

Australia 26 November 2018

SALE OF NORTHERN TENEMENTS AT SAL DE VIDA TO POSCO COMPLETED

Highlights

- Tenement transfer deeds for the sale of the northern tenement package at the Salar del Hombre Muerto were executed by both Galaxy and POSCO in Argentina on November 23
- Consideration of US\$280 million (less withholding tax of approximately US\$8 million and a \$15m deferred settlement amount), previously deposited in a joint HSBC escrow account, will now be released to Galaxy upon the registration of the transfers in the Salta and Catamarca Provincial Mining Courts
- Galaxy's retained Sal de Vida Project tenements in Catamarca Province contain previously announced 1.14 million tonnes Lithium Carbonate Equivalent ("LCE") of JORC compliant Ore Reserves
- Proceeds from this sale to POSCO will be used to immediately accelerate development of the Sal de Vida Project

Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or "the Company") is pleased to announce that the final tenement transfer deeds in relation to the sale of the northern tenement package at the Salar del Hombre Muerto have now been executed by Galaxy and POSCO. The total consideration of US\$280 million (less withholding tax of approximately US\$8 million and a \$15m deferred settlement amount) previously deposited into a joint HSBC escrow account will now be released to Galaxy upon the registration of the transfers in the Salta and Catamarca Provincial Mining Courts, which is purely administrative and expected to be completed during the coming week.

The transfer of brine extraction rights over an additional five tenements¹ remains subject to the completion of certain conditions precedent. It is anticipated that these conditions precedent and transfer of these brine rights releasing the deferred US\$15 million payment, will also be completed by the end of November 2018.

The northern tenement package sold to POSCO is situated to the north of Galaxy's world class Sal de Vida Project ("Sal de Vida" or the "Project") in Argentina (see figure 1). Galaxy retains a 100% interest in the tenements situated in the southern area of the Salar del Hombre Muerto, located in Catamarca Province. The cash proceeds from the transaction will be applied immediately towards accelerating the development of the Company's Sal de Vida Project.

The total measured, indicated and inferred resource for Galaxy's Sal de Vida tenements is 5.16 Mt LCE, as detailed in table 1 below. The previously declared 1.14 million tonnes LCE of Proven and Probable Reserves (181,000 tonnes Proven and 958,000 tonnes Probable) within the retained Sal de Vida tenements remains unchanged however further drilling currently being undertaken is targeted at converting more of the total resource of 5.16 Mt LCE to increase the current 1.14 Mt LCE reserve figure.

Galaxy is being assisted by J.P. Morgan Australia in evaluating various options for strategic partnerships to develop the Sal de Vida Project. This process is now well underway with the Company currently negotiating with a short list of potential investors.

¹ The tenements are 1215-1943 (Estela), 1495-1946 (Alex), 5596-1966 (Fernando), 13848-1989 (Diana) and 17335 (Valerio)





Figure 1 - Map of Salar del Hombre Muerto tenements sold to POSCO (blue area) and tenements to be retained (red area) by Galaxy

Resource Update

The updated Mineral Resource Estimate for Sal de Vida following completion of the sale to POSCO has been prepared by Montgomery & Associates as follows:

- Table 1 the total Mineral Resource Estimate for the Sal de Vida Project retained by Galaxy (100%) as at the date of this
 announcement, including resource located within the remaining Catamarca tenements and within the Salta tenements not
 transferred as part of the POSCO transaction;
- Table 2 the Mineral Resource retained by Galaxy (100%) which is located solely within the Catamarca tenements; and
- Table 3 the Mineral Resource retained by Galaxy (100%) which is located solely within the retained Salta tenements (being 1215-1943 (Estela), 1495-1946 (Alex), 5596-1966 (Fernando), 13848-1989 (Diana) and 17335 (Valerio).

The locations for wells and polygons used in the resource estimation and demarcation line separating the Galaxy and POSCO properties are shown in Figure 2. Changes reported are fundamentally related to the disposal of the northern tenements.



