ASX ANNOUNCEMENT / MEDIA RELEASE

Australia
10 August 2017

JAMES BAY DRILLING UPDATE – EXTENSIVE HIGH GRADE MINERALISATION CONTINUES

Galaxy Resources Limited ("Galaxy" or the "Company") (ASX: GXY) is pleased to announce further assays from its 2017 drilling campaign at the James Bay Project in Quebec, Canada. In late March, the Galaxy James Bay team commenced a ~31,000m diamond drilling campaign to extend and develop the existing resource at the James Bay Project in Quebec, Canada. The entire program is expected to be completed by the end of this month.

Earlier assay results (drill hole JBL17-19, 98.0m @ 1.62%, ASX, 2 August, 2017) have confirmed the extent and continuity of spodumene mineralization. The earlier results have been re-confirmed elsewhere in the pegmatite swarm (drill holes JBL17-21, JBL17-36, JBL17-38 and JBL17-39, below) with the latest assays. Mineralisation remains open below and to the west of the currently drilled out resource. Drill hole JBL17-21 (with drill hole JBL-17-20) extends parts of the resource a further -75m vertically below the current resource.

Highlights from the most recent stage of drilling (all intercept data reported downhole) and assay are as follows:

- 68.7m at 1.55 % Li_2O from 49.7 m to 118.35m, (drill hole JBL17-21) and 45.5m at 1.66 % Li_2O from 280.5m to 326m
- 30.20m at 1.52% Li_2O from 51.23m to 81.43m (JBL17-35)
- 23.3m at 1.57% Li_2O from 61.91m to 85.25m (JBL17-36) and 25.5m at 1.73% Li_2O from 112.5m to 138m
- 29.8m at 1.38% Li_2O from 120.5m to 150.33m (JBL17-37)
- 32.4m at 1.77% Li_2O from 76.0m to 108.40m (JBL17-38) and 37.0m at 1.71 % Li_2O from 168.0m to 205.0m
- 43.9m at 1.43 % Li_2O from 156m to 199.94m (JBL17-39)
- 24.9m at 2.14 % Li_2O from 11.7m to 36.6m (JBL17-41)
- 30.8m at 1.13% Li_2O from 238.94m to 269.59m (JBL17-66)
- 25.7m at 1.74% Li_2O from 48.83m to 74.53m (JBL17-71)

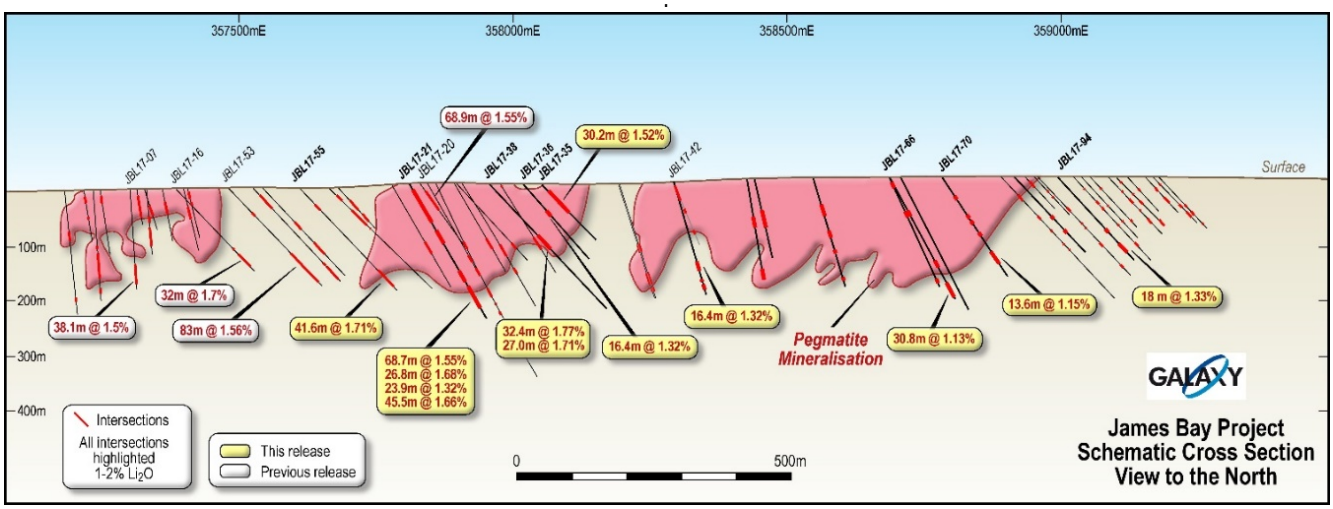

Figure 1: Long section of the James Bay Pegmatite Swarm. Thicker and deeper intersections are highlighted. Section view captures assays 50m either side of the section line, pegmatites are in pink. View to the north.

