

QUARTERLY REPORT

For the three months ending 31 March 2017

Galaxy Resources Limited (ASX: GXY, "Galaxy" or the "Company") is pleased to report to shareholders its activities for the quarter ended 31 March 2017.

Highlights

- **Mt Cattlin Operations:**
 - Produced 23,467 tonnes of lithium concentrate, in line with forecast during ramp-up phase;
 - Production cash costs (excluding royalties and marketing fees) of US\$389 per tonne;
 - Sales of 23,455 tonnes at an average realised price before royalties and marketing fees of US\$542 (A\$719) per tonne;
- **Secured new debt facility with BNP Paribas of up to US\$40 million, subsequently executed definitive documentation for the reduced amount of US\$25 million;**
- **Raised A\$61 million from equity financing;**
- **Exercise of Options raised A\$8.6 million;**
- **Appointed new Directors to the Board;**
- **Appointed new Chief Operating Officer;**
- **Confirmed development team for the Sal de Vida Project;**
- **Commenced exploration and development program for the James Bay Project.**

Teleconference

A teleconference on the Quarterly Results will be held on 19 April 2017, Commencing at 09.00am (AWST).

Conference ID: 7917 640

Within Australia (Toll Free): 1800 123 296

International:

Canada	1855 5616 766	Japan	0120 477 087
China	4001 203 085	Singapore	800 616 2288
Hong Kong	800 908 865	United States	1855 293 1544
UK	1855 293 1544		



PROJECTS

MT CATTLIN – OPERATIONS

Operations at Mt Cattlin remains Lost Time Incident (“LTI”) free since refurbishment and construction commenced. This achievement is particularly noteworthy given the aggressive ramp up of the plant during the quarter, which saw a transition from residual minor construction through to commissioning and production commencement.

Mining operations continued to progress towards full production, with total material movement of 140,069 BCMs of waste, and 233,192 wet metric tonnes (“wmt”) of ore at 0.96% Li₂O during the quarter. Material from both the mined ore that had been blasted prior to the care and maintenance period in 2013 and the new ore from blasting activities that have recommenced, have had a positive effect on plant recovery levels. Mining activities were concentrated on the northern and western sides of the pit, and run of mine ore stocks were as planned at the end of the quarter.

During the quarter, ramp up and commissioning of the Mt Cattlin plant was substantially completed and with the plant reaching 90% of its designed nameplate capacity by the end of February. Shortly after the reporting period in early April, the plant achieved 100% of its throughput nameplate capacity of 210tph. During the ramp up period, ore throughput totalled 248,488 dry metric tonnes (“dmt”). With plant performance continuing to meet production expectations in a steadier state, the operational focus for the June quarter will be on fine-tuning the plant to increase recovery and output rates. To date, Mt Cattlin has produced 23,467 dmt of lithium concentrate for the current quarter and together with the 10,000 dmt produced in December 2016, a total of 34,000 dmt of product has been produced since recommissioning.

In January, Mt Cattlin dispatched its first shipment of 9,755 dmt on NY Trader II. In February, the Mt Cattlin site and the Great Southern Region of Western Australia experienced a 50-year rain event and severe flooding in certain areas, resulting in the temporary suspension of mining activities, as well as certain key transport routes being cut off - however with strong site leadership and robust systems, there was limited impact to the dispatch of the second shipment of 13,700 dmt on the MV Blessing. Production for the next shipment has been at product quality and specifications above contract requirements, with mica and moisture levels recorded being well below contract requirements. With the third shipment in April on MV T. Prime, Mt Cattlin will complete its 2016 contract off take supply obligations priced at US\$600 per tonne – thereafter, all subsequent shipments will be on 2017 pricing terms, which is US\$830 per tonne for 5.5% grade lithium concentrate, rising to US\$905 per tonne for 6.0% grade product. In addition, all prepayments advanced by the current customers will be repaid after the next shipment, meaning that for all future 2017 contract shipments, 100% of the revenue from lithium concentrate sales will flow to the Company.