A cutoff grade of 500 mg/L of lithium was used in the resource estimate calculations. Hydrogeologic units within each polygon with lithium content less than cut-off grade were not included in the lithium and potassium resource calculations. The resource computed for each polygon is independent of adjacent polygons, but adjacent borehole geology was used to confirm stratigraphic/geological continuity of the permeable units surrounding each borehole.

Resource Category	Brine Volume (m ³)	Avg. Li (mg/l)	In situ Li (tonnes)	Li ₂ CO ₃ Equivalent (tonnes)	Avg. K (mg/l)	In situ K (tonnes)	KCl Equivalent (tonnes) (tonnes)
Measured	5.4 x 10 ⁸	770	413,000	2,198,000	8,307	4,454,000	8,494,000
Indicated	6.8 x 10 ⁸	717	485,000	2,583,000	8,051	5,446,000	10,385,000
M+Ind	1.2 x 10 ⁹	741	898,000	4,781,000	8,164	9,900,000	18,879,000
Inferred	1.0 x 10 ⁸	706	71,000	376,000	6,747	676,000	1,289,000
TOTAL M+Ind+Inf	1.3 x 10 ⁹	738	969,000	5,157,000	8,056	10,576,000	20,168,000

Table 1: Aggregate Sal de Vida Brine Resource Retained by Galaxy Following Completion of Transaction Described in This Announcement

Assumes 500 mg/L Li cut off. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. Differences in totals are due to rounding. Values include all retained Catamarca tenements located to the south of the province boundary. Values also include the areas of 1215-1943 (Estela), 1495-1946 (Alex), 5596-1966 (Fernando), 13848-1989 (Diana) and 17335 (Valerio) located in the province of Salta.

Table 2: Classified Brine Resource For Catamarca Tenements Only

Resource Category	Brine Volume (m3)	Avg. Li (mg/l)	In situ Li (tonnes)	Li2CO3 Equivalent (tonnes)	Avg. K (mg/l)	In situ K (tonnes)	KCI Equivalent (tonnes)
Measured	4.9 x 10 ⁸	759	369,000	1,964,000	8,126	3,952,000	7,536,000
Indicated	6.8 x 10 ⁸	717	485,000	2,583,000	8,051	5,446,000	10,385,000
M+Ind	1.2 x 10 ⁹	735	854,000	4,546,000	8,082	9,398,000	17,921,000
Inferred	1.0 x 10 ⁸	706	71,000	376,000	6,747	676,000	1,289,000
TOTAL M+Ind+Inf	1.3 x 10º	732	925,000	4,923,000	7,976	10,073,000	19,210,000

Assumes 500 mg/L Li cut off. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. Differences in totals are due to rounding. Values include all retained Catamarca tenements located to the south of the province boundary.

Table 3: Classified Brine Resource For The Interim Retained Salta Properties

Resource Category	Brine Volume (m ³)	Avg. Li (mg/l)	In situ Li (tonnes)	Li ₂ CO ₃ Equivalent (tonnes)	Avg. K (mg/l)	In situ K (tonnes)	KCI Equivalent (tonnes)
Measured	5.0 x 10 ⁷	882	44,000	234,000	10,067	502,000	958,000

Note: Assumes 500 mg/L Li cut off. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. Differences in totals are due to rounding. The retained Salta properties are 1215-1943 (Estela), 1495-1946 (Alex), 5596-1966 (Fernando), 13848-1989 (Diana) and 17335 (Valerio)

Ore Reserve Estimation

As the previously reported Sal de Vida Ore Reserves are located exclusively within the Catamarca tenements retained by Galaxy following completion of the sale to POSCO, there has been no change to the Ore Reserve estimate.



RESOURCE BY REGION

Part of the Salar del Hombre Muerto is claimed by both the Argentinian provinces of Salta and Catamarca (Figure 2 below). The resource has been divided into a Catamarca only area and the area claimed by Salta Province which includes the area claimed by both Provinces. Classified brine resource for Galaxy's Catamarca properties following the sale to POSCO are provided in Table 2 above, and Galaxy's classified brine resource attributable to Salta properties retained after the transaction described above are provided in Table 3 above.



