



\$26m for Ravy project



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EMERGING lithium producer Galaxy Resources has sealed a \$26 million deal with a Chinese investment company for financing its Ravensthorpe project.

The Perth-based company has signed a binding share subscription and debt facility agreement with Creat Group, a Beijing-based private sector investment company.

Under the terms, Creat will subscribe for 19.9 per cent of Galaxy's capital at 88c a share.

Creat will provide Galaxy with 100 per cent debt finance of about \$130 million for the purpose of developing both the Ravensthorpe Mt Cattlin spodumene and Jiangsu Lithium Carbonate projects.

The Chinese company will provide the loan over seven years.

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— IGGY TAN

In the statement to the Australian Stock Exchange on Tuesday, Galaxy declared its intentions to raise further equity through a placement to investors to supplement the project debt finance.

As part of the deal, no offtake is required by Creat and Galaxy is free to market its own product, allowing the company to take advantage of the expected upward pressure on lithium carbonate prices.

Galaxy managing director Iggy Tan said the agreement signed with Creat was a very positive development for the future of Galaxy.

"We are very encouraged and this just means we can get the project up and running," Mr Tan told the *Kalgoorlie Miner*.

"We have enough funding to move ahead with both projects and a sufficient buffer to cope with any delays or overruns during the start-up and commission-

ing of the project."

He said the company was open track to start construction of the plant at Ravensthorpe later this year. "We are thrilled to have attracted the interest of Creat as a strategic investor and to provide long-term financing arrangements for our lithium project," Mr Tan said.

"The company made a commitment to finalise the finance for the project by the end of quarter three and we are proud to have met this commitment, well ahead of schedule."

In January, Galaxy announced its intention to proceed with the development of the Mt Cattlin project near Ravensthorpe, incorporating a 1 million tpa mine and concentrator to produce spodumene and tantalum concentrate.

Lithium concentrate and lithium carbonate raw materials are used in batteries to power hybrid and electric cars, mobile phones and computers.



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Advancing: Galaxy Resources' Mt Cattlin project in Ravensthorpe is moving ahead after the company secured a \$26 million deal with Creat Group, a Beijing-based private sector investment company. Photo: AMY DRY