Scoping and design work has begun on refurbishing the mine’s fixed crushing circuit, with a view to re-starting in the third quarter this year, which will increase plant reliability and reduce input costs. Work continues to progress on finalising medium and long term water supply contracts, with suitable options becoming available for both timelines. These programs, in conjunction with planned exploration and drilling programs, are intended to extend the mine life and further increase process plant efficiency.

Mt Cattlin - Production and Sales Statistics

	Units	Q1-17	YTD-17	MAR-17
Ore mined	wmt	233,193	233,193	138,346
Grade	%	0.96	0.96	0.93
Waste mined	BCM	140,069	140,069	95,839
Ore treated	dmt	248,488	248,488	97,773
Input Grade	%	1.02	1.02	1.03
Spodumene produced	dmt	23,467	23,467	9,695
Spodumene sold	dmt	23,455	23,455	13,700

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Mt Cattlin production cash costs (excluding royalties and marketing fees) for the quarter were US\$389 (A\$514) per dmt of spodumene produced, with the plant output for the quarter still below target production rates, it is anticipated that unit production cash costs will further reduce in the coming quarters as the operation reaches planned monthly production rates.

Product sales of 23,455 dmt were reported at an average realised sales price (before royalties and marketing fees) of US\$542 (A\$719) per dmt of spodumene. Notwithstanding the continuing ramp up and commissioning of the operations during the quarter, Mt Cattlin generated a positive EBITDA for the quarter.

Mt Cattlin management continues to meet regularly with local community representatives and local government leaders, and maintains strong relationships with the relevant regulatory offices.

The short to mid-term focus is establishing the relevant personnel resourcing strategy to support operations and continuously improve reliability and performance. In line with this, Galaxy recently announced the appointment of Brian Talbot as General Manager of Mt Cattlin; Brian is a 25 year veteran of the mining industry, with his most recent role at Bikita Minerals in Zimbabwe, where he was instrumental in overseeing significant increases in plant throughput and recovery at the 400,000tpa lithium mine.

MT CATTLIN – EXPLORATION

Following the successful recommissioning of the Mt Cattlin operations, the focus in the current quarter will be on commencing an extensive brownfield and greenfield exploration drilling campaign. Drilling will focus on further resource development at Mt Cattlin, starting with pegmatite targets east of Floater Road. The objective of this program will also be to support short to medium term mine planning.

Galaxy currently holds prospective lithium and tantalum exploration tenements adjacent to its producing mining lease at Mt Cattlin. Three of these, E74/400, (GXY 100%), E74/401 (GXY 80%, Traka Resources 20%) and E74/415 (GXY 100%) are under review and exploration will commence once statutory approvals have been finalised.

Galaxy Lithium Australia Limited was granted the following tenements during the quarter:

	% holdings	Area hectares	Date granted	Date expires
P74/370	80	20	22 March 2017	22 March 2021
P74/371	100	67	23 February 2017	22 February 2021
P74/372	100	24	22 March 2017	22 March 2021
P74/373	80	95	22 March 2017	22 March 2021

SAL DE VIDA – OPERATIONS

The Company is pleased to report that the last quarter has seen the Sal de Vida (“SDV”) team move forward significantly with a number of key milestones being achieved. Field drilling of the initial two production wells is well underway, along with a third exploration well. The re-commencement of field work was undertaken in an organised and safe manner, and in close partnership with and participation of the local communities in Catamarca and Salta.

During the quarter, the SDV Project was granted an extension of its Environmental Permit by the Mining Secretary of Catamarca. The renewal of this permit will allow the project to move towards the definitive test work phase, all the way through completion of construction to commissioning. In line with the requirements stipulated within the permit, the SDV team will be following through on plans to increase local employment participation for completion of its planned field activities.