Figure 2: Location of drilling, Sal da Vida. The resource split between Galaxy and POSCO occurs at the lower dotted line



Additional Summary Information - JORC 2012 Table 1

The difference in resource metrics is based on the tenement split and the sale agreement as announced as binding on 28 August, 2018. Tenements disposed (or to be disposed) are listed in the JORC Table 1 Appendix below.

The Sal da Vida Project is based on the Altiplano-Puna which is a high-elevated plateau within the central Andes. The average elevation of the Puna is 3,700 m.a.s.l. (meters above sea level) and covers parts of the Argentinean provinces of Jujuy, Salta, Catamarca, La Rioja y Tucuman. The Altiplano-Puna Volcanic Complex (APVC) is located between the Altiplano and Puna and is associated with numerous stratovolcanoes and calderas. Recent studies have shown that the APVC is underlain by an extensive magma chamber at 4-8 km depth It is likely that this could be the ultimate source of the anomalously high values of lithium in the area.

Diamond drill cores were obtained in the field for both drainable and total porosity. Porosity samples were sealed in plastic tubes and shipped to Core Laboratories in Houston, Texas, for analysis. Depth-specific brine samples were collected from the in-situ formation, ahead of the core bit. Four additional methods were used to obtain brine samples. Brine samples used to support the reliability of the depth-specific samples included analyses of brine centrifuged from core samples, brine obtained from low flow sampling of the exploration core holes, brine samples obtained near the end of the pumping tests in the exploration wells, and brine samples obtained during reverse-circulation air drilling. After the samples were sealed on site, they were stored in a cool location, then shipped in sealed containers to the laboratories for analysis.

Borehole and well spacing is in general about 4 km in most areas, and is consistent with guidelines determined by Houston et al., 2011) for evaluation of brine-based lithium resources in salar-type systems. The drilling density was sufficient to demonstrate a high degree of confidence in the understanding of the location and nature of the aquifer, and brine grade both horizontally and vertically. The Sal de Vida area has been drilled and logged with vertical exploration boreholes and wells

The resource was estimated using the polygon method. To estimate total amount of lithium and potassium in the brine was first sectioned the basin into polygons based on location of exploration drilling. Polygon sizes were variable. Each polygon block contained one diamond drill exploration hole that was analyzed for both depth specific brine chemistry and drainable porosity. Boundaries between polygon blocks are generally equidistant from diamond drill holes. For some polygon blocks, outer boundaries are the same as basin boundaries, as discussed above.

Within each polygon shown on the surface, the subsurface lithologic column was separated into hydrogeologic units. Each unit was assigned a specific thickness based on core descriptions and was given a value for drainable porosity and average lithium and potassium content based on laboratory analyses of samples collected during exploration drilling. Correlation between depth and lithium and potassium concentration in the brine was observed and lent increased confidence in the method. The computed resource for each polygon was the sum of the products of saturated hydrogeologic unit thickness, polygon area, drainable porosity, and lithium and potassium content.

Mining methodology ultimately would be via well pumping in areas identified as favourable for brine extraction. An on-site pilot plant demonstrated the ability to extract the lithium and potassium from the brine.

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, 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.

Competent Persons Statements

Sal de Vida Project

The information in this document that relates to Mineral Resources is based on information compiled by Mr. Michael Rosko, MS PG, a Competent Person who is a Registered Member of the Society for Mining, Metallurgy & Exploration, Inc (SME), a 'Recognized Professional Organization' (RPO) included in a list posted on the ASX website from time to time. Mr. Rosko is a full-time employee of E.L. Montgomery & Associates Consultores Limitada. Mr. Rosko has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Rosko consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the estimation and reporting of the Sal de Vida Project 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 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.

