



Australia  
26 October 2017

## JAMES BAY UPDATE – FINAL DRILLING RESULTS

Galaxy Resources Limited ("Galaxy" or the "Company") (ASX: GXY) is pleased to announce the final assays from its 2017 drilling campaign at the James Bay Project ("James Bay" or the "Project") in Quebec, Canada. In late March 2017, the Galaxy James Bay team commenced a ~33,000m diamond drilling campaign to extend and develop the existing James Bay spodumene resource. The drilling program is now complete and all assays have been received.

All intercepts below are reported downhole.

Mineralized pegmatites outcrop at surface and the drill program has targeted approximately 2,360m of known pegmatite strike and outcrop west of the James Bay Highway. These final results include assays from exploratory drill holes east of the highway which have also returned economic grades in the pegmatite.

Resource development, an updated recoverable resource estimate and the project feasibility study will focus on pegmatite mineralization west of the James Bay Road. The known pegmatite mineralization east of the James Bay Road, was tested using scout drilling in the recent campaign and will require further confirmatory drilling. An estimated 1,400m of the eastern zone remains untested by drilling.

The resource west of the James Bay Road remains open and mineralized in thick pegmatites, at depths of >350m below surface.

### Highlights from this round of drilling and assay are:

- 93.4m at 1.44% Li<sub>2</sub>O from 133.7m to 227.1m (drill hole JBL17\_133)
- 65.9m at 1.60% Li<sub>2</sub>O from 15.7m to 81.6m (drill hole JBL17\_134)
- 59.9m at 1.64% Li<sub>2</sub>O from 106.3m to 166.2m (drill hole JBL17\_135)
- 94.4m at 1.66% Li<sub>2</sub>O from 106.5m to 200.9m (drill hole JBL17\_136)
  
- 65.3m at 1.36% Li<sub>2</sub>O from 301.7m to 367.0m (drill hole JBL17\_136)
- 52.4m at 1.48% Li<sub>2</sub>O from 21.9m to 74.3m (drill hole JBL17\_137)
- 50.6m at 1.66% Li<sub>2</sub>O from 239.4m to 290.0m (drill hole JBL17\_137)
  
- 83.2m at 1.78% Li<sub>2</sub>O from 95.7m to 178.9m (drill hole JBL17\_138)
  
- 69.7m at 1.75% Li<sub>2</sub>O from 123.7m to 193.4m (drill hole JBL17\_139)
- 71.1m at 1.65% Li<sub>2</sub>O from 191.3m to 262.4m (drill hole JBL17\_140)

Assays (Tables 1 and 2, below) have been received for a further 22 diamond holes for 6,102m of NQ drilling (collars, Table 1, below). All drilling is diamond (core) drilling.

Thicker pegmatites at the western extremity of the known mineralization remain open and untested below the limits of the current drilling. Further deep drilling beyond 350m below surface is planned, once drilling for the James Bay feasibility study is underway. This drilling will focus on infrastructure sterilization, wide diameter (PQ size) drilling for metallurgical sampling at depth and geotechnical studies. This completed round of drilling will be used for a revised mineral resource estimation and upgrade, which is expected to be finalized by the start of November 2017.

Managing Director and CEO, Anthony Tse commented "The results from this drilling campaign support the James Bay Project becoming a significant hard rock, high grade, long life lithium resource. This combined with its strategic location and proximity to local infrastructure means that the Project has very strong development fundamentals. Galaxy will now advance the studies necessary for the development of a mine and concentrate operations at James Bay, as well as the planned downstream lithium conversion facility to be located in Quebec Province. The experience we have gained with the restart of the highly successful hard rock operations at Mt Cattlin in Western Australia will be utilized extensively to assist with the development of the James Bay Project"

All results are listed in Table 2, below.