Galaxy’s local Argentine subsidiary has also established a presence in San Fernando, the capital city of Catamarca Province and will be using this local office as a base to coordinate recruitment and other human resource initiatives in the regional community. Members of the local SDV team were also actively engaged in field visits to surrounding communities and key stakeholders, such as that at Cienaga Redonda, which is adjacent to the planned project development site location.

In February, the Company confirmed appointments to the SDV Development team, bringing on board industry professionals with a combined 200 years of experience with the leading global lithium producers SQM, FMC and Rockwood. This team of highly credentialed industry specialists have the expertise and proven track record of developing lithium brine projects over the past couple of decades, and cover all the major technical disciplines required for the project including processing and chemical plant operations, engineering and construction, as well as hydro-geology.

The Development Team, led by David Guerrero -General Manager of Galaxy SDV, includes:

Processing & Chemical Plant Operations

Dr Vijay Mehta (P.Chem, PhD)	Over 40 years’ experience working for numerous lithium and other specialty chemical companies, including 26 years at FMC, as head of product and process development
Pedro Pavlovic (P.Eng, MBA)	Over 40 years of experience as a process expert in lithium and potassium extraction working with the majors, formerly MD of CORFO, developing the resources at the Salar de Atacama
Daniel Chavez Diaz (P.Eng, MBA)	Over 25 years of experience in lithium brine operations, formerly MD of FMC’s operations at the Salar del Hombre Muerto, also President of FMC subsidiary Minera de Altiplano
Marcelo Bravo Veas (P.Eng)	Over 16 years of experience, including 12 years at SQM as chief of process engineering, overseeing evaporation ponds construction and operations at the Salar de Atacama

Engineering & Construction

Mario Portillo (P.Eng)	Over 40 years of experience as project engineering manager at Techint, which was lead construction and engineering consultant for the FMC lithium carbonate and chloride operations
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Hydro-Geology

Dr Rodolfo Garcia (P.Geo, PhD)	Over 28 years of experience working on studying and modelling the hydro-geology of numerous brine projects in the region, including those of FMC, Lithium Americas and Orocobre
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All tenements related to the SDV Project were maintained in good standing with both the Salta and Catamarca provincial governments, and will remain so with the planned budgeted expenditure for the year. The budgeted expenditure will cover development work for the initial production wells and planned 45 hectares of evaporation ponds, both of which will be utilised as part of the future full scale production operations. Upon completion of the topographic survey, the evaporation ponds location will be finalised. Commencing in the fourth quarter of this year, the newly constructed evaporation ponds will be initially used to perform testing and optimisation work, particularly around pond liner selection. To facilitate the overall increased level of activity at the project, an existing camp facility in the area was acquired and will be refurbished to accommodate up to 80 construction and project development staff.

James Bay

Exploration & Development

In February, Galaxy announced that it had commenced an exploration and development program at its James Bay Project in Québec, Canada. The program has been budgeted at A\$3.5 million with the objectives of executing a thorough and multi-faceted diamond-drilling campaign and completing the Definite Feasibility Study (“DFS”), which was suspended in 2012. The drilling work commenced in early March and is focused on exploring and developing the lithium resource contained in numerous outcropping spodumene-bearing pegmatites. Currently, the resources at James Bay stand at 22.2Mt (Indicated & Inferred) at a grade of 1.28% Li₂O, and has been limited to an open-pit vertical depth of less than 100m. The new drilling program will aim to almost triple the aggregate 14,000m of depth drilled so far on the project, and will consist of drill holes at a deeper depth and closer proximity. The core-drilling program includes:

- In-fill drilling to substantially upgrade ore resources to reserves;
- Step-out holes to explore pegmatite extensions down-dip; and
- Drilling three to four pegmatites, previously mapped, but never drilled.

