

## NON-CASH IMPAIRMENT

Galaxy Resources Limited (“**Galaxy**” or the “**Company**”) (ASX: GXY) advises that, as part of its preparation of the financial statements for the half-year ended 30 June 2019, it has been undertaking a review of its inventory on hand at Mt Cattlin, capitalised Mt Cattlin mine development costs attributable to the acquisition of General Mining Limited and deferred tax assets arising from capitalised tax losses.

The review is ongoing and will be completed prior to the finalisation of Galaxy’s financial statements for the half-year ended 30 June 2019.

Based on current information, it is anticipated that the review will result in a non-cash impairment for the half-year ended 30 June 2019.

Galaxy estimates the impairment will be in the range of US\$150 million to US\$185 million. When finalised and reviewed by the auditors, the adjustment will be included in Galaxy’s financial statements for the half-year ended 30 June 2019, which are scheduled to be released in late August 2019.

The adjustment arising from this impairment is a non-cash item and does not have any impact on cash-flow, operations or banking covenants.

At 30 June 2019, Galaxy held cash of US\$176.3 million, marketable securities of US\$27.2 million and no debt.

**ENDS**

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**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.

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 more than 40% of global lithium production. Sal de Vida has excellent potential as a low-cost brine-based lithium carbonate production facility.

Galaxy’s diversified project portfolio also consists of the wholly owned James Bay lithium pegmatite project in Quebec, Canada. James Bay will provide additional expansion capacity to capitalize on future lithium demand growth.

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.