



Australia  
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## MT CATTLIN PROCESSING PLANT ACHIEVES NAMEPLATE THROUGHPUT

### Highlights

- Mt Cattlin maintains 210tph throughput to reach nameplate
- Utilization rate during March averaged 79%
- Maximum plant throughput of 219tph attained to date
- Further process improvements planned throughout 2017 to further increase production

Galaxy Resources Limited (ASX: GXY) ("Galaxy" or the "Company") is pleased to announce it has successfully reached nameplate throughput at its Mt Cattlin operations in Ravensthorpe, Western Australia.

Over the last seven days' throughput at Mt Cattlin averaged 210 dry tonnes per hour at the monthly average of 79% utilisation rate. Reaching design throughput completes the commissioning period ahead of schedule.

Maximum plant throughput achieved so far this year was a rate of 219 dry tonnes per hour during a 24-hour period. Over the past week, final product production rate has averaged 378 dry tonnes per day, with the best production day recorded in March of 488 dry tonnes.

The performance of the redesigned Mt Cattlin processing plant has now been confirmed for throughput and grade, allowing Galaxy to move into steady state operations. Production costs are continuing to trend down in line with expectations, a detailed breakdown of which will be provided to the market in the upcoming March quarterly report. Further process improvements are planned during the course of the year to increase production and reduce costs.

Galaxy is also pleased to announce that it has appointed Mr Brian Talbot as General Manager of Mt Cattlin who will be residentially based in Ravensthorpe Western Australia. Mr Talbot brings a wealth of experience in both processing and mine management in lithium concentrate production, with his 25 years' experience most recently at Bikita Minerals in Zimbabwe, where he was instrumental in overseeing large increases in plant throughput and recovery, which grew to a 400,000 tpa operation.

Galaxy's Chief Operating Officer, Mark Pensabene, has welcomed reaching nameplate production, stating "I congratulate the team for their strong efforts to ramp up production at Mt Cattlin to nameplate in a relatively short time frame. This holds us in good stead and I look forward to the next phase of optimization and improvements at Mt Cattlin. I would also like to welcome Brian to the team and look forward to leveraging of his extensive experience here at Galaxy."

Galaxy is currently aiming to complete its 2016 contract offtake supply obligations with the upcoming third shipment which is scheduled to arrive on 19 April 2017. Concluding this shipment, all future volumes shipped will be on 2017 pricing terms, which is US\$830 for 5.5% grade lithium concentrate product, rising to US\$905 for 6.00%. In addition, all prepayments advanced by the current Chinese customers will be repaid after the upcoming shipment, consequently for all future 2017 shipments 100% of the revenue from lithium concentrate sales will flow to the Company.



Mt Cattlin Processing Plant

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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.

### 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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