

GALAXY RESOURCES LIMITED

QUARTERLY ACTIVITIES REPORT

THREE MONTHS ENDED 30 SEPTEMBER 2017

Galaxy Resources Limited (ASX: GXY, "Galaxy" or "Company") is pleased to report to shareholders its activities for the quarter ended 30 September 2017.

HIGHLIGHTS

Mt Cattlin Operations

- Production of 47,075 dry metric tonnes ("dmt") of lithium concentrate for the quarter, an increase of 43% over Q2 2017
- Production for the quarter at an annualized rate of c.190,000 dmt tonnes per annum ("tpa") of lithium concentrate
- Sales of 41,834 dmt of lithium concentrate, an increase of 39% over Q2 2017
- Average production cash costs (excluding royalties and marketing fees) of US\$320 (A\$405) per dmt produced, a reduction of 18% from Q2 2017
- Average realized selling price before royalties and marketing fees of US\$843 (A\$1,062) per dmt sold, an increase of 17% over Q2 2017
- Generated EBITDA of A\$21.6 million

Sal de Vida Project

- 400m depth exploration borehole developed into a production well
- Test Laboratory (ICP) commissioned and calibrated with operator training underway
- Test work being conducted for production of lithium carbonate and lithium hydroxide
- Studies commenced for potential hydroxide sub-circuit and co-location of processing facilities
- Planning commenced for 45 hectare test evaporation pond

James Bay Project

- Drilling program complete
- Assays from drilling campaign returning excellent results
- Work on feasibility study advancing
- Project office established in Montreal

Corporate

- Cash on hand at 30 September 2017 of A\$57.4 million
- Unlisted options and warrants exercised resulting in receipt of an additional A\$9.3 million in cash



PROJECTS

MT CATTLIN – OPERATIONS

Safety Performance

Operations at Mt Cattlin have continued without any Lost Time Injuries. A large amount of work was undertaken on system improvement to support expansion of Mt Cattlin and other areas of the operation.

Production & Sales Statistics

	Units	Q1 2017	Q2 2017	Q3 2017	YTD 2017	QoQ Change
Waste Mined	<i>bcm</i>	143,300	460,850	472,732	1,076,882	↑ 3%
Ore Mined	<i>bcm</i>	87,922	110,788	139,944	338,654	↑ 26%
Total Material Mined	<i>bcm</i>	231,222	571,638	612,676	1,415,536	↑ 7%
Ore Mined	<i>wmt</i>	233,193	303,394	390,092	926,679	↑ 29%
Grade	%	0.96	1.12	1.20	1.11	↑ 0.08
Ore Treated	<i>wmt</i>	253,156	334,036	369,981	957,173	↑ 11%
Ore Feed Grade	%	1.02	1.15	1.30	1.17	↑ 0.15
Concentrate Produced	<i>dmt</i>	23,467	32,998	47,075	103,540	↑ 43%
Recovery	%	51	51	57	54	↑ 6
Concentrate Sold	<i>dmt</i>	23,455	30,135	41,834	95,424	↑ 39%
Concentrate Grade Sold	%	5.38	5.77	5.74	5.66	↓ 0.03
Moisture	%	1.80	2.12	1.69	1.86	↓ 0.43
Mica Content	%	1.88	1.96	1.10	1.57	↓ 0.86
Production Cash Costs	<i>A\$/dmt</i>	502	524	405	465	↓ 23%
Production Cash Costs	<i>US\$/dmt</i>	380	393	320	357	↓ 18%
Realized Selling Price #	<i>A\$/dmt</i>	719	961	1,062	946	↑ 10%
Realized Selling Price #	<i>US\$/dmt</i>	542	722	843	731	↑ 17%

before royalties and marketing fees

Mining operations achieved total material movement of 612,676 bank cubic metres ("bcm") of waste and ore, including 390,092 wet metric tonnes ("wmt") of ore at an average grade of 1.20% Li₂O. Mining volumes increased by 7% from the previous quarter mainly due to a 29% increase in ore mining volumes. Mining activities were concentrated on the northern and western sides of the pit and run of mine ore stocks were as planned at the end of the quarter.

Ore treated increased by 11% to 369,981 wmt and the average ore feed grade improved to 1.30% for the quarter.

Spodumene production increased by 43% to 47,075 dmt due to increased ore treated, higher feed grade and improved process plant utilization.

An annualized rate of concentrate production of c.190,000 dmt tpa was achieved during the quarter.

The improved performance of the Mt Cattlin plant during the quarter continued with an average recovery of 57% achieved during the period, which was above the targeted levels of 50-55 %. This was due to increased process plant utilization, higher head grade and improved specific gravity control.

The average production cash costs (excluding royalties and marketing fees) for the quarter were US\$320 (A\$405) per dmt of concentrate produced, a reduction of 18% from the previous quarter, due to higher production volumes and improved operating efficiencies.

