



Australia
17 October 2016

MT CATTLIN COMMISSIONING CONTINUES AHEAD OF SCHEDULE

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

Commissioning Update

Mt Cattlin construction and commissioning continues ahead of the previously announced completion schedule. Water commissioning of the feed classification, tantalum beneficiation and tailings circuits are now complete.

The feed classification and tantalum beneficiation areas are now online. Pumping control loops have been finalised, enabling water to be pumped to the circuit from the water services area, through the processing plant and back to the tailings thickener, with the tails system discharging water to the tailings dam. The dense medium separation ("DMS") circuit has reached 98% mechanical completion with water commissioning due to commence before the previously targeted date of 6 November. Wet commissioning of the reflux classification area has commenced in line with schedule and is due for completion before the end of October.

Critical path installation works that remain are progressing ahead of schedule and a planned water commissioning of the complete processing plant is expected to commence well ahead of the previously targeted date of 20 November. As a result, relevant work relating to preparation for ore commissioning has now commenced.

In the near term, onsite construction crew manpower is expected to halve as their work nears completion. Vendors will begin mobilising to site in preparation for ore commissioning and construction teams will begin handing over the final stages of the processing plant to operations.

Primero Group will remain on site to assist Galaxy with commissioning until the plant is at steady state production.

Progress Update – Period Ending 15 October 2016

- Water systems tuned and adjusted
- Thickener commissioned and tails systems pumping to tailings dam
- Feed preparation and fines building commissioned, level control adjusted and all pumps commissioned on water
- Feed classification area commissioned and feed verified to tantalum beneficiation circuit
- Rectification of reflux area punch list
- Air systems for reflux area completed and commissioned
- Water commissioning commencement for reflux building
- DMS mechanical completion progression from 80% to 98%
- Filter belt construction progressing on schedule

Planned Milestones – Period Ending 29 October 2016

- Finalise piping of the DMS in preparation for punch listing
- Prepare DMS building for construction handover to operations for water commissioning
- Completion of water commissioning of the reflux area
- Completion of sequence water commissioning from feed preparation, feed classification and tantalum beneficiation circuits to the reflux building and tailings thickener
- Completion of filtration area in preparation for commissioning

The previously announced milestones continue to be successfully completed well ahead of schedule.



Reflux Building complete and ready for Commissioning

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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.

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