

- 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

/CNW/ - 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

This announcement was released on the Australian Securities Exchange (ASX) on 17 November 2015. Readers are referred to this announcement for details about Galaxy Resources Limited.

SOURCE [Galaxy Resources Ltd.](#)

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