The previous drilling programs in 2008 and 2009 had targeted only nine of the fifteen known spodumene-bearing pegmatites (swarms) located on the west side of the Matagami-Radisson Highway. More pegmatites will be explored by core-drilling through the course of this year. Several other pegmatites located on the east side of the highway will be mapped this summer following the snow-melt period and will also be drilled later during warmer weather conditions. Each pegmatite swarm consists of an estimated two to eight individual pegmatite dykes ranging in size from 2m to over 100m. All the spodumene pegmatites delineated thus far are parallel to each other and are separated by barren host rock of sedimentary origin, now metamorphosed to amphibolite facies.

The current Ore Resource estimate of the James Bay Project dates back to 2010, however the data that will be collected in the current drilling program will allow for an update to these resources, with the results to be included in the final DFS. The relevant Environmental Studies relating to the DFS will be also advanced in parallel. Metallurgical testwork conducted in 2012 used a dense-media separation (“DMS”) technique, produced a lithium concentrate with grades of up to 6.53% Li₂O at a 75% lithium recovery rate. The development program this year will continue this testwork with additional pilot-plant scale metallurgical testing. The DFS will include:

- Environmental and Social Impact Assessment (“ESIA”) - Phase 1;
- Bulk sampling from existing stockpiles;
- Pilot-plant scale metallurgical testwork; and
- Formal revision to the Resources/Reserves of the project from the new data collected.

The James Bay Project is located 0.5km from a full-service road stop, which is situated 380km away from the mining town of Matagami (where numerous services relating to construction and mining are available) and just over 800km from Montreal in the north-west region of Québec Province.

The James Bay Project resource estimate is set out below:

	Tonnes	Li ₂ O grade
Indicated	11,750,000	1.30
Inferred	10,470,000	1.20
Total	22,220,000	1.28

Refer Galaxy Resources Announcement (5 May 2012)



CORPORATE

New Debt Facility with BNP Paribas

During the quarter, Galaxy announced an agreement with BNP Paribas for a new secured debt facility for up to US\$40 million, with the principal purpose of repaying in full the outstanding balance due to OCP Asia and for general corporate requirements.

Key terms as announced:

- Facility A – US\$10 million/ Term loan, maturing 31 January 2018
- Facility B – US\$15 million/ Bridge loan, repayable on or before 30 June 2017
- Facility C – US\$15 million/ Revolving loan, maturing 31 January 2018 - yearly extensions of 12 months subject to renewal conditions

After the Company completed an equity capital fundraising of A\$61 million only tranches A and C of the BNP Paribas facility were executed, resulting in reduced total facility of US\$25 million. As at the date of this Quarterly Report, US\$10 million has been drawn.

Equity Capital Raising of A\$61 million

During the quarter, Galaxy received commitments to subscribe for A\$61 million worth of ordinary shares via a private placement to domestic and international institutional investors (“**Placement**”). The Placement consisted of the issue of 1130 million new fully paid shares at a price of A\$0.54 per share, representing a 9.2% discount to Galaxy’s closing price on 29 February 2017, of A\$0.595. The capital raising was significantly oversubscribed, with strong support shown by both existing shareholders and in particular new overseas investors.

The proceeds of the Placement, together with existing funds available to Galaxy, will primarily serve to strengthen the Company’s balance sheet and increase its financial flexibility to progress its development work at the Sal de Vida and James Bay projects, as well as for general corporate purposes.

Canaccord Genuity Australia acted as Lead Manager and sole book-runner on the transaction.

New Appointments to Board of Directors

Mr Peter Bacchus and Mr John Turner were appointed as Independent Non-Executive Directors of the Company with effect from 3 January 2017.

Mr Bacchus is Chairman and Chief Executive Officer of Bacchus Capital Advisers Ltd, an M&A and merchant banking boutique based in London. Prior to establishing Bacchus Capital, he served as European Head of Investment Banking at US investment bank Jefferies, Global Head of Mining & Metals at Morgan Stanley, and Head of Investment Banking, Industrials and Natural Resources at Citigroup, in Asia and Australia. Mr Bacchus has over 20 years’ experience in investment banking with a focus on the global natural resources sector and has, over this period, led a large proportion of the transformational transactions in the industry. Mr Bacchus is also a non-executive director of UK-listed mining group NordGold, and South African and US listed Gold Fields, and is Chairman of Space for Giants, an African-focused conservation charity. He is a Member of the Institute of Chartered Accountants, England & Wales and holds an MA in Economics from Cambridge University, United Kingdom.

