada. James Bay will provide additional expansion capacity to capitalise on future lithium demand growth.

Lithium compounds are used in the manufacture of ceramics, glass, pharmaceuticals and are an essential cathode material for long life lithium-ion batteries used in hybrid and electric vehicles, as well as mass energy storage systems and consumer electronics. Galaxy is bullish about the global lithium demand outlook and is aiming to become a major producer of lithium products.

Caution Regarding Forward Looking Information

This document contains forward looking statements concerning Galaxy. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on Galaxy's beliefs, opinions and estimates of Galaxy as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Galaxy's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements. Data and amounts shown in this document relating to capital costs, operating costs, potential or estimated cashflow and project timelines are internally generated best estimates only. All such information and data is currently under review as part of Galaxy's ongoing operational, development and feasibility studies. Accordingly, Galaxy makes no representation as to the accuracy and/or completeness of the figures or data included in the document.

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