There were 3 shipments of lithium concentrate completed during the quarter for an aggregate 41,834 dmt of product, with all shipments at grade and specification levels well above contract specifications, as well as having moisture and mica content levels well below contract specifications.

The average realized sales price (before royalties and marketing fees) of US\$843 (A\$1,062) per dmt of spodumene sold was an increase of 17% from the previous quarter. All shipments for Q4 2017 will be based on 2017 contract terms at US\$830 per tonne for 5.5% grade lithium concentrate, rising to US\$905 per tonne for 6.0% grade product.

During the quarter, Mt Cattlin generated EBITDA of A\$21.6 million.

During the quarter, Galaxy entered into a new 5 year contract for a semi-permanent crushing facility owned and operated by the contractor.

The technical and financial evaluation for the construction of an ultra fines DMS circuit, a secondary float re-crush circuit and a final product optical sorter, is substantially complete. These plant improvement projects will support being able to target increased recoveries of 70-75%. The construction and commissioning of these improvements to the process plant are planned to be completed by the end of Q1 2018.

Work on establishing medium and long term water supply sources is also nearing completion, with suitable options available for both timelines.

MT CATTLIN – EXPLORATION

The focus of exploration work during the quarter was the commencement of a brownfield and greenfield exploration drilling campaign. Drilling was focused on further resource development at Mt Cattlin, including pegmatite targets east of Floater Road and south west of the existing pit. The objective of this program will also be to provide updated resource data for short to medium term mine planning.

During the quarter, Galaxy also entered into an agreement to acquire exploration licenses (E74/379, E74/399 and E74/406) that surround the existing Mt Cattlin operations. A deposit was paid and the conditions precedent to finalization of this purchase are in the process of being satisfied.



SAL DE VIDA

The Company is pleased to report that the September quarter has seen the Sal de Vida Project team achieve the following key milestones:

Geology & Hydrogeology

A 400m deep drill hole was drilled during the period, primarily used for exploration purposes but also developed as a production well. Located in the Salta tenements the well has consistently yielded flow rates of 55-60m³/h. Information gathered from this well will enhance understanding and indeed influence development studies into the eastern portion of the Salar del Hombre Muerto.

Test Plant & Laboratory

Following the refurbishment and upgrading of the test plant for the treatment of concentrated brine, various bench scale tests were conducted during the quarter. Testwork is continuing for the production of lithium carbonate and lithium hydroxide.

An Inductively Coupled Plasma (“ICP”) unit was set up at the Catamarca University Campus with Alex Stuart Assayers (“ASA”) providing support & training. The laboratory operates as a brine specialized branch under ASA’s supervision and is being used as a live training platform for advanced engineering professionals, helping them develop real-life experience in a brines analytical laboratory operations environment. The plan is to continue with this initiative as part of the agreement with ASA and the University.

The ICP unit will remain on University grounds until new facilities at Sal de Vida are completed and available for the relocation and operation on site. Galaxy also hosted an event in conjunction with local communities to mark the opening of the production laboratory at the Catamarca University.

Process Design

After feedback from potential off take partners, a study commenced into adding a hydroxide sub-circuit to the existing planned carbonate circuit.

Another study commenced to evaluate the impact of potential co-location facilities.

Planning and preparation work has commenced for a 45 hectare test evaporation pond.

Tenement Management and Environmental Permitting

Whilst all tenements in both provinces of Catamarca and Salta remain in good standing, work has commenced on an updated Environmental Impact Assessment, to ensure this is kept up to date on a long term basis.

Corporate Social Responsibility

In line with a long-standing commitment to the local communities, Galaxy has engaged with numerous local service providers and the Catamarca and Salta provincial governments, to discuss and identify training opportunities for specific job vacancies that Galaxy plans to fill during the remainder of the year. As consequence of these discussions, two work crews have commenced work on the refurbishment of the Tango 01 construction camp.

JAMES BAY

Exploration & Development

During the quarter a ~33,000 metre diamond drilling program was completed with the aim of extending the existing project resource contained in numerous outcropping spodumene-bearing pegmatites. Currently, the ore resource at James Bay stands at 11.75Mt @ 1.30% Li₂O (Indicated) and 10.47Mt @ 1.20% Li₂O (Inferred). The existing ore resource was historically only reported to an average of -110 metres (maximum -200 metres) below surface.

All drilling was diamond (core) and was both resource infill and extensional. Pegmatites outcrop at surface and the drill program targeted approximately 1,850m of pegmatite outcrop westward of the James Bay Highway. Thicker pegmatites at the western extremity of the known mineralization remain open and untested below the limits of the current drilling. In addition, the first three drill holes drilled east of the highway returned economic grades in the pegmatite. The resource remains open and largely untested east of the James Bay Highway. The drill results from the completed drilling program are being used for a mineral resource re-estimate and upgrade, which is expected to be finalised during the December quarter.