Mr Turner is the leader of Fasken Martineau’s Global Mining Group. Fasken Martineau is a leading international business law and litigation firm with eight offices with more than 700 lawyers across Canada and in the UK and South Africa. Fasken Martineau’s Global Mining Group has been #1 ranked globally 8 times since 2005, including for 2016. Mr Turner has been involved in many of the leading corporate finance and merger and acquisition deals in the resources sector primarily through companies active in Africa, Latin America, Eastern Europe, Canada and Australia. Mr Turner has also successfully acted for the financial arranger or sponsor of several global major resources projects. Mr Turner is also a recipient of the Queen’s Golden Jubilee Medal for his services in the autism sector.

Galaxy’s Board now comprises:

- Martin Rowley (Independent Non-Executive Chairman and Director)
- Anthony Tse (Managing Director & Chief Executive Officer)
- George Zhang (Independent Non-Executive Director)
- Peter Bacchus (Independent Non-Executive Director)
- John Turner (Independent Non-Executive Director)



Appointment of Chief Operating Officer

In February, Galaxy appointed highly experienced project management and company executive Mark Pensabene as Chief Operating Officer (“COO”).

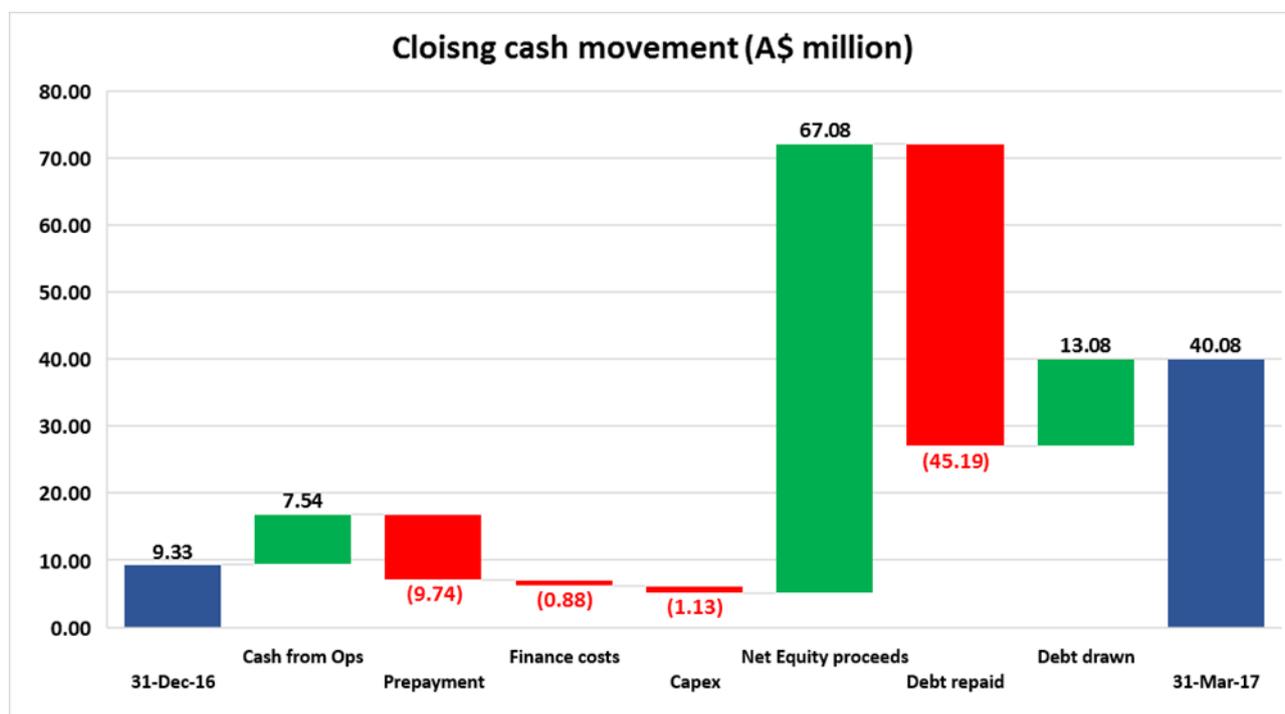
Mr Pensabene joined Galaxy from his most recent role as a General Manager for the Monadelphous Group (ASX:MND) and has over 20 years of experience in the mining and project management sector. His key industry involvement areas include mineral processing and gas plant construction, as well as related infrastructure development.

