



Australia
25 May 2017

MT CATTLIN SALES UPDATE

Highlights

- Sales of Mt Cattlin production on 2016 contract terms completed
- Final 2016 contract shipments averaged 5.82% Lithium Oxide grade
- All subsequent shipments now on 2017 contract pricing terms
- Prepayments from customers for 2016 contract repaid in full
- Next shipment vessel booked for first week of June 2017
- Galaxy completes first tantalum sale

Galaxy Resources Limited (ASX: GXY) ("Galaxy" or the "Company") is pleased to announce the conclusion of 2016 contract offtake supply obligations. The MV T Prime set sail from Port of Esperance on 1 May 2017 containing 16,973 wet metric tonnes (wmt) of spodumene concentrate.

This, the third shipment from Mt Cattlin, exceeded contract specification requirements. Certified analysis completed by Intertek Australia confirmed production data from Mt Cattlin, with the reported lithium concentrate grades from this shipment as follows:

5.82% Li₂O

2.24% mica

2.22% moisture

Mt Cattlin Operations continues to improve since the restart in the last quarter of 2016, across a number of different operating parameters including concentrate grade and production throughput. The period from 20 to 23 May saw record production days averaging 570 wmt produced per 24-hour period, which exceeds design nameplate. With continued processing plant and mining optimisation work ongoing at Mt Cattlin, in conjunction with capital enhancement projects that are being considered, it is expected the plant will now maintain at least design production levels.

Galaxy has now booked the next vessel shipment for the first week of June. This shipment will be the first at 2017 contract pricing terms of US\$830 for 5.5% lithium oxide concentrate, and up to US\$905 for 6.0% grade equivalent. Total tonnage contracted at these pricing levels for delivery in 2017 is 120,000 dmt. In concert with its customers, the plan is to target at least one shipment per calendar month to be delivered for the balance of 2017.

The Company is also pleased to report the Mt Cattlin operation has completed its first tantalum sale, for 1,927lbs Ta₂O₅. Tantalum production for the remainder of 2017 is budgeted to exceed 24000lb.

Lastly, Galaxy can also report that its offtake partners in China have successfully commenced production and sale of lithium hydroxide converted from Mt Cattlin supplied lithium concentrate.

ENDS



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About Galaxy (ASX: GXY)

Galaxy Resources Limited (“Galaxy”) is an international S&P / ASX 200 Index company with lithium production facilities, hard rock mines and brine assets in Australia, Canada and Argentina. It wholly owns and operates the Mt Cattlin mine in Ravensthorpe Western Australia, which is currently producing spodumene and tantalum concentrate, 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.

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