Figure 1: James Bay Spodumene Project – plan view of drilling

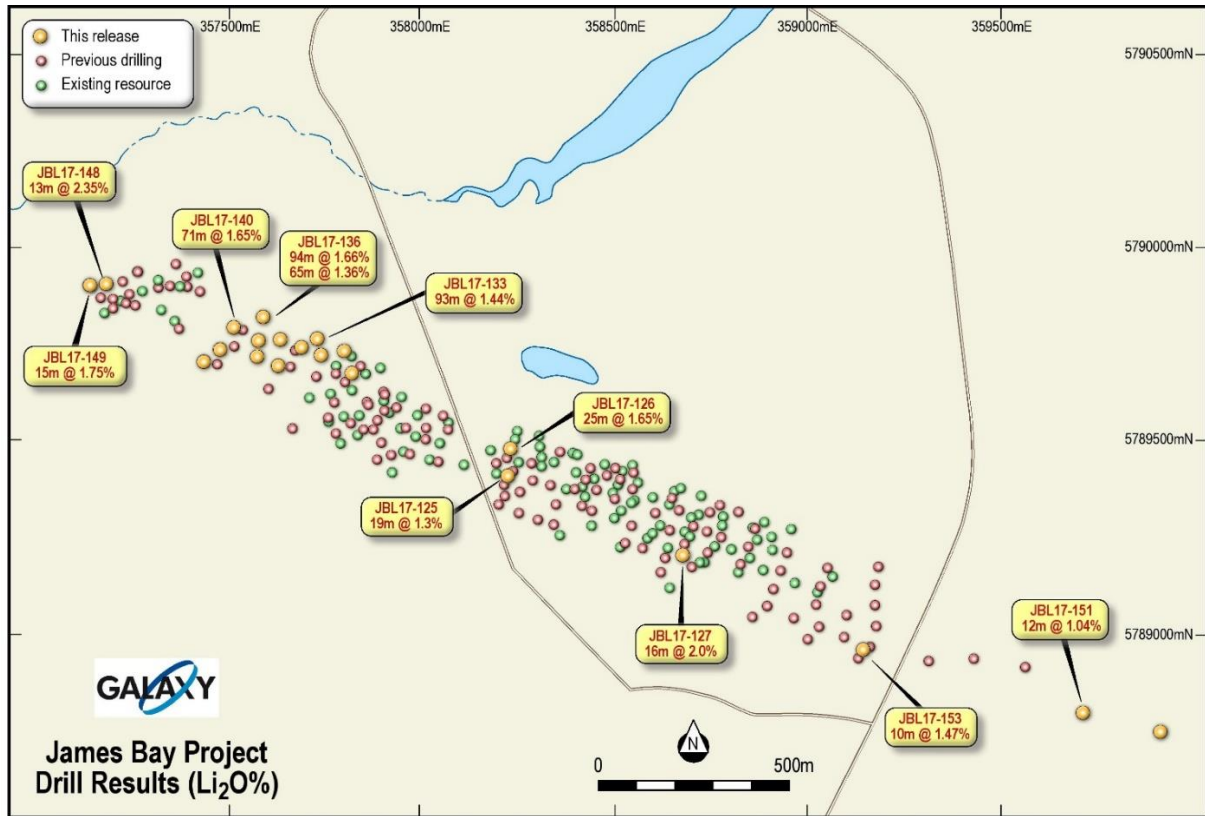


Figure 2: James Bay Spodumene Project – section view of drilling

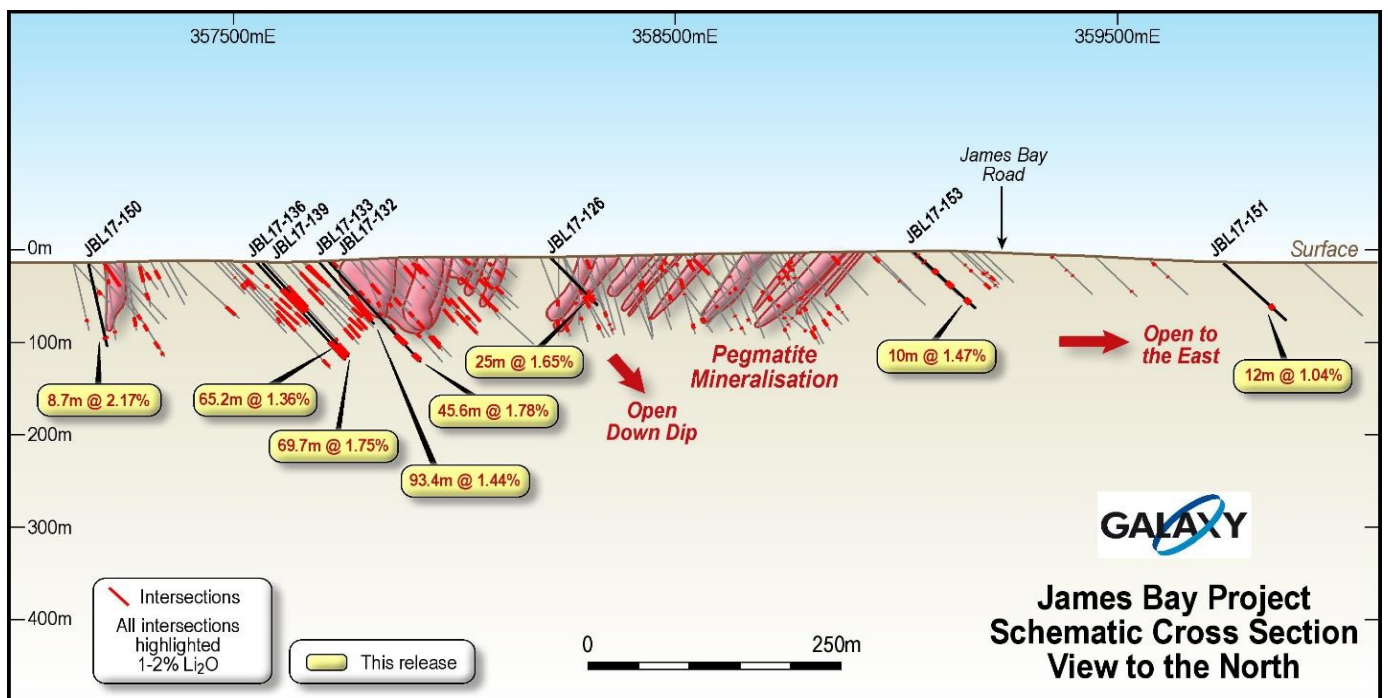




Table 1: Drill hole collar positions. Co-ordinates are in co-ordinate system NAD 83, Zone 18

Drill hole ID	Easting (m)	Northing (m)	Elevation (m)	Final depth (m)
JBL17_125	358,223	5,789,407	224	246
JBL17_126	358,233	5,789,481	220	168
JBL17_127	358,678	5,789,203	236	270
JBL17_130	357,819	5,789,675	213	363
JBL17_131	357,803	5,789,730	213	309
JBL17_132	357,744	5,789,720	213	381
JBL17_133	357,731	5,789,764	213	237
JBL17_134	357,691	5,789,743	213	264
JBL17_135	357,639	5,789,761	214	315
JBL17_136	357,592	5,789,818	213	378
JBL17_137	357,632	5,789,694	213	300
JBL17_138	357,578	5,789,721	214	342
JBL17_139	357,580	5,789,758	215	366
JBL17_140	357,518	5,789,789	214	414
JBL17_142	357,480	5,789,734	216	285
JBL17_143	357,440	5,789,702	215	255
JBL17_148	357,189	5,789,902	210	210
JBL17_149	357,149	5,789,905	209	150
JBL17_150	357,149	5,789,904	209	192
JBL17-151	359,712	5,788,795	211	225
JBL17_152	359,909	5,788,745	208	201
JBL17_153	359,145	5,788,959	229	231

Table 2: New assay results from James Bay. All results are downhole lengths, assay by ALS Canada, ore-grade four acid digest followed by ICP-AES open beaker.

