



Australia
17 November 2015

CORPORATE DEBT REFINANCING

Highlights

- Final stage of balance sheet restructuring now complete
- Galaxy residual debt profile now termed out to 3 years
- New secured debt facility for A\$31 million
- Proceeds to repay Galaxy's outstanding convertible bonds

Corporate Update

Galaxy Resources Ltd (ASX: GXY) ("Galaxy") ("the Company") is pleased to announce that it has executed a term sheet with OCP Asia ("OCP") for OCP to provide a A\$31 million secured debt facility to the Company, for the principal purpose of repaying the balance of outstanding convertible bonds.

The term of the OCP facility is for 3 years, secured against the assets and undertakings of the Company and will carry a coupon of 10% per annum. In addition, OCP will receive a one-time facility fee equivalent to 8% of the loan and 10 million warrants with an exercise price referenced to the share price in 6 months (subject to a floor of 8 cents), which shall be exercisable until the maturity date of the facility. The 8% fee is payable in Galaxy ordinary shares priced at a historical 20-day VWAP up to the date of first drawdown. The term sheet provides that upon full repayment of the facility, the Company will provide to OCP an agreed hurdle rate of return which is inclusive of the interest paid, as well as any gain in value of the Galaxy shares issued in satisfaction of the facility fee. Other terms include those customary to this type of financing.

Galaxy and OCP will be working through the necessary steps for completion, including the execution of definitive documentation and satisfaction of the required conditions precedent, and it expects to be able to achieve this over the next few days.

Anthony Tse, Managing Director of Galaxy commented: "This debt refinancing is a major milestone and marks the final stage of the Company's balance sheet restructuring, that has taken more than two years to complete. Galaxy is now financially very well positioned, with a significantly strengthened balance sheet, as well as near term cashflows expected from the restart of Mt Cattlin at the end of the first quarter of 2016."

About OCP Asia

OCP Asia (Hong Kong) Limited and OCP Asia (Singapore) Pte. Limited is a leading institutional investor in the Asia-Pacific region and manages private investment funds from their offices in Hong Kong and Singapore. OCP is a leading investor in the private debt space and has a long and successful track record of private debt investing in the Australian market. Further details of OCP Asia are available on its website www.ocpasia.com

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For more information, please contact:

Corporate

Nick Rowley
Director – Corporate Development
+61 (8) 9215 1700
nick.rowley@galaxylithium.com

About Galaxy (ASX: GXY)

Galaxy Resources Limited (“Galaxy”) is a global lithium company with lithium production facilities, hard rock mines and brine assets in Australia, Canada and Argentina. It owns the Mt Cattlin spodumene and tantalum project near Ravensthorpe in Western Australia and the James Bay lithium pegmatite project in Quebec, Canada.

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 60% of global lithium production. Sal de Vida has excellent potential as a low cost brine-based lithium carbonate production facility.

Lithium compounds are used in the manufacture of ceramics, glass, consumer electronics 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. 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.

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.

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