



8 February 2017

GALAXY RAISES A\$61M TO ACCELERATE DEVELOPMENT OF THE SAL DE VIDA AND JAMES BAY PROJECTS

Highlights

- **Commitments received under private placement from sophisticated and professional investors to raise A\$61 million**
- **Significant institutional demand from both local and international investors**
- **Proceeds used primarily to strengthen the balance sheet and provide funding flexibility ahead of the development of Sal de Vida and James Bay projects**

Galaxy Resources Ltd. (ASX:GXY) ("Galaxy") (the "Company") is pleased to announce that it has received commitments from sophisticated and institutional investors to subscribe for A\$61 million worth of ordinary shares via a private placement (the "Placement") to domestic and international institutional and sophisticated investors. The capital raising was significantly oversubscribed, with support shown by both existing shareholders and new investors.

The proceeds of the Placement, together with existing funds available to Galaxy, will serve primarily to strengthen the Company's balance sheet and increase its financial flexibility to progress its development work at the Sal de Vida and James Bay projects, as well as for general corporate purposes.

The Company believes the strong demand for Placement shares confirms the underlying strength and robustness of Galaxy's suite of assets and marks the Company as a leading global pure-play lithium company.

The Placement consists of the issue of 113 million new fully paid shares at a price of A\$0.54 per share, representing a 9.2% discount to Galaxy's closing price on 3 February 2017, of A\$0.595.

The Shares will be issued using the Company's available capacity under Listing Rule 7.1.

Canaccord Genuity Australia Limited acted as Lead Manager and book-runner to the transaction.

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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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