



Australia
13 May 2019

MT CATTLIN RECORD PRODUCTION

HIGHLIGHTS

- Record monthly production volume of 21,901 dry metric tonnes (“dmt”) of lithium concentrate for April 2019, representing an equivalent annualized run rate of over 260,000 dmt
- Average final product grade of 5.92% Li₂O compared to 5.75% Li₂O in Q1 2019
- Overall plant recovery of 61% compared with an average 51% reported Q1 2019
- Cash cost per tonne of lithium concentrate produced recorded at US\$329/dmt compared to US\$453/dmt reported in Q1 2019
- Production guidance for Q2 2019 reaffirmed at 45,000 dmt to 50,000 dmt of lithium concentrate
- Shipment volume and sales guidance of 45,000 dmt to 50,000 dmt of lithium concentrate for Q2 2019

Galaxy Resources Ltd (ASX: GXY) (“**Galaxy**” or “**the Company**”) is pleased to provide an update on operations at the Mt Cattlin Project (“**Mt Cattlin**” or “**Project**”) in Ravensthorpe, Western Australia. Mt Cattlin has delivered record monthly production output and improved final product quality for the month of April, highlighting strong operational execution and ramp up of performance following the completion of the Yield Optimization Circuits (“YOP”) in Q1 2019.

Commenting on Mt Cattlin operations in April 2019, Galaxy’s Chief Executive Officer and Managing Director, Anthony Tse said,

“Following a comprehensive review of operations in the latter part of 2018, the team at Mt Cattlin focused on operational improvements and an efficient ramp up of the newly installed YOP throughout the start of 2019. Management has concentrated on cost reduction, together with the YOP efficiency and I am pleased to report that this effort has resulted in the strongest month at Mt Cattlin, both in terms of production output and product quality, since the Mt Cattlin operations were recommissioned at the end of 2016.”

“Our customer base in China is linked to some of the top-tier lithium supply chain end users, demonstrating the broad acceptance and recognition of consistency of the Mt Cattlin product. Aside from quality, the continued reduction in unit production costs ensures Galaxy has a competitive advantage, allowing the Company to continue delivering a healthy operational cash margin, notwithstanding the recent softening of lithium feedstock and chemical pricing.”

“Galaxy’s operational plan will continue to focus on maintaining Mt Cattlin as one of the lowest cost, high quality, lithium concentrate producers in Western Australia.”

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.

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 because 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.

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