Refer to ASX announcements during the quarter dated 2 August, 10 August and 14 September 2017 for full details of the drill results.

Set out below is an extract from the ASX announcement dated 14 September 2017:

Figure 1: James Bay Spodumene Project – Plan View

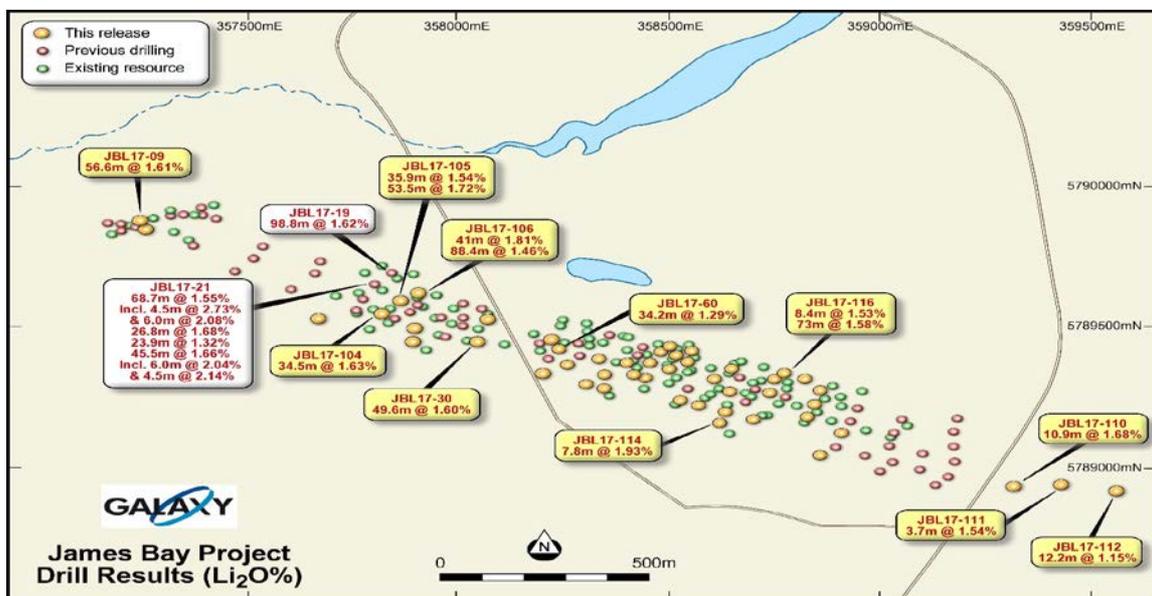
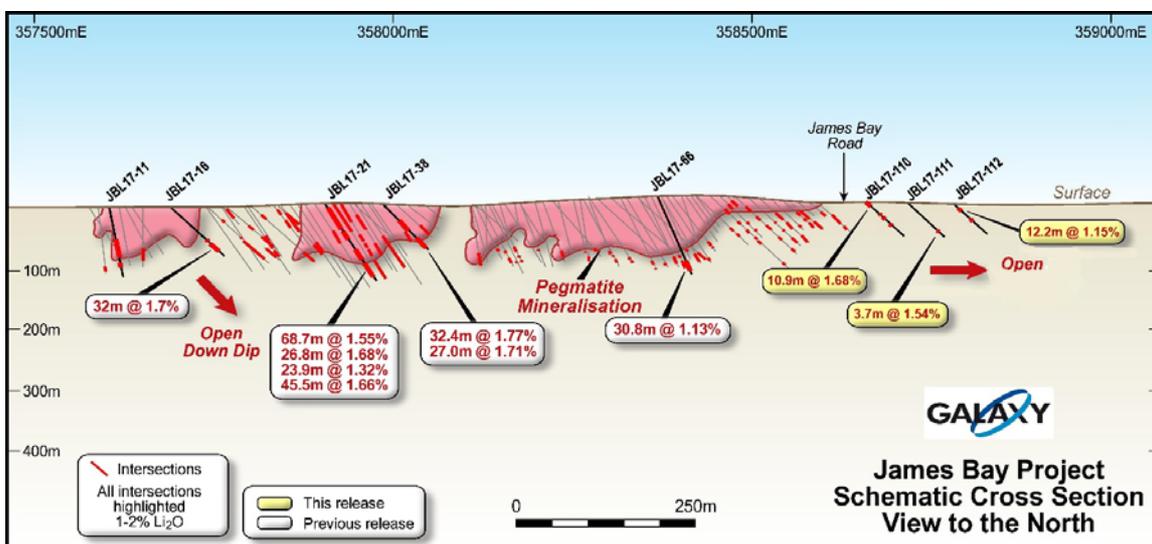


Figure 2: James Bay Spodumene Project – Section View



The project team is focused on concluding the activities required for the resource upgrade and advancing the work in relation to the Feasibility Study ("FS"), both for the upstream mine and concentrator plant, as well as a downstream lithium conversion facility. The FS will include:

- Environmental and Social Impact Assessment - Phase 1;
- First Nation and Community Liaison and Engagement;
- Bulk sampling from existing stockpiles and new core samples;
- Mine planning and design work;
- Pilot-plant scale metallurgical testwork;
- Preliminary Process plant & Downstream Conversion Facility Engineering Design;
- Cost Estimation; and
- Formal revision to the Resources/Reserves of the project.