Mineralisation is and remains open and untested below current drilling in the center and dips westward. Assays (Tables 1 & 2 below) have been received for a further 24 diamond holes for 4,824 of NQ (47.6mm core diameter) drilling. Drill hole collars are presented in Table 3, below. Drill hole JBL-17-21 returned a cumulative 199.60m (down hole) of Li_2O mineralisation including a cumulative 21m @ > 2% Li_2O (Table 1, below). Of these the lowermost three intercepts fall outside the current resource and demonstrate the significant down dip potential of the James Bay pegmatites.

Drill Hole	From	To	Thickness	Grade (Li_2O%)
JBL 17-21	49.7m	118.4m	68.7m	1.55%
(Incl.)	55.7m	60.2m	4.5m	2.73%
(Incl.)	85.7m	91.7m	6.0m	2.08%
	124.3m	151.0m	26.8m	1.68%
	194.7m	211.5m	16.8m	1.78%
	228.2m	230.6m	2.4m	1.59%
	236.6m	252.1m	15.5m	1.76%
	228.2m	252.1m	23.9m	1.32%
	280.5m	326.0m	45.5m	1.66%
(Incl.)	282.0m	288.0m	6.0m	2.04%
(Incl.)	292.3m	296.8m	4.5m	2.14%

Table 1: Assay results for drill hole JBL17-21.

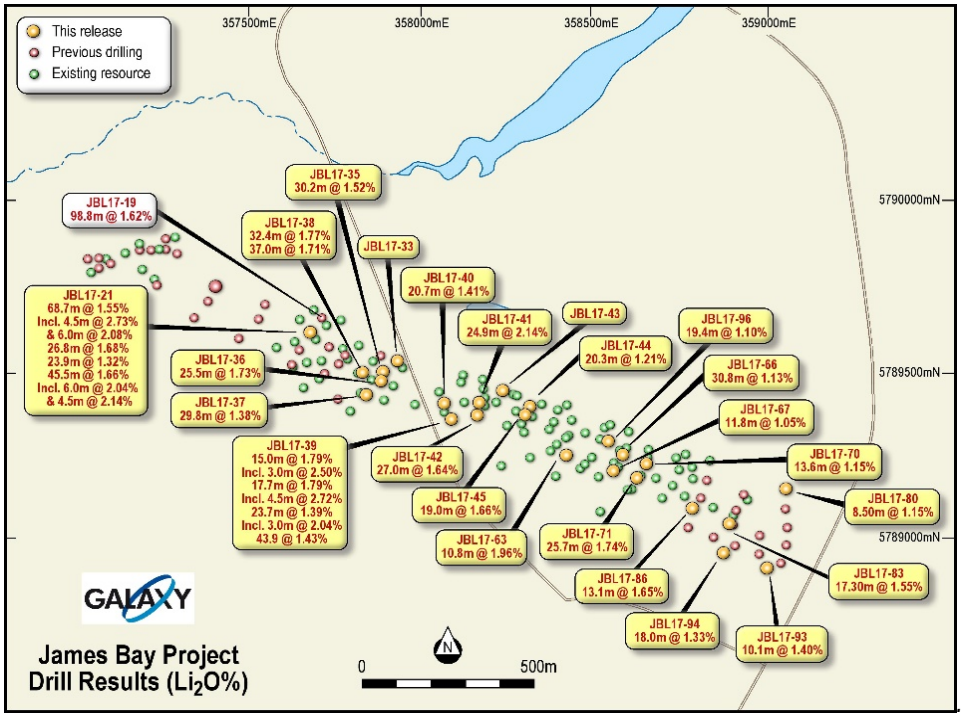

Figure 2: Plan view of collar positions (new assay in yellow, previous 2017 assays in red, existing resource collars in green).