Mr Pensabene was General Manager for 12 years at Monadelphous, working across numerous construction disciplines and sectors, prior to which he spent 8 years in various construction and project management roles. He holds Bachelor of Engineering and Commerce degrees from the University of Western Australia.

Cash Position

Cash on hand at 31 March 2017 was A\$40.1 million. Please refer to the appendix 5B lodged with ASX for the quarter ended 31 March 2017 for further details of cash flows for the quarter.

Set out below is a summary of the movement in closing cash for the 31 March 2017 quarter showing all of the key inflows and outflows during the quarter:



INDUSTRY & MARKET UPDATE

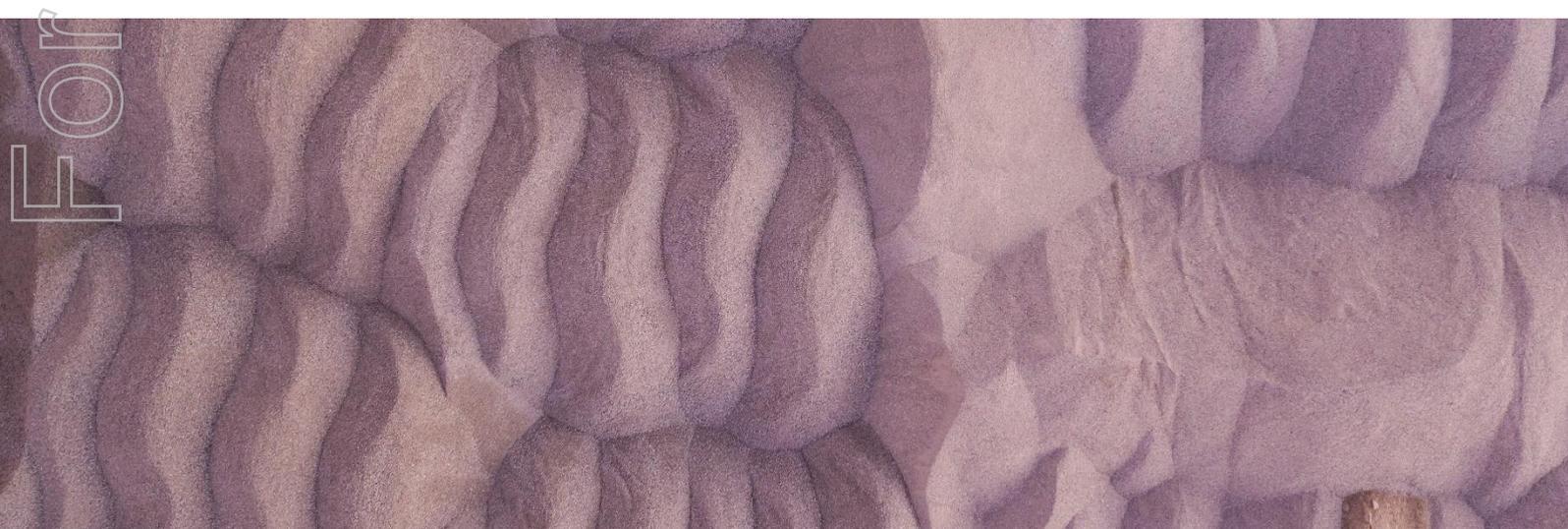
Final statistics reported in the quarter showed another strong year for lithium demand in 2016, primarily driven by the continued increase of new energy vehicles (“NEVs”) adoption globally, particularly in China, and the lithium ion battery leading as the preferred energy storage platform for not only transportation applications, but also stationary storage as well as the historical and well established consumer electronics segment.