To facilitate this work and provide local representation, Galaxy has now established an office in Montreal, which with the recruitment of relevant personnel, provides for a strong local presence to support the study work now well advanced.

The proximity of the James Bay project to local infrastructure, including the accessible road networks, water and power supply are all natural advantages and key to the development of James Bay. The James Bay project is located 0.5km from a full-service road stop, which is situated 380km away from the mining town of Matagami (where numerous services relating to construction and mining are available) and just over 800km from Montreal in the north-west region of Québec Province, Canada.

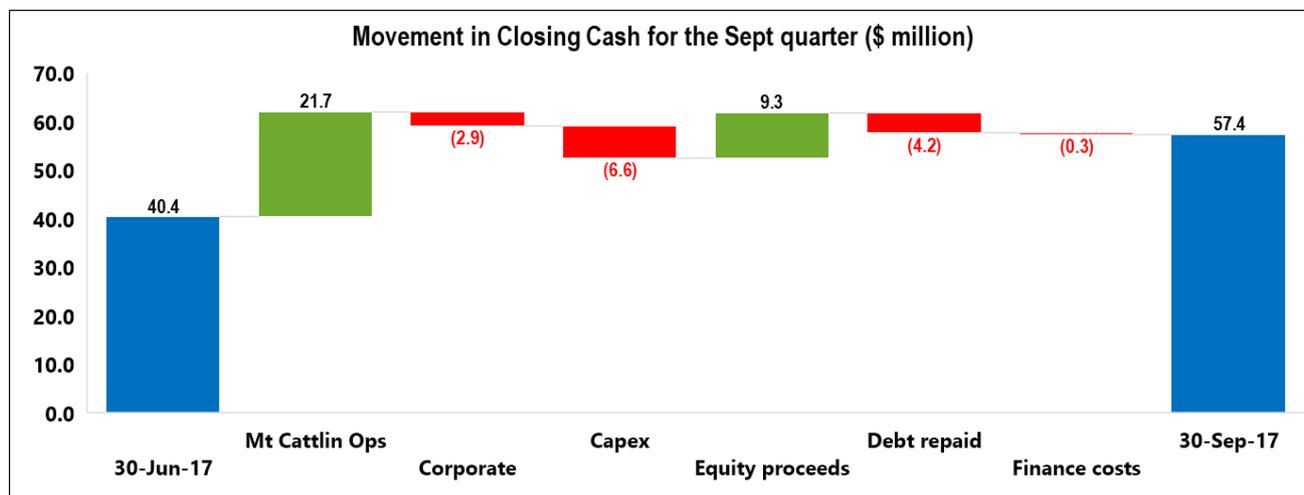
CORPORATE

Cash Position

Cash on hand at 30 September 2017 was A\$57.4 million.

Refer to the appendix 5B lodged with ASX for the quarter ended 30 September 2017 for further details of cash flows for the quarter.

Set out below is a summary of the movement in closing cash for the quarter ended 30 September 2017 showing each of the key inflows and outflows during the quarter:



Unlisted Options and Warrants

During the quarter the following unlisted options and warrants were exercised:

- 2,475,000 options exercisable at \$0.24 held by Apollo Corporation (WA) Pty Ltd totalling \$594,000. The proceeds were offset against an amount owing to a company associated with Apollo Corporation (WA) Pty Ltd;
- 3,000,000 warrants exercisable at \$1.718 held by OL Master (Singapore) Ltd totalling \$5,154,000; and
- 2,000,000 warrants exercisable at \$2.075 held by OL Master (Singapore) Ltd totalling \$4,150,000.

BNP Debt Facility

During the quarter, the Company repaid US\$3.3 million (A\$4.2 million) of the BNP Debt Facility in accordance with the repayment schedule. The US\$6.7 million (A\$8.5 million) balance of the BNP Debt Facility will be repaid equally over the next 4 months, with the final repayment due on 31 January 2018.

Net Cash Position

At the end of the quarter, the Company had a net cash position of A\$48.9 million after deducting the BNP debt of A\$8.5 million.

INDUSTRY & MARKET UPDATE

Demand trends in lithium ion battery applications continued their positive trajectories throughout 3Q CY2017, and further act to support an extremely robust outlook for demand growth within the sector. Significant investment in capacity expansion is being made right along the lithium ion battery and complimentary technology value chains. Structural changes in the electrification of transportation and the transition to a greater penetration of renewable energy generation in both developed and developing economies continues to propagate as evolving government policy and regulation support the acceleration of these technologies.

