



19 January 2017

GALAXY SECURES US\$40M DEBT FACILITY WITH BNP PARIBAS

Highlights

- Secured debt facility of up to US\$40 million executed with tier one bank BNP Paribas
- Drawdown expected before end of January 2017
- Loan to be utilised for repayment of existing OCP Asia facilities and for general corporate purposes
- Key terms of the facility provide Galaxy with a highly flexible and competitively priced finance package

Galaxy Resources Ltd (ASX:GXY) ("Galaxy") ("the Company") is pleased to announce that it has executed a facility agreement with BNP Paribas ("BNP") for a US\$40 million secured debt facility for the principal purpose of repaying in full the current outstanding balance due to OCP Asia and for general corporate purposes.

Key terms of the facility are as follows:

TRANCHES	AMOUNT (US\$'M)	REMARKS
Facility A	10	Term loan, maturing 31 January 2018
Facility B	15	Bridge loan, repayable on or before 30 June 2017
Facility C	15	Revolving loan, maturing 31 January 2018 - yearly extensions of 12 months subject to renewal conditions
Total	40	

Anthony Tse, Managing Director of Galaxy, stated *"This new BNP Paribas facility represents yet another positive step forward for the Company as an industry leading lithium producer - it further strengthens Galaxy's balance sheet enabling increased financial flexibility, and establishes what we anticipate will be a long-term relationship with a tier one international bank to support our growth strategy. We are extremely pleased to have executed this facility, on very competitive terms with BNP Paribas, which provides for improved financing costs to the Company and we look forward to working closely with them in the years ahead"*

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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.

Forward looking statements in this document are based on Galaxy's beliefs, opinions and estimates of Galaxy as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.