

Australia
2 March 2017

GALAXY COMPLETES SECOND SHIPMENT OF SPODUMENE CONCENTRATE

Highlights

- Approximately 14,000wmt of product loaded on vessel MV Blessing bound for China
- Payment for shipment due from Mitsubishi within 14 days of final documentation
- Production ramp up at Mt Cattlin continues to steadily progress toward nameplate

Galaxy Resources Limited (ASX: GXY) ("Galaxy" or the "Company") is pleased to announce that it has successfully completed its second spodumene concentrate cargo loading at the Port of Esperance, Western Australia. The MV Blessing SW, that contained approximately 14,000wmt, set sail on 1 March 2017 bound for Galaxy's second customer in China.

The second shipment comes as the Mt Cattlin plant operations continue through the plant ramp up phase, steadily progressing towards nameplate production levels.

From production data, the spodumene concentrate is anticipated to exceed the 5.5% Li₂O specification, with approximately 2% mica concentration and moisture levels below 2%. The re-design of the Mt Cattlin processing plant, focused on improving historical lithium oxide grades and removing mica, has been successful in producing a product specification that is exceeding expectations in both areas.

Mt Cattlin is now focused on further improving product quality with a target specification of 6.0% Li₂O and mica concentrations of closer to 1%.

Test work and plant trials will continue to allow further optimisation of product quality, lithium yields and increased throughputs. One successful optimisation has been the reduction in coarse tailings grade from the dense medium separation (DMS) circuit. Early operation was producing grades in line with historical grades of 0.4-0.5% Li₂O. This has been reduced to 0.2% with an aim for 0.1% Li₂O in the coarse tailings stream.

Anthony Tse, Managing Director, commented "I am pleased that with the successful progress that is being made at Mt Cattlin, we are now moving into a stable operations phase at the project. This steadier state coupled with some key operational appointments, will allow for more focus on our other world class development opportunities."



Mt Cattlin 24 hour Operations



Spodumene Concentrate being loaded at Port.

—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, 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.

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