



Australia
6 July 2017

MT CATTLIN UPDATE – PLANT OUTPUT EXCEEDS TARGET PRODUCTION RATE

Highlights

- **Mt Cattlin exceeds target production rate**
- **Total of 14,038 dry metric tonnes of lithium concentrate produced in June**
- **Galaxy receives US\$860 per tonne FOB for first shipment on 2017 contract terms**
- **Laycan bookings for next three lithium concentrate shipments confirmed**

Galaxy Resources Limited (ASX: GXY) (“Galaxy” or the “Company”) is pleased to announce further successful optimization to the Mt Cattlin plant has resulted in increased recoveries and production. For June, production at Mt Cattlin was 14,038dmt, based on final recoveries of 61.3% during the month, well exceeding the initial targets of 50-55%. During the month, lithium concentrate production exceeded 500dmt on sixteen days, and on five of those days over 600dmt of production was recorded.

In addition to improvements in the processing facility, crushing operations have continued to improve with approximately 133,000 tonnes of ore crushed during the month of June, which is the equivalent rate of 1.6 million tpa throughput.

Galaxy received payment for its third shipment of lithium concentrate at the end of June, and based on the revised 2017 contract pricing achieved US\$860 per tonne FOB for this shipment. The Company has now booked the next three vessels for departure from Esperance. The next vessel is currently expected to arrive at Esperance around mid-July with a further vessel laycan booked for early August, and a third vessel laycan requested for the first week in September

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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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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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