Table 2: New assays from 2017 James Bay resource and extensional drilling program.

Drill Hole	From	To	Thickness	Grade (Li_2O%)
JBL 17-21	49.7m	118.4m	68.7m	1.55%
(Incl.)	55.7m	60.2m	4.5m	2.73%
(Incl.)	85.7m	91.7m	6.0m	2.08%
	124.3m	151.0m	26.8m	1.68%
	194.7m	211.5m	16.8	1.78%
	228.2m	230.6m	2.4m	1.59%
	236.6m	252.1m	15.5m	1.76%
	228.2m	252.1m	23.9m	1.32%
	280.5m	326.0m	45.5m	1.66%
(Incl.)	282.0m	288.0m	6.0m	2.04%
(Incl.)	292.3m	296.8m	4.5m	2.14%
JBL 17-33	11.4m	18.4m	7.0m	1.47%
	34.8m	39.0m	4.2m	1.34%
	50.6m	58.6m	8.0m	1.37%
	63.8m	65.9m	2.1m	1.13%
JBL 17-35	51.2m	58.0m	6.8m	1.70%
	66.5m	81.4m	14.9m	1.98%
	51.2m	81.4m	30.2m	1.52%
	90.7m	112.3m	21.6m	1.83%
JBL 17-36	6.9m	28.8m	21.9m	1.81%
	46.6m	51.1m	4.5m	1.42%
	61.9m	68.5m	6.6m	1.82%
	72.4m	85.3m	12.9m	1.75%
	61.9m	85.3m	23.3m	1.57%
	112.5m	138.0m	25.5m	1.73%
JBL 17-37	6.6m	11.8m	5.2m	1.31%

Drill Hole	From	To	Thickness	Grade (Li_2O%)
	120.5m	150.3m	29.8m	1.38%
JBL 17-38	76.0m	108.4m	32.4m	1.77%
	113.0m	119.6m	6.6m	1.63%
	168.0m	205.0m	37.0m	1.71%
JBL 17-39	115.5m	130.5	15.0m	1.79%
(Incl.)	123.0m	126m	3.0m	2.50%
	156.0m	173.7m	17.7m	1.68%
(Incl.)	166.5m	171.0m	4.5m	2.72%
	176.3m	199.9m	23.7m	1.39%
(Incl.)	183.5m	186.5m	3.0m	2.04%
	156.0m	199.9m	43.9m	1.43%
JBL 17-40	141.5m	155.9m	14.4m	0.99%
	175.0m	195.7m	20.7m	1.41%
	203.8m	208.2m	4.4m	1.06%
JBL 17-41	11.7m	36.6m	24.9m	2.14%
	25.2m	29.7m	4.5m	3.35%
	57.0m	61.0m	4.0m	1.47%
	98.7m	104.7m	15.0m	1.72%
	98.7m	104.7m	6.0m	2.12%
JBL 17-42	9.8m	37.0m	27.2m	1.64%
	15.8m	18.8m	3.0m	2.12%
	23.3m	26.3m	3.0m	2.47%
	29.3m	32.3m	3.0m	2.17%
	41.7m	58.5m	16.8m	0.83%
	155.9m	172.3m	16.4m	1.32%
	191.0m	193.0m	2.0m	1.78%
	201.1m	208.5m	7.4m	1.02%

Drill Hole	From	To	Thickness	Grade (Li_2O%)
JBL 17-43	1.5m	7.7m	6.2m	1.91%
	19.3m	27.7m	8.4m	1.80%
	43.8m	49.1m	5.3m	0.13%
JBL 17-44	55.1m	62.1m	7.0m	1.43%
	68.9m	89.2m	20.3m	1.21%
JBL 17-45	68.7m	87.7m	19.0m	1.66%
	167.7m	182.3m	14.6m	1.36%
JBL 17-63	54.2m	56.9m	2.7m	1.18%
	60.3m	63.6m	3.3m	1.60%
	66.6m	82.5m	15.9m	1.43%
	104.9m	115.7m	10.8m	1.96%
	141.6m	145.9m	4.3m	1.89%
	196.9m	201.3m	4.4m	1.34%
JBL 17-66	2.3m	3.7m	1.4m	1.07%
	34.1m	39.1m	5.0m	1.63%
	77.1m	88.4m	11.3m	1.47%
	110.4m	131.5m	21.2m	1.67%
	173.9m	176.6m	2.7m	1.22%
	202.9m	204.9	2.0m	1.26%
	238.9m	269.6m	30.8m	1.13%
JBL 17-67	21.1m	27.5m	6.4m	1.73%
	77.1m	87.0m	9.9m	1.65%
	96.0m	105.0m	9.0m	1.30%
	112.4m	115.6m	3.2m	1.87%
	147.9m	152.7m	4.8m	1.49%
	168.9m	172.7m	3.8m	1.38%
	188.1m	196.0m	7.9m	1.52%

