

Successful Completion of Retail Entitlement Offer

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Highlights

- ◆ Fully underwritten Retail Entitlement Offer raises a further ~A\$38 million as part of the Company's broader A\$161 million equity financing package, as announced on Wednesday, 25 November 2020
- ◆ Strong support from eligible retail shareholders in the Retail Entitlement Offer with a total take-up of approximately 66%

Galaxy Resources Limited (ASX: GXY, "Galaxy" or the "Company") advises that the Company has successfully completed the retail component of its 1-for-14 fully underwritten pro rata accelerated non-renounceable entitlement offer ("Retail Entitlement Offer") of new ordinary shares in Galaxy ("New Shares") as part of the Company's broader A\$161 million equity financing package ("Offer" or "Equity Financing"), as announced on Wednesday, 25 November 2020.

The Retail Entitlement Offer closed at 5:00pm (Sydney time) on 10 December 2020 and raised approximately A\$38 million at A\$1.70 per New Share. The Retail Entitlement Offer saw strong support from eligible retail shareholders with a total of 5,504 applications for retail entitlements received, for approximately 12.0 million New Shares aggregating to approximately A\$20.4 million. This represents a take-up rate by eligible retail shareholders of approximately 54%.

In addition, applications totaling approximately A\$4.7 million (or approximately 2.8 million shares) were accepted in respect of New Shares under the retail top-up facility ("Top-Up Facility"), increasing the total take-up from eligible retail shareholders to approximately A\$25.1 million (representing a total take-up rate of approximately 66%). Each eligible retail shareholder who subscribed for additional New Shares under the Top-Up Facility received the full allocation for which they applied. A shortfall of approximately 7.5 million New Shares that were not taken up under the Retail Entitlement Offer will be allocated to sub-underwriters of the Retail Entitlement Offer.

The total of approximately A\$38 million to be raised from the Retail Entitlement Offer, combined with the approximately A\$123 million raised under the Institutional Entitlement Offer and concurrent Placement (as announced to ASX on 26 November 2020), will bring the total proceeds of the Equity Financing to approximately A\$161 million.

The New Shares under the Retail Entitlement Offer (including the Top-Up Facility) are expected to be issued on Thursday, 17 December 2020 and are expected to trade on ASX on a normal settlement basis on Friday, 18 December 2020. The New Shares will rank equally with existing fully paid ordinary shares in Galaxy.

Holding statements for New Shares issued under the Retail Entitlement Offer are expected to be dispatched on Monday, 21 December 2020. Further information regarding the Retail Entitlement Offer is contained in the Retail Offer Booklet released to ASX on 1 December 2020.

UBS AG Australia Branch and Canaccord Genuity (Australia) Limited are acting as joint lead managers, underwriters and bookrunners for the Offer. Ashurst are acting as Australian legal adviser to Galaxy for the Offer.

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 (“**Galaxy**”) 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 consists of the wholly owned James Bay lithium pegmatite project in Quebec, Canada. James Bay will provide additional expansion capacity to capitalize on future lithium demand growth.

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

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