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



APPENDIX 1 JORC Code, 2012 Edition – Table 1 Report

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	 Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation d'illing was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	 Diamond drill cores were obtained in the field for both drainable and total porosity. Porosity samples were sealed in plastic tubes and shipped to Core Laboratories in Houston, Texas, for analysis. Depth-specific brine samples were collected from the in situ formation, ahead of the core bit. Four additional methods were used to obtain brine samples. Brine samples used to support the reliability of the depth-specific samples included analyses of the following: brine centrifuged from core samples, brine obtained from low flow sampling of the exploration coreholes, brine samples obtained near the end of the pumping tests in the exploration wells, and brine samples obtained during reverse-circulation air drilling Neither porosity samples (core) nor chemistry samples (brine) were subjected to any further preparation prior to shipment to participating laboratories. After the samples were sealed on site, they were stored in a cool location, then shipped in sealed containers to the laboratories for analysis.
Drilling techniques	 Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	Core size was either HQ or NQ. For each drill core, recovery percentage was recorded. Core was logged on site and stored in labeled plastic core boxes. Once drill operation is completed, 2-inch schedule 80 PVC, and Slot-40 (1 mm) PVC screen is installed in the coreholes. All larger diameter wells were drilled by conventional circulation mud rotary, except for portions of the pilot borehole at SVVWV11_03, which was drilled using reverse-air circulation. Drilling fluid was polymer mixed with native brine. A 6-meter length of 14-inch diameter steel surface casing was installed in most of the wells. Drilled borehole diameter was 17 ¹¹⁴ inch for the surface casing, 8 ¹¹² inch for the pilot borehole, and 14 ³¹⁴ for the final borehole. For each exploration well, time to drill 2 meters was recorded to monitor penetration rate. Once drilling was completed, 8-inch blank PVC casing, and slotted PVC well screen was installed in well SVWW11_07. Gravel pack (1-2 mm diameter) was installed in the annular space surrounding the well screen. Above the gravel pack a bentonite seal was installed and fill material was installed to land surface.
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	Diamond core and RC cuttings recoveries were monitored closely, recorded and assessed regularly over the duration of the drilling programs. Diamond core is drilled slowly to maximise recovery; core loss is recorded in the field. In general, decreased clay content and cementation result in increased core loss. Therefore, some of the most permeable and porous aquifer zones may not be represented in the drainable porosity samples due to inability to conduct testing on loose sediment. However, this would tend to underestimate the average drainable porosity values, resulting in conservatively smaller values.



Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	Core and chip samples were logged in accordance with guidelines developed by the hydrogeologists. All drill holes were logged in full. Geological logging was qualitative. Recording of core recovery was quantitative. All DD core was photographed. Representative 2m samples of drill cuttings from rotary drilling were collected in chip trays for future reference and photographed.
Sub-sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	Only un-split core samples were submitted for testing due to the nature of the laboratory porosity analysis. Thee sample sizes and integrity of the core samples submitted for testing were considered appropriate by the laboratory for the analytical methods used. Sub-sampling of brine samples only occurred at the laboratory as needed to obtain specific sample size required for analyses. Sample sizes for brine submitted for chemical analyses were in accordance with recommended volumes required by the laboratory.
Quality of assay data and laboratory tests	 The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias and precision have been established. 	 Porosity analyses were conducted by Core Laboratories Petroleum Services Division, Houston, Texas. Selected representative samples were submitted for laboratory analyses. Brine chemistry samples from Sal de Vida were analyzed by Alex Stewart Assayers of Mendoza, Argentina, who have extensive experience analyzing lithium-bearing brines. Selected duplicate samples were sent to the University of Antofagasta, Chile, as part of the QA/QC procedure. Standard analyses indicate acceptable accuracy and precision through the expected range of grades for analyses conducted at Alex Stewart laboratory. Sample and laboratory duplicate analyses indicate acceptable precision for Li, K and Mg analyses conducted at Alex Stewart laboratory. The Alex Stewart analyses also show acceptable accuracy and precision, and anion-cation balance for resource estimation. Analytical quality was monitored through the use of randomly inserted quality control samples, including standards, blanks and duplicates, as well as check assays at independent laboratories. Each batch of samples submitted to the laboratory contained at least one blank, one low grade standard, one high grade standard and two sample duplicates. Approximately 38 percent of the samples submitted for analysis were quality control samples.