Drill Hole	From	To	Thickness	Grade (Li_2O%)
	219.1m	221.6m	2.5m	1.62%
	243.5m	255.3m	11.8m	1.05%
JBL 17-70	17.2m	27.7m	10.5m	1.77%
	34.6m	48.2m	13.6m	1.52%
	53.4m	62.8m	9.4m	1.47%
JBL 17-70	71.7m	74.5m	2.7m	1.07%
	97.8m	103.6m	5.9m	1.73%
	106.4m	110.1m	3.7m	0.72%
	112.8m	115.1m	2.3m	1.08%
	140.7m	143.6m	2.9m	1.31%
	180.9m	185.5m	4.6m	1.36%
	187.1m	194.5m	7.5m	1.20%
	180.9m	194.5m	13.6m	1.15%
	201.6m	203.3m	1.7m	1.64%
JBL 17-71	24.8m	36.3m	11.5m	1.84%
	48.8m	74.5m	25.7m	1.74%
	115.3m	119.6m	4.3m	1.12%
	125.5m	135.2m	9.7m	1.42%
	158.4m	160.9m	2.5m	1.40%
	164.9m	166.9m	2.0m	1.63%
	198.6m	201.3m	2.7m	1.24%
JBL 17-80	68.5m	75.1m	6.6m	1.26%
	83.8m	87.9m	4.1m	1.56%
	90.3m	92.3m	2.0m	1.32%
	83.8m	92.3m	8.5m	1.15%
	114.1m	119.9m	5.8m	1.32%
JBL 17-83	12.0m	19.5m	7.5m	1.16%

Drill Hole	From	To	Thickness	Grade (Li_2O%)
	34.0m	39.9m	5.8m	1.74%
	67.8m	79.4m	11.6m	1.69%
	113.5m	120.8m	7.3m	1.19%
	124.2m	130.2m	6.0m	1.53%
	177.1m	194.4	17.3m	1.55%
JBL 17-86	31.0m	44.1m	13.1m	1.65%
	113.5m	116.0m	2.5m	1.44%
	147.9m	150.5m	2.6m	1.29%
JBL 17-93	41.2m	51.2m	10.0m	1.40%
JBL 17-94	93.7m	95.2m	1.5m	1.34%
	128.9m	132.1m	3.2m	1.66%
	166.4m	184.4m	18.0m	1.33%
JBL 17-96	0.8m	7.4m	6.6m	1.19%
	13.9m	17.9m	4.0m	1.13%
	35.6m	46.8m	11.2m	2.08%
	56.8m	76.2m	19.4m	1.1%
	114.1m	120.9m	6.8m	1.49%
	140.7m	143.4m	2.7m	1.80%
	163.9m	175.3m	11.4m	1.09%
	222.5m	227.1m	4.6m	1.18%

Table 3: New Drill Hole Collars, co-ordinates are in co-ordinate system NAD 83, Zone 18.