Drill hole ID	(m)	From (m)	To (m)	Li2O (%)
JBL17_125	7.2	37.3	44.5	0.1
JBL17_125	5.1	69.2	74.3	0.3
JBL17_125	6.0	82.5	88.5	1.1
JBL17_125	19.5	94.0	113.5	1.3
JBL17_125	15.1	141.4	156.5	1.3
JBL17_125	10.5	193.0	203.5	0.9
JBL17_125	4.4	226.7	231.1	0.1
JBL17_125	5.0	234.2	239.2	0.0
JBL17_126	25.1	67.7	92.8	1.7
JBL17_126	5.0	100.6	105.6	1.6
JBL17_126	4.2	110.3	114.5	1.7
JBL17_126	11.9	120.8	132.6	2.0
JBL17_126	5.3	141.2	146.5	1.6
JBL17_127	10.8	61.2	72.0	1.4



JBL17_127	13.3	84.0	97.3	1.8
JBL17_127	16.1	140.9	157.0	2.0
JBL17_127	2.6	171.0	173.6	2.0
JBL17_127	3.1	179.3	182.4	2.1
JBL17_127	11.6	221.8	233.4	1.2
JBL17_130	35.4	77.1	112.5	1.7
JBL17_130	6.6	178.6	185.2	1.5
JBL17_130	4.8	190.7	195.5	1.6
JBL17_130	4.6	205.3	210.0	1.5
JBL17_130	3.2	212.9	216.1	1.6
JBL17_130	34.5	219.3	253.8	1.6
JBL17_130	3.4	281.8	285.2	1.5
JBL17_130	4.1	290.3	294.3	1.6
JBL17_130	16.1	298.5	314.7	1.7
JBL17_130	4.4	328.1	332.5	1.7



Table 2 continued: New assay results from James Bay. All results are downhole lengths, assay by ALS Canada, ore-grade four acid digest followed by ICP-AES open beaker.

Drill hole ID	(m)	From (m)	To (m)	Li2O (%)
JBL17_130	7.9	348.1	355.9	0.7
JBL17_131	16.1	79.4	95.5	1.4
JBL17_131	44.4	103.2	147.6	1.6
JBL17_131	8.4	213.3	221.7	1.2
JBL17_131	2.4	249.8	252.1	1.2
JBL17_132	18.3	5.2	23.4	1.6
JBL17_132	4.5	14.2	18.7	2.0
JBL17_132	2.2	35.4	37.7	1.7
JBL17_132	45.6	151.6	197.2	1.8
JBL17_132	3.3	261.0	264.3	1.8
JBL17_132	2.1	272.5	274.6	0.8
JBL17_132	15.7	278.5	294.2	1.4
JBL17_132	14.8	299.9	314.7	1.5
JBL17_132	5.3	348.5	353.8	1.7
JBL17_132	16.5	359.9	376.5	1.3
JBL17_133	93.4	133.7	227.1	1.4
JBL17_134	65.8	15.7	81.6	1.6
JBL17_134	37.5	215.4	252.9	1.8
JBL17_135	9.0	0.7	9.7	1.5
JBL17_135	4.5	18.3	22.8	1.1
JBL17_135	4.7	87.7	92.3	0.3
JBL17_135	59.9	106.3	166.2	1.6
JBL17_135	39.0	255.5	294.5	1.6
JBL17_136	94.4	106.5	200.9	1.7
JBL17_136	65.2	301.7	367.0	1.4
JBL17_137	52.4	21.9	74.3	1.5
JBL17_137	37.1	78.8	115.9	1.9
JBL17_137	50.6	239.4	290.0	1.7
JBL17_138	6.5	80.3	86.8	1.0
JBL17_138	83.2	95.7	178.9	1.8
JBL17_138	36.0	293.7	329.7	1.6



Table 2 continued: New assay results from James Bay. All results are downhole lengths, assay by ALS Canada, ore-grade four acid digest followed by ICP-AES open beaker.

