



Australia
16 November 2016

MT CATTLIN COMMENCES ORE-COMMISSIONING & LITHIUM CONCENTRATE PRODUCTION

Galaxy Resources Limited (ASX: GXY) ("Galaxy" or the "Company") provides the following update on its Mt Cattlin project in Ravensthorpe, Western Australia.

Commissioning Update

Galaxy is pleased to announce that it commenced ore commissioning on the Mt Cattlin processing facility on 11 November with first lithium concentrate production on 12 November.

Since the start of production the processing circuit has been balanced, with a final operational punch list created. Bottlenecks have been identified and rectified. Over the next two weeks the aim is for 24-hour continuous production with every seventh day scheduled for planned maintenance to review equipment performance.



Mt Cattlin Ore Commissioning

Progress Update – Period Ending 12 November 2016

- Flocculant plant installed
- Water commissioning complete to allow introduction of first ore into the plant
- Ferrosilicon addition and balancing achieved in dense medium separation circuit

- Completion of all priority punch list items required for start-up
- Commencement of first feed into processing plant
- Production of first lithium concentrate



First Lithium Concentrate Production from Recommissioned Mt Cattlin plant

Planned Milestones – Period Ending 26 November 2016

- Maintenance rectification of operational bottlenecks (Sunday 13 November)
- Analysis of Li_2O and mica concentration in initial production stockpile
- Complete continuous 10-hour production run with no operational or maintenance downtime
- Implement onsite Li_2O and mica analysis
- Commence 24-hour continuous production
- Optimization of lithium concentrate specifications
- Begin trucking of lithium concentrate to Esperance Port
- Optimization of lithium yields
- Continue with minor punch list items

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About Galaxy (ASX: GXY)

Galaxy Resources Limited ("Galaxy") is a global lithium company with lithium production facilities, hard rock mines and brine assets in Australia, Canada and Argentina. It owns the Mt Cattlin spodumene and tantalum project near Ravensthorpe in Western Australia and the James Bay lithium pegmatite project in Quebec, Canada.

Galaxy is advancing plans to develop the Sal de Vida lithium and potash brine project in Argentina situated in the lithium triangle (where Chile, Argentina and Bolivia meet), which is currently the source of 60% of global lithium production. Sal de Vida has excellent potential as a low cost brine-based lithium carbonate production facility.

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.

Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Galaxy.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

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