

**Notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-traditional Rights Issues) Instrument 2016/84)**

Galaxy Resources Limited ACN 071 976 442 (ASX: GXY) (**Galaxy** or the **Company**) has today announced:

- (a) a fully underwritten accelerated non-renounceable entitlement offer (**Entitlement Offer**) of 1 new fully paid ordinary share in Galaxy (**New Shares**) for every 14 shares in Galaxy held as at 7.00pm (Sydney time) on Friday, 27 November 2020 (**Record Date**) by Galaxy shareholders with registered addresses in Australia or New Zealand, or in certain other jurisdictions in which Galaxy determines to make offers (together, **Eligible Shareholders**); and
- (b) a concurrent fully underwritten placement of up to 65,294,118 fully paid ordinary shares in Galaxy to certain institutional investors (**Placement**).

Where applicable, references in this notice to sections of the *Corporations Act 2001* (Cth) (**Corporations Act**) are to those sections as modified by *ASIC Corporations (Non-traditional Rights Issues) Instrument 2016/84*.

In respect of the Entitlement Offer, Galaxy gives notice under section 708AA(2)(f) of the *Corporations Act* that:

- (a) Galaxy will offer New Shares for issue under the Entitlement Offer without disclosure to investors under Part 6D.2 of the *Corporations Act*;
- (b) as at the date of this notice:
  - (i) Galaxy has complied with the provisions of Chapter 2M of the *Corporations Act* as they apply to Galaxy;
  - (ii) Galaxy has complied with section 674 of the *Act*; and
  - (iii) there is no "excluded information" within the meaning of sections 708AA(8) and 708AA(9) of the *Corporations Act* which is required to be disclosed under section 708AA(7)(d) of the *Corporations Act*; and
- (c) the potential effect of the issue of New Shares under the Entitlement Offer on the control of Galaxy, and the consequences of that effect, will ultimately depend on a number of factors, including the extent to which Eligible Shareholders participate in the Entitlement Offer and broader investor demand. However, given the structure of the Entitlement Offer as a fully underwritten non-renounceable pro rata offer, Galaxy does not expect that the issue of New Shares under the Entitlement Offer will have a material effect on the control of the Company. Some further commentary about that follows.
  - (i) If all Eligible Shareholders take up all of their entitlements under the Entitlement Offer, then the Entitlement Offer will have no material effect on the control of Galaxy.
  - (ii) To the extent that an Eligible Shareholder does not take up their entitlements under the Entitlement Offer, that Eligible Shareholder's percentage holding in Galaxy shares will be diluted by the issue of New Shares under the Entitlement Offer.
  - (iii) So far as Galaxy is aware and based on substantial holding notices that have been lodged prior to the date of this notice, there are no Galaxy shareholders with voting power of more than 20% in Galaxy.
  - (iv) The aggregate percentage holding in Galaxy shares of Galaxy shareholders with registered addresses outside of Australia and New Zealand, and certain other jurisdictions in which Galaxy determines to make offers, will be diluted as a result of the issue of New Shares under the Entitlement Offer.
  - (v) The Entitlement Offer is (as well as the Placement) fully underwritten jointly by UBS AG, Australia Branch and Canaccord Genuity (Australia) Limited (the **Underwriters**).

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- (vi) Although the issue of New Shares (in respect of entitlements that are not taken up by Eligible Shareholders under the Entitlement Offer) may increase the voting power in Galaxy of the Underwriters or of eligible investors who may be allocated New Shares via the institutional bookbuild process to be conducted by the Underwriters or through sub-underwriting arrangements with the Underwriters, it is not expected to have a material effect on the control of Galaxy.

### ENDS

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

#### For more information

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## **About Galaxy (ASX: GXY)**

Galaxy Resources Limited is an international 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 development of the wholly owned Sal de Vida lithium 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 includes 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.

### **Not for Release in the United States**

This announcement has been prepared for publication in Australia and may not be released in the United States. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States and any securities described in this announcement may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.