

30 AUGUST 2019

## UPDATE ON LOAN FACILITY AND APPOINTMENT OF RECEIVERS AND MANAGERS

Alita Resources Limited (administrators appointed) (receivers and managers appointed) (ASX: A40; SGX: 40F) (**Company**) refers to its announcements on 18 August 2019, 21 August 2019, 26 August 2019 and 29 August 2019, regarding the secured A\$40 million loan facility (**Facility**), now with Galaxy Resources Limited (**Lender**).

The Company received a notice of default from the Lender on 29 August 2019 as a result of the appointment of Administrators on 28 August 2019 (refer to announcement dated 29 August 2019). Following the event of default, the Lender declared that all moneys owing under the Facility including interest are immediately due and payable. The Lender has also on 29 August 2019 appointed receivers and managers (refer to the attached announcement).

The Company will make further announcements when there are material developments.

**Alita Resources Ltd (administrators appointed) (receivers and managers appointed)**

Alexei Fedotov

Company Secretary

## APPOINTMENT OF RECEIVERS AND MANAGERS TO ALITA RESOURCES LIMITED

Following the appointment of voluntary administrators by the Board of Alita Resources Limited yesterday, Galaxy Resources Limited (ASX: GXY, **Galaxy**) announces that it has today appointed Martin Jones, Matthew Woods and Andrew Smith from KPMG (**Receivers**) as receivers and managers of Alita Resources Limited and certain of its subsidiaries pursuant to the senior secured debt facility and security documentation recently acquired by Galaxy.

Galaxy will now work with the Receivers and the voluntary administrators to determine a course of action for the Alita Group.

**ENDS**

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### Caution Regarding Forward Looking Information

This document contains forward looking statements concerning Galaxy. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions.

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. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Galaxy's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements. Data and amounts shown in this document relating to capital costs, operating costs, potential or estimated cashflow and project timelines are internally generated best estimates only. All such information and data is currently under review as part of Galaxy's ongoing operational, development and feasibility studies. Accordingly, Galaxy makes no representation as to the accuracy and/or completeness of the figures or data included in the document.

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This announcement has been prepared for publication in Australia and may not be released in the United States. 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.

### 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.

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). Sal de Vida has excellent potential as a low-cost brine-based lithium carbonate production facility.

Galaxy's diversified project portfolio also consists of the wholly owned James Bay lithium pegmatite project in Quebec, Canada. James Bay will provide additional expansion capacity to capitalize on future lithium demand growth.

Lithium compounds are used in the manufacture of ceramics, glass, pharmaceuticals, grease 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.