The New Energy Vehicle (“NEV”) sector in China recorded another successive period of growth throughout 3Q CY2017. CAAM reported strong data for the first 8 months of 2017, with production and sales of 346 thousand units and 320 thousand units respectively, representing year-on-year growth rates 33.5% and 30.2%. Of these NEVs, approximately 81% were pure electric vehicles, with the remainder being hybrid electric vehicles, continuing to highlight the trend of pure electric vehicles dominating market penetration in China.

China continued to stamp their authority as the global NEV market leader, announcing plans to end sales of all internal combustion engine (“ICE”) vehicles. As reported by Bloomberg, Xin Guobin, Vice-Minister of the Information and Technology Ministry is said to be finalising formal plans and policy development that will include a detailed timeline of the complete phase out of ICE vehicles. This is complimentary to the previously announced economic incentives for consumers and the NEV quota trading scheme that mandates vehicle manufacturers to produce a certain proportion of NEVs within vehicle fleets. Original Equipment Manufacturers (“OEM”) who fail to comply are forced to buy NEV credits or face significant fines.

Additionally, the US market also recorded another period of robust growth with 2 years’ worth of consecutive gains in plug-in vehicle sales as at the end of September. InsideEVs reported plug-in vehicle sales of 53,584 for 3Q 2017, representing 14.0% growth quarter-on-quarter and 19.4% year-on-year. Total plug-in vehicle sales recorded for the first 3 quarters of 2017 were 142,514, an increase of 30.0% compared to the first 3 quarters of 2016.

As a significant tailwind to continued robust growth within the electric vehicle (“EV”) sector, the quarter was characterized by further expansion announcements from some of the world’s major OEMs. General Motors (“GM”) announced plans to introduce 2 new EVs in the next 18 months, and the launch of at least 20 new “all electric vehicles” by 2023, including 10 NEVs targeted at the Chinese market. Separately, the Renault Group has announced plans to electrify their fleets, which will offer 8 pure electric vehicles and 12 electrified models. In September Renault, Nissan and Mitsubishi announced a new electric vehicle platform alliance that will support the development of electric and autonomous driving technology.

Further to the significant advancements that were made with in the electric vehicle sector, Tesla’s advancement of the South Australian battery storage project appears set to lead to further battery storage installations across Australia. Projects that have already been flagged to include battery storage capacity include Neoen’s (the owner and operator of the South Australian battery project) proposed Bulgana Wind farm in Victoria (20MW/34MWh facility), and AGL’s proposed replacement of the Liddell coal generator (250MW battery).

Panasonic, Tesla’s exclusive lithium ion battery manufacturer also announced continued capacity expansion across Japan, China and the US. In line with this, Panasonic plans to integrate lithium ion battery manufacturing into their Himeji factory (currently produces LCD panels) through the installation of a vertically integrated battery cell production line.

Competent Person Statement

SAL DE VIDA

Any information in this report that relates to the estimation and reporting of the Sal de Vida Project Mineral Resources and Ore Reserves is extracted from the report entitled "*Sal De Vida: Revised Definitive Feasibility Study Confirms Low Cost, Long Life and Economically Robust Operation*" created on 22 August 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

JAMES BAY

The information in this report that relates to the estimation and reporting of the James Bay exploration results is extracted from the ASX announcement's dated 27 June 2017, 2 August 2017, 10 August 2017 and 14 September 2017 which are available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the exploration results in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to Mineral Resources at the James Bay Project is based on work completed by Mr James McCann, who is a Member of the Ordre des Geologues du Quebec, a Recognised Overseas Professional Organisation. Mr McCann is a full time employee of Galaxy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the '*Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*'. Mr McCann consents to the inclusion in the report of the matters based on his information in the form and context it appears. This information was prepared and first disclosed under the JORC Code 2004 and it has not been updated since to comply with JORC code 2012 on the basis that the information has not materially changed since it was last reported.

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 the United States

This announcement has been prepared for publication in Australia and may not be released in the United States. 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 statements.

