



Galaxy seeks offtake deals to back \$200m funding scheme

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Galaxy Resources has turned its attention to securing offtake agreements over its flagship lithium project after unveiling a \$200 million funding deal that sent its shares up 8 per cent yesterday.

As flagged by *The West Australian*, Galaxy has struck a deal with China's Great Group that will include a \$130 million debt facility and a \$26 million placement for 19.9 per cent of the company.

Investors responded to the news by pushing Galaxy shares 10.5¢ higher to \$1.395.

Galaxy will also raise additional equity through a placement to institutional investors, expected to raise nearly \$50 million.

Galaxy managing director Iggy Tan said offtake agreements over the Mt Cattlin project, which it hopes to bring into production by this time next year, would be the group's next focus.

Galaxy has already received letters of intent for up to 22,000 tonnes of lithium carbonate a year, exceeding its production target of 17,000tpa.

Galaxy is the second WA junior to do a company-making deal this week after BC Iron confirmed on Monday it had received final sign-off from joint venture partner Fortescue Metals Group over its Nullagine iron ore project.

BC shares, which slipped 2.5¢ to \$1.03 yesterday in a gloomy market, are still up nearly 7 per cent since the announcement.

Also yesterday, fellow lithium hopeful Reed Resources secured \$10.9 million through a placement and a share purchase plan, intended to advance its recently acquired Mount Marion lithium project as well as its Barrambie vanadium project.

Shares in Reed were 1.5¢ lower at 37.5¢.