Drill hole	X (northing)	Y (easting)	Depth (m)	Azimuth	Dip
JBL17-21	5,789,651	357,802	339	145	-45
JBL17-33	5,789,564	358,056	141	115	-45
JBL17-35	5,789,533	358,012	156	115	-45
JBL17-36	5,789,503	358,009	201	115	-45
JBL17-37	5,789,468	357,969	204	145	-55
JBL17-38	5,789,530	357,956	330	145	-45
JBL17-39	5,789,388	358,212	219	0	-90
JBL17-40	5,789,438	358,190	222	110	-72
JBL17-41	5,789,440	358,288	129	110	-65
JBL17-42	5,789,400	358,288	219	110	-72
JBL17-43	5,789,475	358,360	72	110	-45
JBL17-44	5,789,427	358,439	141	110	-76
JBL17-45	5,789,400	358,425	192	110	-80
JBL17-63	5,789,280	358,545	210	110	-56
JBL17-66	5,789,278	358,703	288	110	-61
JBL17-67	5,789,232	358,682	264	110	-60
JBL17-70	5,789,251	358,777	234	110	-55
JBL17-71	5,789,210	358,744	204	110	-76
JBL17-80	5,789,177	359,184	129	119	-45
JBL17-83	5,789,075	359,020	213	110	-45
JBL17-86	5,789,117	358,911	204	110	-45
JBL17-93	5,788,939	359,130	75	110	-45
JBL17-94	5,788,986	359,000	201	110	-45
JBL17-96	5,789,321	358,668	237	110	-60

Further results from this drilling campaign will be released as received.

ABOUT THE JAMES BAY PROJECT

The James Bay Project is located 10 kilometers south of the Eastmain River and 100 kilometers east of James Bay. The property is accessible from the paved James Bay Road which cuts through the property close to the 381km road marker on highway Route/109 from Val d'Or, Quebec, Canada. Val d'Or is approximately 526km westward from Montreal, Quebec. A large, multi-service truck stop is located at marker 381.

Discovered in the 1960's and then known as the Cyr property the site consists of a swarm of 33 pegmatite dykes that belong to the rare-element 'class', the LCT (Li-Cs- Ta) 'family' and the albite-spodumene 'type' per the classification by Cerny (1991). Two new major pegmatite dykes have been discovered in this current drill campaign as well as smaller swarms eastward of the known extents. The mineralized pegmatite is open at depth, to the west and to the east across the James Bay Road. The lithium bearing mineral contained in the pegmatites is spodumene $LiAl(Si_2O_6)$, a member of the pyroxene group of minerals. A classified resource was reported at cut-off grade of 0.75% Li_2O of 11.75Mt @ 1.30% Li_2O (Indicated) and 10.47Mt @ 1.20% Li_2O (Inferred) within a conceptual pit shell using a lithium carbonate price of USD 6,000/t, metallurgical and process recovery of 70%, mining and process costs of USD 64 per tonne and overall pit slope of 45 degrees. The current resource is based on 14,457m of diamond drilling and 201.3m of horizontal channel sampling. The pegmatite swarms have dip direction ~N 103 degrees E., dip steeply at ~60 degrees westward and forms a corridor of discontinuous dykes about ~4km in length and ~300m wide. These outcrop to about 15-20m above the surrounding muskeg/swamp. This phase of drilling should be completed by the end of August, 2017.

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.

Competent Persons Statement

Information included in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm M.Sc. F.Aus.IMM (CP), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr. Thamm is an employee of Galaxy Resources Limited. Mr. Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr. Thamm consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at the James Bay Project is based on work completed by Mr. James McCann M.Sc. P. Geo, who is a Member of the Ordre des Geologues du Quebec, a Recognised Overseas Professional Organisation. Mr. McCann is an employee of Galaxy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. McCann consents to the inclusion in the report of the matters based on his information in the form and context it appears. This information was prepared and first disclosed under the JORC Code 2004 and it has not been updated since to comply with JORC code 2012 on the basis that the information has not materially changed since it was last reported.

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 because 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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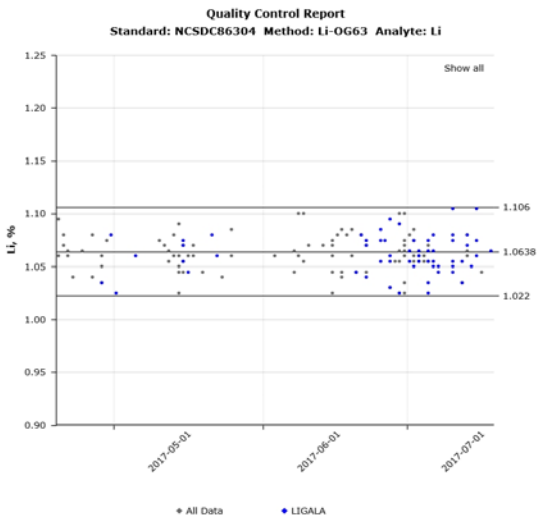
JAMES BAY LITHIUM PROJECT, QUEBEC, CANADA.