TENEMENT SCHEDULE

Australia

Tenement	PROJECT	MANAGER	HOLDER	GXY SHARES	JV	SHARE
E51/1602	CHESTERFIELD	*GALA	GMCL	100		
E51/1603	CHESTERFIELD	*GALA	GMCL	100		
E51/1604	CHESTERFIELD	*GALA	GMCL	100		
E70/2493	BOXWOOD HILL	*GALA	GALA	100		
E74/0299	BAKERS HILL	*GALA	GALA	100		
E74/0415	BAKERS HILL	*GALA	GALA	100		
L74/0047	WEST KUNDIP	*GALA	GALA	100		
M45/0538	MURCURY HILL	*GALA	GMCL	100		
M51/0270	MEEKATHARRA	*GALA	GMCL	100		
M51/0451	MEEKATHARRA	*GALA	GMCL	100		
M74/0133	WEST KUNDIP	*GALA	GALA	100		
M74/0238	WEST KUNDIP	*GALA	GALA	100		
E74/0400	FLOATER	*GLIT	GLIT	100		
E74/0401	SIRDAR	*GLIT	GLIT	80	TRAKA	20
L74/0046	MT CATTLIN	*GLIT	GLIT	100		
L74/0048	MT CATTLIN	*GLIT	GLIT	100		
M74/0244	MT CATTLIN	*GLIT	GLIT	100		
P74/0370	MT CATTLIN	*GLIT	GLIT	80	TRAKA	20
P74/0371	MT CATTLIN	*GLIT	GLIT	100		
P74/0372	MT CATTLIN	*GLIT	GLIT	100		
P74/0373	MT CATTLIN	*GLIT	GLIT	80	TRAKA	20
M51/0353	MEEKATHARRA	*GMCL	GMCL	100		

James Bay

Galaxy Lithium (Canada) Inc. ("GLCI") and Galaxy Lithium (Ontario) Inc. ("GLOI") are the registered titleholders of the following tenements constituting the James Bay Project:

	NTS Sheet	Mining Title	Status	Registration Date (m/d/y)	Expiry Date (m/d/y)	Area (Ha)	Titleholder(s) and its (their) Percentage Undivided Interest(s)
1	33C03	CDC 2126850	Active	10/04/2007	06/12/2019	52,78	GLOI (80%)/GLCI (20%)
2	33C03	CDC 2126851	Active	10/04/2007	06/12/2019	52,78	GLOI (80%)/GLCI (20%)
3	33C03	CDC 2126852	Active	10/04/2007	06/12/2019	52,78	GLOI (80%)/GLCI (20%)
4	33C03	CDC 2126857	Active	10/04/2007	06/12/2019	52,77	GLOI (80%)/GLCI (20%)
5	33C03	CDC 2126858	Active	10/04/2007	06/12/2019	52,77	GLOI (80%)/GLCI (20%)
6	33C03	CDC 2126859	Active	10/04/2007	06/12/2019	52,77	GLOI (80%)/GLCI (20%)
7	33C03	CDC 2126860	Active	10/04/2007	06/12/2019	52,77	GLOI (80%)/GLCI (20%)
8	33C03	CDC 2126861	Active	10/04/2007	06/12/2019	52,77	GLOI (80%)/GLCI (20%)
9	33C03	CDC 2126862	Active	10/04/2007	06/12/2019	52,77	GLOI (80%)/GLCI (20%)
10	33C03	CDC 2126863	Active	10/04/2007	06/12/2019	52,77	GLOI (80%)/GLCI (20%)
11	33C03	CDC 2126864	Active	10/04/2007	06/12/2019	52,77	GLOI (80%)/GLCI (20%)
12	33C03	CDC 2126868	Active	10/04/2007	06/12/2019	52,76	GLOI (80%)/GLCI (20%)
13	33C03	CDC 2126869	Active	10/04/2007	06/12/2019	52,76	GLOI (80%)/GLCI (20%)
14	33C03	CDC 2126870	Active	10/04/2007	06/12/2019	52,76	GLOI (80%)/GLCI (20%)
15	33C03	CDC 2126871	Active	10/04/2007	06/12/2019	52,76	GLOI (80%)/GLCI (20%)
16	33C03	CDC 2126872	Active	10/04/2007	06/12/2019	52,76	GLOI (80%)/GLCI (20%)
17	33C03	CDC 2126873	Active	10/04/2007	06/12/2019	52,76	GLOI (80%)/GLCI (20%)
18	33C03	CDC 2126986	Active	10/04/2007	06/12/2019	49,98	GLOI (80%)/GLCI (20%)
19	33C03	CDC 2126988	Active	10/04/2007	06/12/2019	45,88	GLOI (80%)/GLCI (20%)
20	33C03	CDC 2126989	Active	10/04/2007	06/12/2019	47,39	GLOI (80%)/GLCI (20%)
21	33C03	CDC 2126990	Active	10/04/2007	06/12/2019	51,91	GLOI (80%)/GLCI (20%)
22	33C03	CDC 2183503	Active	06/16/2009	06/12/2019	22,41	GLOI (80%)/GLCI (20%)
23	33C03	CDC 2183504	Active	06/16/2009	06/12/2019	3,55	GLOI (80%)/GLCI (20%)
24	33C03	CDC 2183505	Active	06/16/2009	06/12/2019	18,51	GLOI (80%)/GLCI (20%)
25	33C03	CDC 2183506	Active	06/16/2009	06/12/2019	36,08	GLOI (80%)/GLCI (20%)
26	33C03	CDC 2183507	Active	06/16/2009	06/12/2019	0,33	GLOI (80%)/GLCI (20%)