Global electric and hybrid vehicle sales reached approximately 780,000 vehicles for the year (vs 550,000 vehicles in 2015 – Inside EVs) and in China, total new energy vehicles produced reach 517,000 vehicles in 2016 (vs 379,000 vehicles in 2015 – China Association of Automobile Manufacturers (“CAAM”). Important to note is that of the total NEV production volume in China, 81% of those vehicles produced were pure electric and reported a growth of 64% year-on-year, with the balance being hybrid electric vehicles reporting a 16% year-on-year growth. In addition, passenger vehicles represented 67% of all NEVs produced, with the electric and hybrid categories in that segment reporting a 73% and 30% year-on-year growth respectively. Commercial vehicles representing the balance of NEVs produced, reported a 50% and 23% year-on-year growth for their electric and hybrid categories respectively.

In the current quarter, China showed a good recovery in March NEV production data, after a slow start in January and February due to production line adjustments by many manufacturers (to upgrade their facilities to higher energy density battery vehicles so as to be eligible for new subsidies from the revised policies issued at the end of 2016), combined with a backlog in the processing of type approved vehicles in the first quarter of 2017. With the recently approved third batch of type approved NEVs (634 vehicles approved in Batch #3), the total of type approved NEVs is now 1,020 vehicles to date, which is in line with the number of vehicles approved (1,022 vehicles) in the first quarter of 2016. The first two batches of type approved NEVs in 2017 were low (only 386 vehicles) and delayed, leading many manufacturers to hold back production and sales until their vehicle models’ applications were cleared and type approved in the latest batch, and hence the sales of which would then be eligible for subsidy rebates. The CAAM reported 2017Q1 NEV production numbers of 58,228 vehicles (vs 63,183 vehicles in 2016Q1) and while this number was down approximately 8% when compared to the previous year, in March there was a reported 33,015 NEVs produced (vs 25,246 NEVs in March 2016), representing a strong increase of 31% on a year-on-year basis as compared to March 2016.

The lithium market, particularly in China, is expected to remain robust in terms of demand and pricing for the year, due to the anticipated continued growth in demand, primarily from the battery and electric vehicle end user segment. Current analyst projections in China are estimating a range of 700-800,000 NEVs to be produced for the full year in 2017, versus the 517,000 vehicles reported in 2016, which represents a 35-55% continued increase in NEV production volume – combined with the launch of numerous new electric vehicle models in other countries and anticipated continued increase of vehicle sales in those markets, the global electric vehicle market is well positioned to break a total of 1 million vehicles sold worldwide in 2017.

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Competent Person Statement

Sal de Vida

The information in this report that relates to the estimation and reporting of the Sal de Vida Project Mineral Resources and Mineral 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 Mineral 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.

James Bay

The information in this report that relates to Mineral Resources at the James Bay Project is based on work completed by Mr James McCann, who is a Member of a Recognised Overseas Professional Organisation. Mr McCann is a full time employee of McCann Geosciences, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr McCann consents to the inclusion in the report of the matters based on his information in the form and context it appears. This information was prepared and first disclosed under the JORC Code 2004 it has not been updated since to comply with JORC code 2012 on the basis that the information has not materially changed since it was last reported.

Mt Cattlin

The information in this report that relates to exploration results is extracted from the report entitled “Mt Cattlin Exploration Update” created on 20 September 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. The Company understands that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Production Targets and Financial Information

Information in relation to the Sal De Vida Revised Definitive Feasibility Study, including production targets and financial information, included in this report 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 all material assumptions underpinning the production target and financial information set out in the announcement dated 22 August 2016 continue to apply and have not materially changed.