Drill hole ID	(m)	From (m)	To (m)	Li2O (%)
JBL17_139	12.0	14.5	26.5	1.9
JBL17_139	6.0	30.8	36.8	2.0
JBL17_139	69.7	123.7	193.4	1.8
JBL17_139	35.6	320.1	355.7	1.6
JBL17_140	32.5	72.5	105.0	1.6
JBL17_140	71.1	191.3	262.4	1.7
JBL17_140	27.9	375.4	403.3	1.7
JBL17_142	9.1	38.8	47.9	0.1
JBL17_142	20.5	76.2	96.7	1.6
JBL17_142	5.2	193.0	198.2	1.2
JBL17_142	19.5	215.5	235.0	1.3
JBL17_142	3.0	242.0	245.0	1.2
JBL17_143	6.2	153.0	159.2	0.2
JBL17_144	5.7	75.5	81.1	1.3
JBL17_148	10.5	78.7	89.2	1.7
JBL17_148	13.5	117.2	130.7	2.4
JBL17_148	6.3	181.1	187.5	1.9
JBL17_149	1.3	17.6	18.9	1.1
JBL17_149	5.0	71.6	76.6	1.3
JBL17_149	4.5	84.0	88.5	1.4
JBL17_149	15.0	104.0	119.0	1.8
JBL17_150	2.2	142.0	144.2	1.1
JBL17_150	8.7	160.6	169.3	2.2
JBL17-151	2.7	13.8	16.5	1.2
JBL17-151	2.0	42.0	44.0	1.4
JBL17-151	12.4	164.0	176.4	1.0
JBL17-151	3.0	193.5	196.5	1.0
JBL17_152	1.5	158.5	160.0	0.8
JBL17_153	12.3	31.1	43.4	0.4
JBL17_153	10.6	60.0	70.6	1.5
JBL17_153	3.2	124.2	127.4	1.3
JBL17_153	2.3	138.4	140.7	1.3
JBL17_153	3.2	154.5	157.7	1.4
JBL17_153	4.7	197.4	202.2	1.5
JBL17_153	8.3	206.0	214.2	1.1
JBL17_153	3.0	221.6	224.6	1.9



## ABOUT THE JAMES BAY PROJECT

The James Bay Pegmatite swarm is located 10km south of the Eastmain River and 100 kilometers east of James Bay. The property is accessible by paved road from the James Bay Road which cuts through the property close to the 381km road marker on the 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 campaign as well as smaller swarms eastward of the known extents. The mineralised pegmatite is open at depth and to the east. The lithium bearing mineral contained in the pegmatites is spodumene  $\text{LiAl}(\text{Si}_2\text{O}_6)$ , a member of the pyroxene group of minerals. A classified resource was reported at cut-off grade of 0.75%  $\text{Li}_2\text{O}$  of 11.75Mt @ 1.30%  $\text{Li}_2\text{O}$  (Indicated) and 10.47Mt @ 1.20%  $\text{Li}_2\text{O}$  (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. This outcrop is to about 15-20m above the surrounding muskeg/swamp. This phase of drilling is complete.

**ENDS**

For more information, please contact:

### Corporate

Nick Rowley  
Director – Corporate Development  
+61 455 466 476  
+61 (8) 9215 1700  
nick.rowley@galaxylithium.com

### Media Enquiries (Australia)

John Gardner  
Citadel-MAGNUS  
+61 413 355 997 or +61 (8) 6160 4901  
jgardner@citadelmagnus.com

### Media Enquiries (International)

Heidi So  
Strategic Financial Relations Ltd  
+852 2864 4826  
heidi.so@sprg.com.hk

### 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 Resources Limited, 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.

### **Not For Release in the US**

This announcement has been prepared for publication in Australia and may not be released in the United States of America. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities 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.





