



Australia
25 November 2015

CORPORATE FACILITY UPDATE

Corporate Update

Galaxy Resources Ltd (ASX: GXY) ("Galaxy") is pleased to announce that it has received confirmation from OCP Asia ("OCP") that all conditions precedent to utilisation of the A\$31 million debt facility, for which definitive documentation was executed on 24th November 2015, have been satisfied or waived.

Galaxy and OCP will now arrange drawdown of the facility for repayment of the outstanding convertible bonds.

As a condition of the OCP facility, the Company advises that it has received notice from the Clipper Group where it has agreed to convert its outstanding secured loan of A\$4.45 million into Galaxy shares, in accordance with the terms as approved by shareholders at the last Annual General Meeting, thus extinguishing the outstanding balance of this secured loan. The Clipper Group first provided financial support to Galaxy in July 2013 during a period when it was in a very poor financial situation and have continued their support over the past two years, while the current Board of Directors have completed the successful financial restructuring of the Company. The Clipper Group participants will now continue to provide support as shareholders of Galaxy.

The Company confirms that pursuant to the above, it has issued the relevant Galaxy shares to both the Clipper Group participants and OCP.

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For more information, please contact:

Corporate

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About Galaxy (ASX: GXY)

Galaxy Resources Limited ("Galaxy") is a global lithium company with lithium production facilities, hard rock mines and brine assets in Australia, Canada and Argentina. It owns the Mt Cattlin spodumene and tantalum project near Ravensthorpe in Western Australia 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, 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.

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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