

SE Business  
HD **Prayers for luckier second time around for Galaxy**  
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In this corner Aurora **Oil** & Gas, in another Galaxy Resources.

One a multi-bagger indicative of the rich rewards on offer in the resources sector when the planets align, the other a value-destroying, shareholders nightmare.

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Aurora went from shell **company** to **billion**-dollar takeover target in less than 10 years. Galaxy went from an integrated lithium wannabe to roadkill in just six, somehow building, operating and then closing its much-touted flagship mine in WA's south all in the space of less than three years.

Along the way, it has burnt through more than \$400 **million** of shareholders' funds.

Yesterday, the group's punch-drunk shareholders voted to give what Galaxy's new management and board are promoting as a fresh start by approving the \$US230 **million sale** of the **company**'s sole revenue-generator.

There wasn't really a choice. Galaxy is pitching the **sale** of the at times troubled Jiangsu lithium carbonate plant in **China** as a **company** saver — either the plant is sold or Galaxy is potentially put under.

That didn't make it any more palatable to some shareholders. Galaxy's shares are trading at just 5.9¢. Back in September 2009, they closed as high as \$1.48. Shareholders who subscribed to the 15 **equity** raisings since 2007 — the last in May 2013 at 8¢ — are all under water.

Despite its victory on Jiangsu, things didn't go all Galaxy's way yesterday during back-to-back shareholders meetings at the Celtic Club. The **company** was forced to pull a string of resolutions dealing with proposed and possible share and cash allocations to directors following opposition from **M**&G Investments on corporate governance grounds.

Still, managing director Anthony Tse and chairman Martin Rowley, founder of Canadian metals producer First Quantum, have passed a major hurdle. The next is to finalise the **sale** to **China**'s Sichuan Tianqi Lithium, the owner of WA's Greenbushes lithium mine.

With Tianqi assuming Jiangsu's debt, Galaxy will emerge from the deal with more than \$60 **million** in cash after paying off its other debts.

Rowley, who hooked up with Galaxy via its ill-fated merger with Canada's Lithium One in 2012, may have passed on the WA **company** if he had known then what he knows now about Galaxy. But having lured supporters into the **company**, reputation dictates that he try to salvage value for them.

The future is now about giving Galaxy another shot. Despite its own mishaps, it reckons the market for lithium, increasingly used in batteries for cars and consumer electronics, notably mobile phones, still has a long way to run.

The focus has switched to its Sal de Vida project in Argentina, where First Quantum coincidentally is widening its involvement via a \$US433 million takeover of Canadian copper miner Lumina.

Galaxy believes Sal de Vida can be ushered into production for about \$US100 million at a reduced production rate of about 8000 to 10,000 tonnes a year of lithium carbonate.

Perhaps it will be a case of second time lucky.

**CO** galare : Galaxy Resources Ltd | barto : Aurora Oil & Gas Ltd | bytxen : Baytex Energy Corp  
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