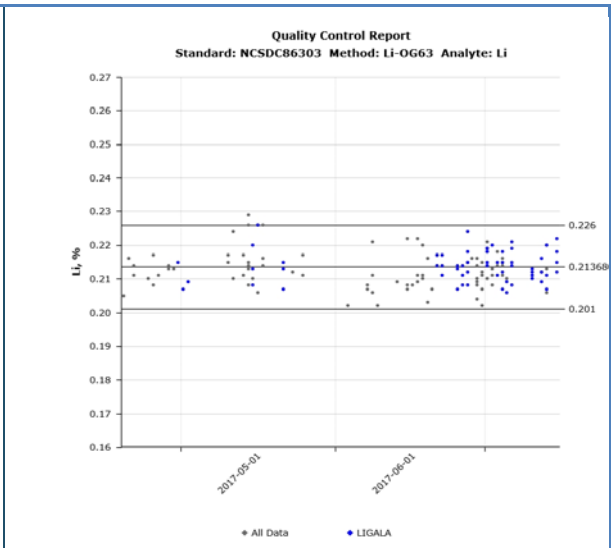
Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Diamond core, sawn ½ core. Chibourgamau Diamond Drilling Ltd. • Sample length selected to match geological intervals and contacts to a maximum of 1.50m in length.
Drilling techniques	• *Drill type*	• Diamond drilling, NW casing, NQ core, orientated.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery assessed vs drillers mark up. • Samples are considered representative. • Samples are selected on visual mineralogy. • Half diamond core is produced for assay thus no loss or gain of fine material as in RC or RAB.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logged geologically and geotechnically, with emphasis on pegmatite mineralogy. • All core is photographed; logging is qualitative in nature and all core is logged.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sawn ½ NQ core. • All pegmatites are sampled. • Sample types are consistent with prior sampling and drilling campaigns. • Sampling demonstrated to be representative in prior sampling campaigns at NQ size. • Sample size is appropriate given the grain size of the mineralogy sampled.

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Weigh, crush and pulverise at ALS Canada. Processed at ALS Val d'Or located at 1324 Rue Turcotte, Val d'Or, QC, Canada. • Methods CRU-31,CRU-QC,LOG-21,SPL-21,WEI-21. • Processed at ALS Vancouver located at 2103 Dollarton Hwy, North Vancouver, BC, Canada. • Methods Li-OG63,ME-OG62o,PUL-31,PUL-QC. • Four acid digest method OC62o. • Analysis for lithium ore grade method Li- OC63. Li lower detection limit 0.005 % upper limit 10%, Std. tolerance 3.5%. • This method is suitable for analyzing lithium in geological samples. A ~0.4g sample is first digested with HClO4, HF, and HNO3 until dryness. The residue is subsequently re-digested in concentrated HCl, cooled and topped up to volume. The samples are analyzed for Li by ICPAES spectroscopy. • Method ICP_AES. Technique is total. • Assayed at ALS Vancouver after sample preparation. • Standards show acceptable levels of accuracy and precision. 


