

Australia  
7 September 2015

## **Mt Cattlin Definitive Agreement Executed**

### **Highlights**

- Definitive Agreement executed with General Mining Corporation
- Agreement terms to be implemented following shareholder approval at General Mining Corporation EGM on 9<sup>th</sup> September 2015
- Mt Cattlin scheduled to restart production by the end of 1<sup>st</sup> Quarter 2016
- Work on the Definitive Feasibility Study for James Bay to also begin in 2016

### **Summary**

Galaxy Resources Ltd (ASX: GXY) ("Galaxy") ("the Company") is pleased to announce that it has executed the final definitive documentation with General Mining Corporation ("GMM") regarding the partnership to restart and operate the Mt Cattlin spodumene and tantalum mine in Ravensthorpe, WA. The Agreement will be implemented immediately following GMM's EGM, which is scheduled for Wednesday 9<sup>th</sup> September 2015.

For Galaxy, this partnership with GMM will see the restart of Mt Cattlin back into operation after over two years on care and maintenance. Production is scheduled to recommence at the end of the first quarter in 2016. Pursuant to the terms as announced on 9<sup>th</sup> June 2015, the partnership is subject to a A\$25 million earn-in by GMM for a 50% equity interest in the Mt Cattlin and will see Galaxy receiving no less than A\$6 million per annum in the three years after the commencement of production, as well as a 50% share of the operating cash flows from Mt Cattlin.

### **Operational Update**

In preparation for the restart, GMM has been conducting ongoing work on Mt Cattlin.

- Test work on upgraded lithium recovery and mica extraction circuits are nearing completion
- Refurbishment works on the existing plant will commence next month, with construction of additional new modules following there after
- Planning is underway for resource extension drilling, following inquiries from major buyers of lithium concentrate regarding the potential for expansion of production capacity at Mt Cattlin

In addition to spodumene and tantalum production from Mt Cattlin, GMM is also exploring ways to enhance the value of the in-situ resource via the separation of saleable mica, feldspar and silica products.

**--ENDS--**

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## About Galaxy (ASX: GXY)

Galaxy Resources Ltd (“Galaxy”) is an Australian-based global lithium company with lithium production facilities, hard rock mines and brine assets in Australia, China, Canada and Argentina.

Galaxy owns the Mt Cattlin (100%) spodumene project near Ravensthorpe in Western Australia and the James Bay (100%) lithium pegmatite project in Quebec, Canada.

Galaxy is also advancing plans to develop the Sal de Vida (96%) 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 future low cost brine mine and lithium carbonate processing facility.

Lithium compounds are used in the manufacture of ceramics, glass, electronics and are an essential cathode material for long life lithium-ion batteries used to power e-bikes and hybrid and electric vehicles. 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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