



Australia
6 August 2018

POSCO TRANSACTION AHEAD OF SCHEDULE

Galaxy Resources Limited ("**Galaxy**" or the "**Company**") (ASX: GXY) refers to the announcement dated 28 May 2018, where it advised that it had entered into a non-binding agreement with POSCO to sell a package of tenements located on the northern area of the Salar del Hombre Muerto in Argentina, for a cash consideration of US\$280 million. The tenement package is situated to the north of Galaxy's world class Sal de Vida Project ("**Sal de Vida**" or the "**Project**") in Argentina. This non-binding agreement was conditional on completion and execution of definitive documentation and receipt of POSCO approval at their upcoming Board Meeting, the date of which has now been set ahead of the anticipated schedule. It is intended that definitive documentation will be executed immediately following this final Board approval.

The Company advises that the timetable for completion of this transaction is now ahead of the previously disclosed schedule

Following the completion of this transaction, Galaxy will retain 100% of the tenements in the southern area of Salar del Hombre Muerto in Catamarca Province, which were included in the recently announced updated feasibility study for the development of the Sal de Vida Project. The southern tenements contain 100% of the current 1.14 million tonnes LCE of JORC compliant reserves.

The proceeds from the transaction with POSCO will be available to progress the development of Sal de Vida in Catamarca Province and places Galaxy in a strong financial position to progress the planned development of the Project.

The Company will continue to keep the market updated as transaction milestones continue to be achieved ahead of schedule.

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 (International)

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

Media Enquiries (Australia)

Nigel Kassulke
Cannings Corporate Communications
+61 407 904 874 or +61 (2) 8284 9990
nkassulke@cannings.net.au



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

The information in this report that relates to the estimation and reporting of the Sal de Vida Project Mineral Resources and Ore Reserves is extracted from the report entitled "*Sal De Vida: Revised Definitive Feasibility Study Confirms Low Cost, Long Life and Economically Robust Operation*" created on 22 August 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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.