Quality Control Report
Standard: NCSDC86303 Method: Li-OG63 Analyte: Li
Li, %
0.27
0.26
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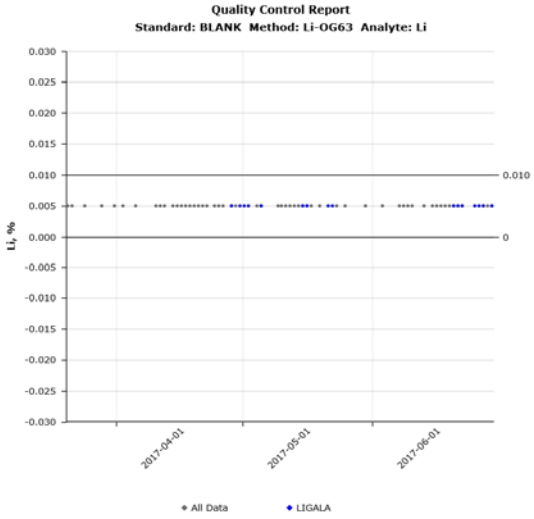
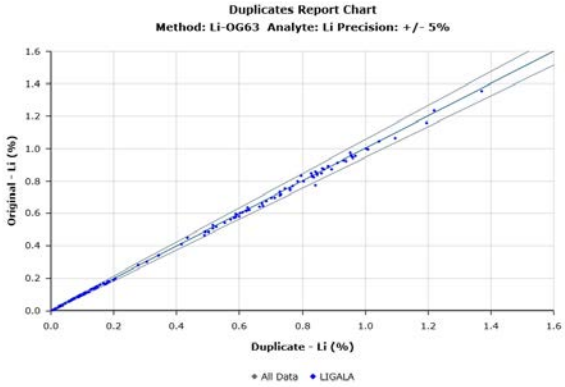
0.20
0.19
0.18
0.17
0.16
0.226
0.21368
0.201
2017-05-01
2017-06-01
All Data
LIGALA


Quality Control Report
Standard: BLANK Method: Li-OG63 Analyte: Li
Li, %
0.030
0.025
0.020
0.015
0.010
0.005
0.000
-0.005
-0.010
-0.015
-0.020
-0.025
-0.030
0.010
0
2017-04-01
2017-05-01
2017-06-01
All Data
LIGALA


Duplicates Report Chart
Method: Li-OG63 Analyte: Li Precision: +/- 5%
Original - Li (%)
Duplicate - Li (%)
0.0
0.2
0.4
0.6
0.8
1.0
1.2
1.4
1.6
All Data
LIGALA

