24 September 2014

Dale Allen
ASX Compliance Pty Limited
Level 40
150 St Georges Terrace
Perth WA 6000

Dear Dale,

In response to your letter dated 24 September 2014 regarding the late lodgement of the Appendix 3Y for Mr Martin Rowley ("Galaxy" or "the Company") responds as follows:

1. Please explain why the Appendix 3Y lodged late?

The Appendix was lodged late due to an administrative oversight because the relevant shares were purchased in the name of the Rowley Family Superannuation Fund rather than Mr Rowley's own name. The notice was lodged immediately upon the oversight being identified.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company has a policy that requires all Directors to notify the Company Secretary of any transactions involving any change of their notifiable interest immediately or at the very latest, within three business days after the changes occur. Additionially, the Company Secretary and the officers assigned to report to the ASX review the directors' shareholding regularly to ensure that all movements are reported to the ASX within the time frame.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Apart from this administrative oversight, the Company considers the current arrangements to be adequate to ensure compliance with listing rule 3.19B.

Yours sincerely
Galaxy Resources Limited

A L Meloncelli
Interim CFO/Company Secretary

ASX Compliance Pty Limited
ABN 26 087 780 489
Level 40 Central Park
152 - 158 St Georges Terrace
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
www.asx.com.au

24 September 2014

Mr Andrew Meloncelli
Company Secretary
Galaxy Resources Limited
Level 2, 16 Ord Street
West Perth WA 6005

By Email: Andrew.meloncelli@galaxylithium.com

Dear Andrew

Galaxy Resources Limited (the "Company") Appendix 3Y – Change of Director's Interest Notices.

We refer to the following;

1. The Appendix 3Y for Mr Martin Rowley lodged by the Company with ASX Limited ("ASX") on 23 September 2014.

2. Listing rule 3.19A which requires an entity to tell ASX the following:

   3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
   - On the date that the entity is admitted to the official list.
   - On the date that a director is appointed.

   The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

   3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

   3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

3. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Y indicated that changes in the director's relevant interest occurred on 12 September 2014, it appears that the Appendix 3Y should have been lodged with the ASX by 19 September 2014. As the Appendix 3Y was lodged on 23 September 2014, it appears the Company may be in breach of listing rules 3.19A and 3.19B..

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix 3Y lodged late?

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

3 If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to dale.allen@asx.com.au or facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible (i.e. before 3.00pm W.S.T.) on Friday 26 September 2014.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,

[*sent electronically without signature*]

Dale Allen
Senior Adviser, Listings Compliance (Perth)