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		 fresh water wells SVWF12_19 and SVWF12_20.
		The remaining exploration wells and fresh water well SVWF12_18 were surveyed using hand-held portable GPS equipment.
		The new exploration wells were surveyed using hand-held portable GPS equipment. All holes are vertical. One new drill hole has been completed in the Catamarca 100% Galaxy only tenure.
Data spacing and distribution	 Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	Borehole and well spacing is in general about 4 kilometers in most areas, and is consistent with guidelines determined by Houston et al., 2011) for evaluation of brine-based lithium resources in salar-type systems. The drilling density was sufficient to demonstrate a high degree of confidence in the understanding of the location and nature of the aquifer, and brine grade both horizontally and vertically.
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	The Sal de Vida area has been drilled and logged with vertical exploration boreholes and wells. Because salar sediments are effectively deposited horizontally, angled boreholes were determined to be of little value. No sampling bias has been identified based on drilling orientation.
Sample security	The measures taken to ensure sample security.	Core samples for porosity evaluation were not subjected to any preparation prior to shipment to the participating laboratories. The samples were sealed on site and stored in a cool location, then shipped in sealed coolers to the laboratory for analysis. All brine samples were labeled with permanent marker, sealed with tape and stored at a secure site until transported to the laboratory for analysis. Samples were packed into secured boxes with chain of custody forms and shipped to laboratories in Mendoza, Argentina.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	An internal peer review of the existing Mineral Resource Estimates was conducted by Montgomery & Associates to verify the calculated values. In addition, a 3 rd party review was conducted by a Qualified Person experienced in lithium brine resources in Argentina.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	 Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	The majority of the land controlled for the Sal de Vida project was secured under agreement with pre-existing owners and claimants. The first such agreement involved securing mining licenses (minas) covering an area of some 13,560 hectares. The minas were secured under a purchase option from a local ulexite miner focused on the exploration for, exploitation and marketing of ulexite, a sodium-calcium borate mineral mainly used for the production of boric acid. Ulexite is produced from shallow surface mining, not by extraction of brines. The mineral rights to the brine on the miner's claims are transferred 100 percent to Galaxy under this agreement; there is no retained royalty. Most of the agreements follow the same model. Only one of the properties has an associated royalty. Seven of the twenty original agreements include usufructs or terms for rights to continue surface ulexite mining by the original owners/operators. The