	NTS Sheet	Mining Title	Status	Registration Date (m/d/y)	Expiry Date (m/d/y)	Area (Ha)	Titleholder(s) and its (their) Percentage Undivided Interest(s)
27	33C03	CDC 2183508	Active	06/16/2009	06/12/2019	27,53	GLOI (80%)/GLCI (20%)
28	33C03	CDC 2192842	Active	10/27/2009	06/12/2019	1,83	GLOI (80%)/GLCI (20%)
29	33C03	CDC 2238478	Active	06/21/2010	06/20/2020		GLOI (80%)/GLCI (20%)
30	33C03	CDC 2238480	Active	06/21/2010	06/20/2020	7,54	GLOI (80%)/GLCI (20%)
31	33C03	CDC 2298178	Active	06/21/2011	06/12/2019	52,79	GLOI (80%)/GLCI (20%)
32	33C03	CDC 2298179	Active	06/21/2011	06/12/2019	52,79	GLOI (80%)/GLCI (20%)
33	33C03	CDC 2329090	Active	02/10/2012	06/12/2019	52,78	GLOI (80%)/GLCI (20%)
34	33C03	CDC 2329091	Active	02/10/2012	06/12/2019	2,80	GLOI (80%)/GLCI (20%)
35	33C03	CDC 2329092	Active	02/10/2012	06/12/2019	6,89	GLOI (80%)/GLCI (20%)
36	33C03	CDC 2329093	Active	02/10/2012	06/12/2019	0,85	GLOI (80%)/GLCI (20%)
37	33C03	CDC 2329094	Active	02/10/2012	06/12/2019	52,78	GLOI (80%)/GLCI (20%)
38	33C03	CDC 2329095	Active	02/10/2012	06/12/2019	52,78	GLOI (80%)/GLCI (20%)
39	33C03	CDC 2329096	Active	02/10/2012	06/12/2019	26,82	GLOI (80%)/GLCI (20%)
40	33C03	CDC 2329097	Active	02/10/2012	06/12/2019	43,41	GLOI (80%)/GLCI (20%)
41	33C03	CDC 2329098	Active	02/10/2012	06/12/2019	47,03	GLOI (80%)/GLCI (20%)
42	33C03	CDC 2329099	Active	02/10/2012	06/12/2019	34,26	GLOI (80%)/GLCI (20%)
43	33C03	CDC 2329100	Active	02/10/2012	06/12/2019	16,68	GLOI (80%)/GLCI (20%)
44	33C03	CDC 2329101	Active	02/10/2012	06/12/2019	24,90	GLOI (80%)/GLCI (20%)
45	33C03	CDC 2329102	Active	02/10/2012	06/12/2019	5,37	GLOI (80%)/GLCI (20%)
46	33C03	CDC 2401856	Active	03/18/2014	03/17/2020	52,79	GLOI (80%)/GLCI (20%)
47	33C03	CDC 2401857	Active	03/18/2014	03/17/2020	52,79	GLOI (80%)/GLCI (20%)
48	33C03	CDC 2401858	Active	03/18/2014	03/17/2020	52,79	GLOI (80%)/GLCI (20%)
49	33C03	CDC 2401859	Active	03/18/2014	03/17/2020	52,79	GLOI (80%)/GLCI (20%)
50	33C03	CDC 2402100	Active	03/27/2014	03/26/2020	52,79	GLOI (80%)/GLCI (20%)
51	33C03	CDC 2437961	Active	03/14/2016	03/13/2018	52,78	GLCI (100%)
52	33C03	CDC 2437962	Active	03/14/2016	03/13/2018	52,78	GLCI (100%)
53	33C03	CDC 2437963	Active	03/14/2016	03/13/2018	52,78	GLCI (100%)
54	33C03	CDC 2437964	Active	03/14/2016	03/13/2018	52,78	GLCI (100%)

Sal de Vida

Catamarca

N°	FILE	TENEMENT	N°	FILE	TENEMENT
1	78-G-1986	LA REDONDA 4	22	1279-G-2006	AGUSTIN
2	210-R-1994	LOS PATOS	23	1280-D-2006	LUNA BLANCA
3	261-G-1997	CENTENARIO	24	1281-G-2006	FIDEL
4	77-R-1999	BARREAL 1	25	1430-M-2006	MEME
5	27-M-2000	MAKTUB XXIII	26	227-G-2007	PACHAMAMA
6	54-R-2000	AURELIO	27	289-G-2007	LA PRIMERA
7	55-R-2000	LA REDONDA I	28	290-G-2007	LA SEGUNDA
8	56-R-2000	DON CARLOS	29	291-A-2007	LA TERCERA
9	160-G-2002	BARREAL 2	30	354-G-2007	CHINA
10	161-G-2002	REDONDA 5	31	657-G-2009	RODOLFO
11	162-G-2002	DON PEPE	32	709-G-2009	LUNA BLANCA II
12	168-G-2002	AGOSTINA	33	754-G-2009	SONQO
13	185-G-2002	CHACHITA	34	812-G-2009	LUNA BLANCA IV
14	398-G-2003	DELIA	35	813-G-2009	LUNA BLANCA V
15	787-M-2005	JUAN LUIS	36	814-G-2009	LUNA BLANCA VI
16	788-M-2005	MARIA LUCIA	37	815-G-2009	ROCIO I
17	913-M-2005	MARIA CLARA	38	117-G-2010	LUNA BLANCA III
18	914-M-2005	MARIA CLARA 1	39	268-G-2010	BEATRIZ VI
19	1178-G-2006	EL TORDO	40	269-G-2010	NELLY VI
20	1179-G-2006	QUIERO VALE CUATRO	41	65-2016	MONTSERRAT I
21	1197-A-2006	TRUCO	42	254-G-2011	MONTSERRAT

