



22 June 2016

LODGEMENT OF GALAXY RESOURCES BIDDER'S STATEMENT

Galaxy Resources (ASX:GXY) ("Galaxy" or the "Company") has lodged its Bidder's Statement for the agreed takeover bid ("Offer") for General Mining Corporation Ltd (ASX:GMM) ("GMM"), announced on 30 May 2016.

Under the Offer, it is proposed that GMM shareholders will receive 1.65 new Galaxy shares for every 1 GMM share held, which represents a:

- 6.0% premium to the last closing price on the ASX of General Mining Shares of \$0.615 on 25 May 2016¹;
- 9.4% premium to the 10-day volume weighted average price (VWAP) of General Mining Shares on the ASX of \$0.625 to 25 May 2016²; and
- 13.5% premium to the 20-day VWAP of General Mining Shares on the ASX of \$0.589 to 25 May 2016³.

The Galaxy proposal is unanimously recommended by the directors of GMM who have also agreed to accept Galaxy's Offer in respect of all shares they control, in each case in the absence of a superior offer.

STRATEGIC RATIONALE

The Offer is a compelling opportunity from which accepting shareholders will, if the Offer is successfully completed, be part of a leading diversified, global lithium producer well positioned for continued project expansion and development, as well as further opportunities.

- A leading and diversified global lithium company with existing production and a pipeline of market leading development projects.
- Attractive, wholly-owned and geographically diversified portfolio of hard rock and brine based lithium assets across multiple jurisdictions:
 - Maiden spodumene production in 3rd quarter 2016 at Mt Cattlin in Western Australia, with the potential to generate significant and growing cash flow
 - Flagship world-scale Sal de Vida Project in Argentina with superior brine chemistry and significant expansion potential
 - James Bay Project in Canada provides valuable potential to be a future supplier into the rapidly growing North American market
- Positioned to be a major supplier of high quality lithium products, servicing the high-growth demand from applications including long life lithium-ion batteries used for electric vehicles, consumer electronics and energy storage systems.
- Simplified single ownership structure and operational management of assets currently owned via the Galaxy-General Mining joint venture.
- Pro forma market capitalisation of merged entity in excess of A\$980million with the potential to become an ASX/S&P 200 company and opportunity for re-rating.
- Strong balance sheet and growing cashflow generation to support continued project expansion and development and further industry opportunities..
- Merged Board and management team highly credentialed and experienced with strong connections in the key Asian and North American lithium markets.

Martin Rowley, Chairman of Galaxy, and proposed Chairman of the combined group, said both companies had been overwhelmed with positive support for the merger.

¹ Based on the last closing share price of \$0.395 on the ASX on 25 May 2016, the last trading date of Galaxy and General Mining before the Announcement Date.

² Based on the 10-day VWAP of Galaxy Shares on ASX of \$0.4142 to 25 May 2016.

³ Based on the 20-day VWAP of Galaxy Shares on ASX of \$0.405 to 25 May 2016.



"This merger makes a lot of sense and we have had an excellent feedback from shareholders of both companies. I urge shareholders to review the documentation and accept the offer to create this leading, and diversified global lithium company," he said.

KEY DATES

Announcement of Takeover Offer	30 May 2016
Date of this Bidder's Statement	22 June 2016
Date this Bidder's Statement is lodged with ASIC	22 June 2016
Date of Takeover Offer	29 June 2016
Takeover Offer Closes (unless otherwise extended)	5:00pm (WST) on 29 July 2016

All dates and times are subject to change in accordance with regulatory requirements.

--ENDS--

For more information, please contact:

Corporate

Nick Rowley
Director – Corporate Development
+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 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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