## 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
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> </ul>	<ul style="list-style-type: none"> <li>Diamond core, sawn ½ core. Chibourgamau Diamond Drilling Ltd.</li> <li>Sample length selected to match geological intervals and contacts to a maximum of 1.50m in length.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li><i>Drill type</i></li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling, NW casing, NQ core, orientated.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Core recovery assessed vs drillers mark up.</li> <li>Samples are considered representative.</li> <li>Samples are selected on visual mineralogy.</li> <li>Half diamond core is produced for assay thus no loss or gain of fine material as in RC or RAB.</li> </ul>

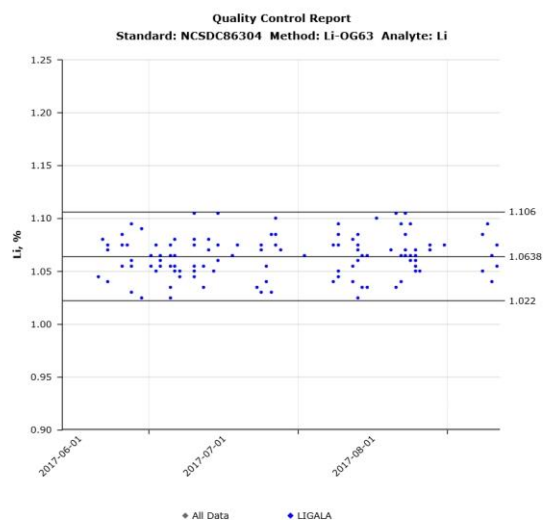


Criteria	JORC Code explanation	Commentary
<b>Logging</b>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• Logged geologically and geotechnically, with emphasis on pegmatite mineralogy.</li> <li>• All core is photographed; logging is qualitative in nature and all core is logged.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• Sawn ½ NQ core.</li> <li>• All pegmatites are sampled.</li> <li>• Sample types are consistent with prior sampling and drilling campaigns.</li> <li>• Sampling demonstrated to be representative in prior sampling campaigns at NQ size.</li> <li>• Sample size is appropriate given the grain size of the mineralogy sampled.</li> </ul>



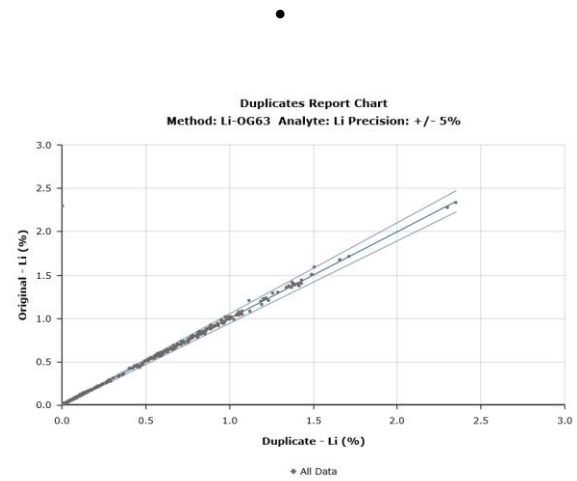
**Quality of assay data and laboratory tests**

- *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.





Date Interval: 13-Jun-2017 to 13-Sep-2017		
LIGALA		
STATISTICS	All Data	Data
Mean	1.0634	1.0641
Median	1.065	1.065
SD	0.0192	0.0196
%RSD	1.8055	1.8419
Max	1.105	1.105
Min	1.025	1.025
# Datapoints	159	111





Criteria	JORC Code explanation	Commentary
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>External audit of assay precision and accuracy.</li> <li>Existing resource and data stored as Maptek/Vulcan TM files with supporting spreadsheets.</li> <li>Primary data logged on paper, assay reconciled from csv.</li> <li>QA/QC data reported ex lab QA/QC compilation.</li> <li>No adjustments to assay data. Assay in Li reported to Li2O.</li> <li>External audit trail login to ALS assay reporting system.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>Hand held GPS collars, re-surveyed at end of program.</li> <li>Down Hole survey, Reflex downhole system.</li> <li>Reported NAD 83, Zone 18N.</li> <li>Regional state DEM available to control surface topography and survey.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>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.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Data spacing is irregular but designed to infill between and extend at depth extant resource drilling.</li> <li>The data spacing is sufficient to establish both geological and grade continuity.</li> <li>Samples are not reported as composites, rather as reported.</li> <li>Downhole survey has occurred every 3m downhole.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Orientation of sampling, once corrected for dip, achieves unbiased sampling.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Detail audit trail available from ALS Canada. From dispatch, receipt through process to results.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Galaxy has reviewed the 2010 resource estimated by SRK Canada.</li> <li>• A 2<sup>nd</sup> CP/QP has audited laboratory QA/QC standards for accuracy and precision.</li> </ul>



## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Galaxy Lithium Canada (Inc) 20%, Galaxy Lithium Ontario (Inc) 80%. (50 claims). Galaxy Lithium Canada (Inc) 100%. (4 claims).</li> <li>The Quebec state government Mining and cadastre online website indicates the site is free of major and minor environmental impediments.</li> <li>Detail tenement and claims list has been reported in the GXY June 2017 Quarterly report and all tenements are in good order.</li> </ul>





Criteria	JORC Code explanation	Commentary
<p><b>Exploration done by other parties</b></p>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>Lithium One drilled the property in 2008-2009 resulting in a classified NI43-101 resource.</li> <li>Lithium One also undertook ~700m of channel samples in 2009.</li> <li>Between 2008 and 2010 Lithium One completed 102 diamond core boreholes to delineate 31 pegmatite dykes.</li> </ul>



Criteria	JORC Code explanation	Commentary
<p><b>Geology</b></p>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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</li> <li>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.</li> </ul>



Criteria	JORC Code explanation	Commentary
<p><b>Drill hole Information</b></p>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole collars provided in the text above.</li> <li>• No collar information is excluded.</li> <li>• Interception depths provided in Tables above.</li> </ul>

Criteria	JORC Code explanation	Commentary
<p><b>Data aggregation methods</b></p>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>No metal equivalents are used.</li> <li>Assays reported are down hole.</li> <li>Assays reported ex ALS as Li (ppm), standard oxide conversion to Li<sub>2</sub>O percent.</li> <li>Continuous result of the interval quoted, downhole.</li> <li>Data is aggregated down hole length.</li> </ul>
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>



Criteria	JORC Code explanation	Commentary
<p><b>Diagrams</b></p>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Diagrams are included in the text above.</li> <li>• Collar locations mapped in text above.</li> </ul>
<p><b>Balanced reporting</b></p>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All complete results at hand are reported.</li> </ul>



Criteria	JORC Code explanation	Commentary
<p><b>Other substantive exploration data</b></p>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>A maiden Resource was declared in 2010. This was estimated by ordinary kriging at 11.75 Mt (Indicated) @ 1.3% Li<sub>2</sub>O and 10.47 Mt (Inferred) @ 1.2% Li<sub>2</sub>O at a cut-off grade of 0.75% Li<sub>2</sub>O.</li> <li>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.</li> <li>The “reasonable prospects for economic extraction” requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the 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.</li> <li>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.</li> <li>Assumptions Considered for Conceptual Open Pit <ul style="list-style-type: none"> <li>Lithium Carbonate (Li<sub>2</sub>CO<sub>3</sub>) price: 6,000 US\$/tonne</li> <li>Lithium Carbonate Li<sub>2</sub>O content : 40.4 %</li> <li>Off Site Cost (Marketing, etc.) 2.5 % of price</li> <li>Mining Cost 4 US\$/tonne mined</li> <li>Processing 50 US\$/tonne of feed</li> <li>General and Administrative 10 US\$/tonne of feed</li> <li>Mining Dilution 10 percent</li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>○ Mining Loss 5 percent</li> <li>○ Overall Pit Slope 45 degrees</li> <li>○ Process Rate 1,000,000 tonne feed/year</li> <li>○ Li2O Process Recovery 70 percent</li> <li>○ In Situ Cut-Off-Grade 0.65 percent Li2O</li> </ul>





Criteria	JORC Code explanation	Commentary
<p><b>Further work</b></p>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>This drilling campaign, once completed, will inform a resource re-estimate at James Bay and DFS study.</li> <li>Diagrams included in text above.</li> <li>Database compilation ongoing</li> <li>Baseline scientific work to support EIA commenced and ongoing</li> <li>Sterilization, metallurgical and geotechnical drilling to commence in Q4, 2017.</li> </ul>