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GALAXY APPOINTS SAL DE VIDA DEVELOPMENT TEAM AND PREPARES FOR SITE WORKS

Highlights

- **Galaxy confirms Development Team with over 200 years' combined industry experience with the leading global lithium producers SQM, FMC and Rockwood**
- **Development Team comprises highly credentialed industry specialists with expertise and proven track record of developing lithium brine projects**
- **Development Team is leading the advancement of the Sal de Vida Project**
- **Planned site works to commence at Sal de Vida in February 2017**

Galaxy Resources Ltd. (ASX:GXY) ("Galaxy" or the "Company") is pleased to confirm the appointment of the Sal de Vida Development Team, bringing together the multiple disciplines required to progress the project. Galaxy has engaged a strong team of local and international industry consultants to advise on key aspects of advancing the Sal de Vida project. This team of senior professionals brings over 200 years' combined industry knowledge, experience and expertise to the existing Sal de Vida team. The Development Team will add to the technical, operational and international expertise already at the Sal de Vida Project, positioning Galaxy to deliver significant value to all stakeholders.

Galaxy's Team Leaders are outlined below:

Process & Chemical Plants:

Mr. **Vijay Mehta**, P.Chem, PhD - over 40 years of experience working for numerous lithium and other specialty chemical companies, including 26 years at FMC (NYSE:FMC) as head of Product and Process Development, Great Salt Lake & Minerals / Gulf Resources (lithium operations subsequently acquired by FMC) as R&D Director, producing the whole range of lithium products including lithium carbonate, - hydroxide, - phosphate and other lithium salts and organometallic compounds. Mr. Mehta is the author to more than 15 US Patents relating to lithium processing.

Mr. **Pedro Pavlovic Zuvic**, P.Eng, MSc. - over 40 years of experience as a process expert in lithium and potassium extraction (amongst other industrial minerals), working for a number of global lithium majors, including Rockwood, SQM (NYSE:SQM) and FMC (NYSE:FMC). Formerly Managing Director of CORFO's mixed salt program, developing the lithium and potassium resources at the Salar de Atacama.

Mr. **Daniel Chavez Diaz**, P.Eng, MBA - 25+ years of experience in lithium brine operations, including Plant Manager, Managing Director at FMC's (NYSE:FMC) operations in the Salar del Hombre Muerto, as well as President of Minera de Altiplano, the FMC subsidiary in Argentina.

Mr. **Marcelo Bravo Veas**, P.Eng. - 16 years of experience, with 12 years at SQM's (NYSE:SQM) Salar de Atacama as Chief of Process Engineering, overseeing evaporation ponds construction and operations, as well as providing process engineering advisory to several listed companies.

Engineering & Construction:



Mr. **Mario Portillo**, P.Eng. - 40 years of experience building large scale industrial projects for Techint as Project Engineering Manager, one of the largest and oldest construction and engineering firms in Argentina. Techint was the lead construction and engineering consultant for FMC's (NYSE:FMC) lithium carbonate plant at Salar del Hombre Muerto and their lithium chloride plant at General Guemes in Salta

Hydro-Geology & Brine

Mr. **Rodolfo Garcia**, P.Geo, PhD - 28 years of experience studying and modeling geology and hydrogeology of numerous projects in the region, particularly the Salar environments throughout South America. Mr. Garcia also assisted in the development of several brine projects. Including FMC's (NYSE:FMC) West Hombre Muerto, Lithium America's (TSX:LAC) Cauchari, Orocobre's (ASX:ORE) Olaroz and Enirgi's Rincon.

Planned Site Works

Initial site works are expected to commence at Sal de Vida through Q1 of 2017. These activities will entail a number of initiatives, including:

- Drilling of two 150m deep production wells to feed brine to an initial set of 45 Ha test evaporation ponds, proposed to be located on the eastern side of the salar
- Drilling of a third exploratory well, aimed to reach a depth of 400m, to confirm an extended, brine reservoir in the Northern basin of the Sal de Vida controlled properties
- Existing field facilities, including previous pilot plant to be relocated where future demo and commercial plants will likely be located
- A camp facility to hold sixty people (staff and contractors)
- Complete further topography and soil mechanics studies for test and commercial scale, evaporation pond locations
- Alternative access road to the project area to be improved, avoiding weather related interruptions and ensuring year round all vehicles accessibility
- Construction of a 9 kilometer 8 inch fresh water pipeline to source 100m³/h for future camp and plant requirements
- Commencement of continuous demo plant program which will produce commercial samples of lithium carbonate, validate the testing process, facilitate product qualification and act as a live training platform

Planned new drilling is expected to provide further information in regards to a potentially bigger, closer, eastern production well field. The Sal de Vida team aims to combine new production wells with cost optimization initiatives, locating production wells right by the test evaporation ponds and immediately adjacent to where commercial evaporation ponds will most likely be placed. These actions will reduce extensive piping along with higher maintenance costs with direct impact on final project capex and opex numbers. A new exploration well to be added in the Northern Basin, is intended to confirm a different geological basin evolution, with predominant halite presence as well as an expanded brine deposit.