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• External audit of assay precision and accuracy. • Twin Hole program ongoing. • Existing resource and data stored as Maptek/Vulcan TM files with supporting spreadsheets. • Primary data logged on paper, assay reconciled from csv. • QA/QC data reported ex lab QA/QC compilation. • No adjustments to assay data. Assay in Li reported to Li2O. • External audit trail login to ALS assay reporting system.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Hand held GPS collars, re-surveyed at end of program. • Down Hole survey, Reflex downhole system. • Reported NAD 83, Zone 18N. • Regional state DEM available to control surface topography and survey.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing is irregular but designed to infill between and extend at depth extant resource drilling. • The data spacing is sufficient to establish both geological and grade continuity. • Samples are not reported as composites, rather as reported. • Downhole survey has occurred every 3m downhole.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Orientation of sampling, once corrected for dip, achieves unbiased sampling.
Sample security	• *The measures taken to ensure sample security.*	• Detail audit trail available from ALS Canada. From dispatch, receipt through process to results.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Galaxy has reviewed the 2010 resource estimated by SRK Canada. • A 2nd CP/QP has audited laboratory QA/QC standards for accuracy and precision.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• This project is in the west-central part of Township No. 2312 in North-western Quebec. It is 2 kilometers south of the Eastmain River and 100 kilometers east of James Bay. The property is readily accessible by paved road as the regional highway cuts through the property close to road marker kilometer 381, which is 381km from the town of Mattagami where there is an airport and mining related infrastructure. • Galaxy Lithium (Canada) Inc 20%, Galaxy Lithium (Ontario) Inc 80%. (50 claims). Galaxy Lithium (Canada) Inc 100%. (4 claims). • The Quebec state government Mining and cadastre online website indicates the site is free of major and minor environmental impediments. • Detail tenement and claims list has been reported in the GXY June 2017 Quarterly report and all tenements are in good order.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The claims were first staked in 1966 by Mr. J. Cyr and were optioned by SDBJ in 1974, who after conducting some exploration on the property, returned it to Mr. Cyr. Prior to this, Mr. Cyr first discovered spodumene pegmatite outcrops on the property in 1964. There had been little modern exploration conducted on the property, until prior operator Lithium One started drilling in 2008, Significant trenching and drilling had been completed in the late 1970's. • The Company's drilling in 2008 and 2009 confirmed the presence of wide pegmatite intersections, numerous swarms over several hundred meters of lateral extent, and about 2km in strike length to a depth of 100 to 150 meters. • Three diamond drill holes, for a total of 383m, were completed on the property in 1977 and these confirmed the presence of spodumene mineralization to a depth of approximately 100 meters. • Lithium One drilled the property in 2008-2009 resulting in a classified NI43-101 resource. • Lithium One also undertook ~700m of channel samples in 2009. • Between 2008 and 2010 Lithium One completed 102 diamond core boreholes to delineate 31 pegmatite dykes.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The James Bay Lithium Project lies in the north-eastern part of the Superior geological province, within the Eastmain greenstone belt (Lower Eastmain Group) which consists of amphibolite-grade mafic to felsic metavolcanics, meta-sediments and minor gabbroic intrusions. On the property metavolcanics of the Komo formation occur north of the pegmatite intrusions. The Auclair formation consists mainly of para-gneisses probably of sedimentary origin, which surround the pegmatites from the north-west to the south-eastern extremities. The greenstones are surrounded by migmatites and gneiss of Archean Age. • The individual pegmatite bodies are mostly irregular dykes or lenses attaining up to 150 meters in width and over 100 meters in length. These cross-cut at a high angle to the local foliation and presumed bedding of the intruded rocks. The pegmatites are generally perpendicular to the trend of the corridor; they form small hills reaching up to 30 meters above the surrounding swamps/muskeg. The mineralization belongs to the rare-element class LCT (Li-Cs-Ta) family and the albite-spodumene type. In the case of the Cyr-Lithium deposit, spodumene-bearing pegmatites are likely the most differentiated dykes distant from the cogenetic Kapiwak Pluton intrusion located farther south • In September 2008, Lithium One completed an 18-hole diamond drill program, with drill holes spaced at 100 metres apart, which totaled 1,096m. In 2009 a further 84 drill holes at 50-65m spacing was completed for 12,380m.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drill hole collars provided in the text above. • No collar information is excluded. • Interception depths provided in Tables above.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents are used. • Assays reported are down hole. • Assays reported ex ALS as Li (ppm), standard oxide conversion to Li2O percent. • Continuous result of the interval quoted, downhole. • Data is aggregated down hole length.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Generally drilling is normal to strike, however the intercept orientation in relation to each pegmatite is yet not determined. Drilling results reported are down hole.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Diagrams are included in the text above. • Collar locations mapped in Appendix 1, above.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All complete results at hand are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• A maiden Resource was declared in 2010. This was estimated by ordinary kriging at 11.75 Mt (Indicated) @ 1.3% Li20 and 10.47 Mt (Inferred) @1.2% Li20 at a cut-off grade of 0.75% Li20. • This was declared as a recoverable resource within a Whittle 4X optimisation informed by USD 6000/t Lithium Carbonate price, 45-degree pit slope angle and 70% process recovery. • The "reasonable prospects for economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the

Criteria	JORC Code explanation	Commentary
		mineral resources are reported at an appropriate cut-off grade considering extraction scenarios and processing recoveries. To meet this requirement, consideration was made that major portions of the project are amenable for open pit extraction. • To determine the quantities of material offering "reasonable prospects for economic extraction" by an open pit, a pit optimizer and reasonable mining assumptions to evaluate the proportions of the block model (Indicated and Inferred blocks) that could be "reasonably expected" to be mined from an open pit was modeled. The optimization parameters were selected based on experience and benchmarking against similar spodumene projects. The reader is cautioned that the results from the pit optimization are used solely for testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the James Bay Lithium Project. The results are used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate resource reporting cut-off grade. • Assumptions Considered for Conceptual Open Pit o Lithium Carbonate (Li2CO3) price: 6,000 US$/tonne o Lithium Carbonate Li2O content : 40.4 % o Off Site Cost (Marketing, etc.) 2.5 % of price o Mining Cost 4 US$/tonne mined o Processing 50 US$/tonne of feed o General and Administrative 10 US$/tonne of feed o Mining Dilution 10 percent o Mining Loss 5 percent o Overall Pit Slope 45 degrees o Process Rate 1,000,000 tonne feed/year o Li2O Process Recovery 70 percent o In Situ Cut-Off-Grade 0.65 percent Li2O

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work. Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• This drilling campaign, once completed, will inform a resource re-estimate at James Bay and DFS study. • Diagrams included in text above. • Further metallurgical test work and drilling planned.