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.

Not For Release in US

This announcement has been prepared for publication in Australia and may not be released in the U.S. 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.

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Tenement Schedule

Tenement	PROJECT	MANAGER	HOLDER1	GXY SHARES	JV	SHARE
E51/1602	CHESTERFIELD	*GALA	GMCL	100		
E51/1603	CHESTERFIELD	*GALA	GMCL	100		
E51/1604	CHESTERFIELD	*GALA	GMCL	100		
E70/2493	BOXWOOD HILL	*GALA	GALA	100		
E74/0299	BAKERS HILL	*GALA	GALA	100		
E74/0415	BAKERS HILL	*GALA	GALA	100		
L74/0047	WEST KUNDIP	*GALA	GALA	100		
M45/0538	MURCURY HILL	*GALA	GMCL	100		
M51/0270	MEEKATHARRA	*GALA	GMCL	100		
M51/0451	MEEKATHARRA	*GALA	GMCL	100		
M74/0133	WEST KUNDIP	*GALA	GALA	100		
M74/0238	WEST KUNDIP	*GALA	GALA	100		
E74/0400	FLOATER	*GLIT	GLIT	100		
E74/0401	SIRDAR	*GLIT	GLIT	80	TRAKA	20
L74/0046	MT CATTLIN	*GLIT	GLIT	100		
L74/0048	MT CATTLIN	*GLIT	GLIT	100		
M74/0244	MT CATTLIN	*GLIT	GLIT	100		
P74/0370	MT CATTLIN	*GLIT	GLIT	80	TRAKA	20
P74/0371	MT CATTLIN	*GLIT	GLIT	100		
P74/0372	MT CATTLIN	*GLIT	GLIT	100		
P74/0373	MT CATTLIN	*GLIT	GLIT	80	TRAKA	20
M51/0353	MEEKATHARRA	*GMCL	GMCL	100		

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Galaxy Resources Limited

ABN

11 071 976 442

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter	Year to date
	\$A'000	(3 months)
		\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,481	7,481
1.2 Payments for		
(a) exploration & evaluation	(587)	(587)
(b) development	-	-
(c) production	(6,068)	(6,068)
(d) staff costs	(1,969)	(1,969)
(e) administration and corporate costs	(996)	(996)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	(882)	(882)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,016)	(3,016)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,130)	(1,130)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,130)	(1,130)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	61,020	61,020
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	8,590	8,590
3.4	Transaction costs related to issues of shares, convertible notes or options	(2,531)	(2,531)
3.5	Proceeds from borrowings	13,083	13,083
3.6	Repayment of borrowings	(44,698)	(44,698)
3.7	Transaction costs related to loans and borrowings	(496)	(496)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	34,968	34,968

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,327	9,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,016)	(3,016)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,130)	(1,130)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	34,968	34,968
4.5	Effect of movement in exchange rates on cash held	(65)	(65)
4.6	Cash and cash equivalents at end of period	40,084	40,084

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5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	40,084	6,846
5.2 Call deposits	-	2,481
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	40,084	9,327

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	183
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees including superannuation

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	32,717	13,083
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

This is a US dollar facility totalling US\$25 million (A\$32.7 million) provided by BNP which is secured and carries interest at LIBOR plus 4% per annum. Total amount drawn at 31 March 2017 is US\$10 million (A\$13 million).

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(5,500)
9.2 Development	-
9.3 Production	(15,500)
9.4 Staff costs	(3,200)
9.5 Administration and corporate costs	(2,200)
9.6 Other	-
9.7 Total estimated cash outflows	(26,400)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	All north of Mt Cattlin	P74/0370 P74/0371 P74/0372 P74/0373	0% 0% 0% 0%	80% 100% 100% 80%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Date: 18 April 2017

Print name: Simon Robertson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.