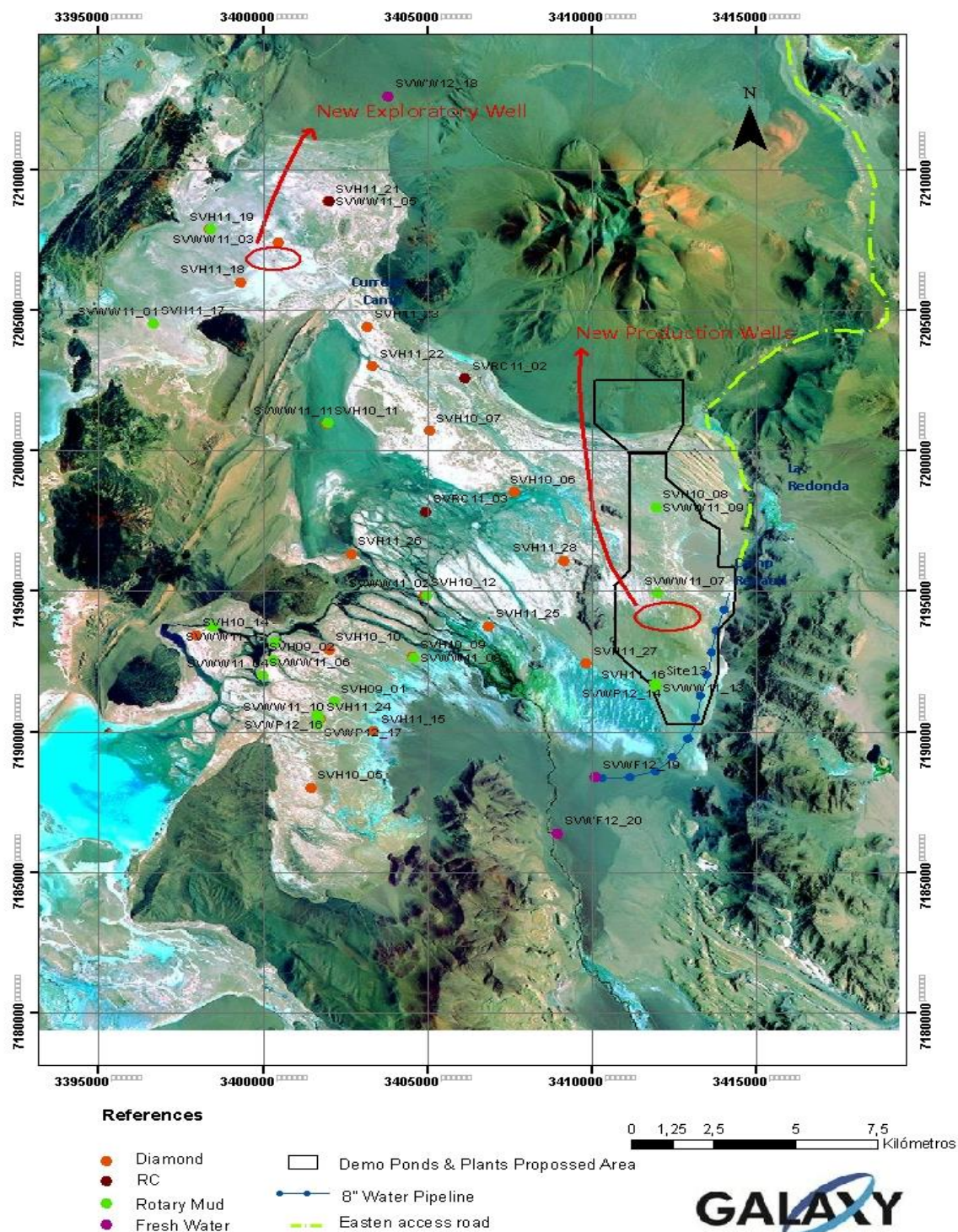
Construction planned for the demo plant and test evaporation ponds, as well as establishment of an expanded camp facility, which will be located a few hundred meters away on the eastern access road, in a slightly elevated portion at the edge of the salar, which will assist in avoiding floods in exceptional wet years.

A permanent 8 inch fresh water pipeline will be laid out from fresh water well SVWF12_19 to the new camp and plant locations. This aqueduct would be capable to transport 100 m³/h to source camp buildings, and will satisfy the future plants' fresh water requirements.

The engineering team will advance project engineering across all different disciplines. Recently added conceptual engineering includes a minimum renewable energy generation target of 25% for each facility on site. The concept design placed a particular emphasis on solar energy generation using photovoltaic cells, given the extremely high potential for solar energy generation in the region, which is almost comparable to that in the Atacama, one of the highest insolation points globally.



Additionally, a suite of training programs will be initiated in several community locations near to the project to facilitate the employment of a local labor force. Galaxy will continue to develop its existing Corporate Social Responsibility and Community Relations programs, which includes a Women in Leadership and Young Professionals Opportunities program, as well as continuing to develop and roll out other community programs.



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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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