

Australia
4 October 2016

MT CATTLIN BEGINS WET COMMISSIONING

Galaxy Resources Limited (ASX: GXY) ("Galaxy" or the "Company") is pleased to provide the following update for its Mt Cattlin Project in Ravensthorpe, Western Australia.

Commissioning Update

As announced on 6 September 2016, the Company engaged Primero Group ("Primero") as project managers for the final stages of construction, commissioning and ramp up of operations. The accelerated construction strategy adopted by Primero has achieved significant progress with certain milestones achieved ahead of the planned completion schedule. Wet commissioning of the feed classification circuit has been implemented on schedule. The tantalum beneficiation circuit wet commissioning, planned for the week beginning 2 October 2016, commenced one week ahead of schedule. Final stages of piping and electrical installation are continuing along the critical path with importantly, significant progress being achieved within the dense medium separation ("DMS") area. Punch listing has commenced one week ahead of schedule in the reflux classification area in preparation for water commissioning. Final handover of the reflux classification area from construction is scheduled over the next two weeks in line with previously indicated milestones.

Final commissioning has been completed on the ore preparation area with automated sequence runs conducted. Wet commissioning commenced in the feed classification and tantalum beneficiation areas, pumping water through the circuit from the newly completed water services area through to the completed tailings thickener. Plant optimization continues with control loops and set-points within the commissioned areas.

Progress Update – Period Ending 1 October 2016

- Water systems commissioned and running
- Thickener commissioned and tails systems checked
- Fines building piping completed and flushed
- Feed classification area completed and flushed
- Conveyor sequence testing completed



Feed Conveyors Sequence Testing



70,000 Tonnes of Crushed Ore Stockpiled Ready for Commissioning

- Air systems completed and commissioned for feed classification and tantalum beneficiation areas
- Wet commissioning implemented for feed classification and tantalum beneficiation areas
- Punch listing commenced in reflux classification area
- DMS mechanical completion at 80%
- Filter belt construction on schedule with all cabling to the filter belt pulled and terminations in progress



Feed Classification Circuit Wet Commissioning



Planned Milestones – Period Ending 15 October 2016

- Final handover of reflux area from construction post punch list completion
- Completion of water commissioning of reflux area – in complete sequence with the feed classification and tantalum beneficiation
- Reach mechanical completion of the DMS area
- Finalize construction of the DMS and filtration areas in preparation for punch listing

The previously announced milestones remain on or ahead of schedule.

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About Galaxy (ASX: GXY)

Galaxy Resources Limited ("Galaxy") is a global lithium company with lithium production facilities, hard rock mines and brine assets in Australia, Canada and Argentina. It owns the Mt Cattlin spodumene and tantalum project near Ravensthorpe in Western Australia 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.



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 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.

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