



16 August 2016

GENERAL MINING TAKEOVER – Completion and Compulsory Acquisition

Galaxy Resources Limited (ASX:GXY) ("Galaxy" or "the Company") is pleased to announce that, in accordance with the terms of its off-market takeover offer for General Mining Corporation Limited (ASX:GMM) ("GMM"):

- it has become the registered holder of 96.74% of the fully paid ordinary shares of GMM ("GMM Shares");
- it has issued a total of 494,054,012 Galaxy Shares to GMM shareholders who accepted the takeover offer. Holding statements will be dispatched shortly. A further 2,644,398 Galaxy Shares have been issued to Canaccord Genuity as sale nominee to sell and remit the net sale proceeds to ineligible foreign GMM shareholders who accepted the takeover offer. 3,600,000 Galaxy Shares have also been issued to Canaccord Genuity as part of a success fee payable in respect of the takeover offer; and
- it has lodged with ASIC the compulsory acquisition notice attached to this announcement and will now post the notices together with the attached covering letter to GMM shareholders who did not accept the takeover offer by the closing date. Galaxy anticipates completing compulsory acquisition of all remaining GMM Shares by 30 September 2016. The compulsory acquisition will be on the same terms as Galaxy's off-market takeover offer, that is, 1.65 Galaxy Shares for every 1 GMM Share held.

--ENDS--

For more information, please contact:

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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, 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.

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.

Not For Release in US

This announcement has been prepared for publication in Australia and may not be released in the U.S. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statement.



16 August 2016

Dear General Mining Shareholder,

COMPULSORY ACQUISITION NOTICE

On 5 August 2016, Galaxy Resources Limited (ACN 071 976 442) ("Galaxy" or the "Company") closed its off-market takeover offer for all of the fully paid, ordinary shares of General Mining Corporation Limited (ACN 125 721 075) ("General Mining") that it did not already own ("Takeover Offer").

The terms of the Takeover Offer are contained in Galaxy's bidder's statement dated 22 June 2016, as supplemented by first and second supplementary bidder's statements dated 13 July 2016 and 22 July 2016 respectively ("Bidder's Statement").

As at the date of this letter, Galaxy owns 96.74% of General Mining Shares.

Galaxy now proposes to acquire the remaining General Mining Shares it did not acquire under the Takeover Offer in accordance with the compulsory acquisition provisions in the *Corporations Act 2001* (Cth) ("Corporations Act").

You are being sent this letter because you are currently registered as a holder of General Mining Shares and you either did not accept the Takeover before the closing date of the Takeover Offer or your acceptance was invalid. General Mining shareholders who attempted to accept the Offer, but failed to do so validly (including due to acceptance being received after the closing date), are treated as General Mining shareholders whose General Mining Shares maybe compulsorily acquired under the Corporations Act.

Enclosed is an ASIC Form 6021 (Notice of compulsory acquisition following takeover bid) ("Notice") which Galaxy is required to give you under the Corporations Act to exercise its right to compulsorily acquire your General Mining Shares.

The compulsory acquisition process, which is subject to the Corporations Act, is likely to take approximately 4 to 6 weeks to complete but may take longer in some circumstances. The compulsory acquisition will be on the same terms as those that applied to under the Takeover Offer, as set out in the Bidder's Statement, which offered 1.65 Galaxy Shares for every 1 General Mining Share held.

On completion of the compulsory acquisition procedure, Galaxy will issue the Galaxy Shares to which you are entitled to General Mining as your trustee. General Mining will send you a letter which will set out details for the method to claim your Galaxy Shares.

Please note that you do not need to sign or return the enclosed Notice.

Yours sincerely

A handwritten signature in black ink, appearing to read "S. Robertson".

Simon Robertson
Company Secretary
GALAXY RESOURCES LIMITED

Notice of compulsory acquisition following takeover bid

Notice

Description of class of securities to which the bid relates

To each holder of:

Fully paid ordinary shares

('Bid Class Securities')

in

Name of target company or body

Name ('the Company')

General Mining Corporation Limited

ACN/ARBN/ARSN

125 721 075

Tick applicable box(es)

- ☐ and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.
- ☐ and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

Name of bidder

1. Under a takeover bid offers were made by

Galaxy Resources Limited ACN 071 976 442

in respect of the acquisition of Bid Class Securities in the company.

The offers

Tick one box

- ☒ closed
- ☐ are scheduled to close

Date offers closed or are scheduled to close

on

Date

0 5 / 0 8 / 1 6
[D] [D] [M] [M] [Y] [Y]

Tick applicable box(es).

(See subsection 661A(4) and (4A))

2. You are, as at the date of this notice, the holder of one or more of the following

- ☒ securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)
- ☐ securities to which the bid related issued after the end of the offer period and before the date of this notice
- ☐ securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related
- ☐ securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

Description of securities

☐ the following securities in the bid class in which the bidder has a relevant interest

Description of securities

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

Tick one box

- ☒ 661A(1)
- ☐ 661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Continued... Notice

4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

This notice was lodged with ASIC on

Date

1	6	/	0	8	/	1	6
[D	D]		[M	M]		[Y	Y]

Date of lodgement

Insert paragraph 4A only where alternative forms of consideration were offered under the bid.

- 4A. You are entitled, within one month after being given this notice (see paragraph 8), or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:

Details of alternative terms.

N/A

If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:

Set out the terms that will apply

N/A

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before

Tick one box

- ☐ this notice was given.
- ☒ the end of the offer period.

7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.
8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Signature

Name of person signing

Simon L Robertson

Capacity

Company Secretary and authorised signatory of Galaxy Resources Limited

Signature



Date signed

1	5	/	0	8	/	1	6
[D	D]		[M	M]		[Y	Y]