Salta

N°	FILE	TENEMENT	N°	FILE	TENEMENT
43	1215	ESTELA	57	18001-2004	ROCIO
44	1495	ALEX	58	18128-2005	PABLO II
45	5596	FERNANDO	59	19562-2009	SALVADOR
46	13848	DIANA	60	19579-2009	SALVADOR II
47	16741-1999	GASTON I	61	19669-2009	PAPADOPULOS XXXIV
48	16810-2000	GASTON II	62	19670-2009	PAPADOPULOS XXXV
49	17335	VALERIO	63	19931-2009	TABAHM
50	17392-2001	GASTON III	64	19987-2009	TABAHM 02
51	17529-2002	MARIA CECILIA	65	20024-2009	TABAHM 05
52	17583-2002	LITA	66	20877	RATONES OESTE
53	17584-2002	FLORENCIA	67	21190	CATAL NORTE
54	17599-2002	NELLY	68	21655	RATONES SUR
55	17898-2004	PABLO	69	21864	RATONES OESTE 2
56	17924-2004	CAMILA			

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Galaxy Resources Limited

ABN	Quarter ended ("current quarter")	
11 071 976 442	30 September 2017	
Consolidated statement of cash flows	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers*	42,331	69,406
1.2 Payments for		
(a) exploration & evaluation	(4,851)	(7,973)
(b) development	-	-
(c) production	(17,620)	(35,678)
(d) staff costs	(3,838)	(8,660)
(e) administration and corporate costs	(1,762)	(5,151)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	112	228
1.5 Interest and other costs of finance paid	(168)	(1,233)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	14,204	10,939

Note: The year to date receipts from customers above are amounts net of the repayment of customer offtake prepayments received in 2016. Repayment in full of customer offtake prepayments amounting to \$18.0 million was completed in the 6 months ended 30 June 2017.*

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,667)	(4,248)
(b) tenements (see item 10)	(50)	(50)
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	2,416
2.6	Net cash from / (used in) investing activities	(1,717)	(1,882)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	61,020
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	9,304	17,894
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(2,581)
3.5	Proceeds from borrowings	-	13,083
3.6	Repayment of borrowings	(4,232)	(48,930)
3.7	Transaction costs related to loans and borrowings	(67)	(633)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	5,005	39,853

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	40,362	9,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	14,204	10,939
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,717)	(1,882)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,005	39,853
4.5	Effect of movement in exchange rates on cash held	(473)	(856)
4.6	Cash and cash equivalents at end of period	57,381	57,381

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	57,381	40,362
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	57,381	40,362

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	482
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

This relates to Director fees including superannuation and includes an amount of \$50k paid to Bacchus Capital Advisers Ltd for services provided.

7. Payments to related entities of the entity and their associates

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/a

8. Financing facilities available

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	27,671	8,514
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

This is a US dollar facility totalling US\$25 million (A\$32.7 million) provided by BNP which is secured and carries interest at LIBOR plus 4% per annum. The total amount available for utilisation at 30 September 2017 is US\$21.7 million (A\$27.7 million). The total amount drawn at 30 September 2017 is US\$6.7 million (A\$8.5 million).

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	(5,350)
9.2	Development	-
9.3	Production	(19,500)
9.4	Staff costs	(4,100)
9.5	Administration and corporate costs	(1,650)
9.6	Other	-
9.7	Total estimated cash outflows #	(30,600)

Note # - the forecast estimated cash outflows for the next quarter set out above do not include any expected cash inflows from the sale of lithium concentrate during the next quarter. It is expected that cash inflows from the sale of lithium concentrate for the next quarter, which will be based on 2017 contract pricing, will match or exceed the total estimated cash outflows.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E74/379 E74/399 E74/406	Galaxy entered into an agreement to acquire exploration licenses that surround the existing Mt Cattlin operations. A deposit was paid and the conditions precedent to finalisation of this purchase are in the process of being satisfied	Nil	Nil

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Company secretary

Date: 16 October 2017

Print name: **John Sanders**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.