			Co be	mpany hao necessary	d retained th	e option to	buy ou	it any of the	ese usufructs	should it
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				File No.	Name	Province		File No. 20024-2009	Name TABAHM 05	Province
			D	16810-1999	GASTON II	Salta		20877-2011	RATONES OESTE	Salta
			1	17392-2001	GASTON III	Salta		21190-2011	CATAL NORTE	Saita
			1	17529-2002	MARIA CECILIA	Salta		21655-2012	RATONES SUR	Salta
)	17583-2002	LITA	Salta		21864-2012	RATONES OESTE 2	Salta
				17584-2002	FLORENCIA	Salta		160-G-2002	BARREAL 2	Catamarca
)	17599-2002	NELLY	Salta		813-G-2009 227-G-2007	LUNA BLANCA V PACHAMAMA	Catamarca
				17898-2004	CAMILA	Salta		289-G-2007	LA PRIMERA	Catamarca
			1	18001-2004	ROCIO	Salta		290-G-2007	LA SEGUNDA	Catamarca
)	18128-2005	PABLO II	Salta		291-A-2007	LA TERCERA	Catamarca
				19562-2009	SALVADOR	Salta		354-G-2007	CHINA	Catamarca
			i	19579-2009	SALVADOR II	Salta		812-G-2009	LUNA BLANCA IV	Catamarca
			1	19669-2009	PAPADOPULOS XXXIV	Salta		815-G-2009	ROCIO I	Catamarca
			1	19670-2009	PAPADOPULOS XXXV	Salta		117-G-2010	LUNA BLANCA III	Catamarca
				19931-2009	TABAHM	Salta		269-G-2010	NELLY VI	Catamarca
			(l	19987-2009	TABAHM 02	Salta	ji			
			1	Brine extraction be assigned	rights over the follow	ing tenements to		Brine extraction r tenements pendir	ights granted over the f ng sub-division and tran	ollowing Isfer
	1		/ I	File No.	Name	Province		File No.	Name	Province
	1		<u> </u>	1215-1943	ESTELA	Salta		1280-G-2006	LUNA BLANCA	Catamarca
	1			1495-1946	ALEX	Salta		1430-M-2006	MEME	Catamarca
	1			13848-1989	DIANA	Salta		1198-G-2006 1178-G-2006	EL TORDO	Catamarca
	1		1	17335	VALERIO	Salta		1197-A-2006	TRUCO	Catamarca
Exploration done by	• A	cknowledgment and appraisal of exploration by other	All	known exp	ploration for l	lithium at S	al de V	/ida proper	ties was cond	ucted by
	μα	nuvo.	Ja	iany of by	Sulary 5 ple			0110.		
Geology	• D	eposit type, geological setting and style of mineralisation.	The average elevation of the Puna is 3,700 m.a.s.l .(meters above sea level) and covers parts of the Argentinean provinces of Jujuy, Salta, Catamarca, La Rioja y Tucuman. The Altiplano-Puna Volcanic Complex (APVC) is located between the Altiplano and Puna, and is associated with numerous stratovolcanoes and calderas. Recent studies have shown that the APVC is underlain by an extensive magma chamber at 4-8 km depth (de Silva et al., 2006). It is likely that this could be the ultimate source of the anomalously high values of lithium in the area.					iea level) marca, La located APVC is /a et al., alously		
			Noi 150 (Ha mo inci higi	rthern Argo) Ma as a artley et al. isture from reased ario h radiation	entina has ex result of its s ., 2005), but n Amazonia t dity since at n and evapor	xperienced table locati as a result to the north least 10-15 ation levels	a sem ion rela of And ieast ha Ma. C s, the re	i-arid to ari ative to the lean uplift a as been ble consequent eduction in	d climate sinc Hadley circula almost all flow ocked, leading tly, given the a precipitation l	e at least ation of to conally has lead



		to the development of increased aridity in the Puna. The combination of	
		internal drainage and arid climate led to the deposition of evaporite precipitates in many of the Puna basins. The physiography of the region is characterized by basins separated by ranges, with marginal canyons cutting through the Western and Eastern Cordilleras and numerous volcanic centers, particularly in the Western Cordillera. Abundant dry salt lakes (salares) fill many basins, and these basins contain subsurface brines.	
		Brine prospects differ from solid phase industrial mineral prospects by virtue of their fluid nature. Therefore, the term 'mineralization' is not strictly relevant to a brine prospect. Because of the mobility of the brine, the flow regime and other factors such as the hydraulic properties of the aquifer material are considered to be just as important as the chemical constituents of the brine. The clastic, basin fill sediments in Salar de Hombre Muerto are the target units for brine retrieval.	
		See cross sections in Appendix 2 below.	
Drill hole Information	 A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: 	Drilling and sampling occurred in several phases, including corehole drilling and sampling, and well construction and testing. Drilling and sampling include:	
	 easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in motion) of the drill hole collar. 	$^{\cdot}$ 23 diamond drill holes ranging in depth from 95 to 284 m, cased with 2-inch PVC	
	 o dip and azimuth of the hole 	\cdot 309 diamond core samples analyzed for drainable porosity	
	 down hole length and interception depth hole length.	 352 depth specific brine samples collected from diamond coreholes using drivepoint sampling; 17 of the cased diamond drillholes were also pumped and sampled using a shallow set small diameter submersible electric pump. 	
	 If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	\cdot Downhole electrical conductivity and temperature surveys were conducted at 17 of the cased diamond drill holes	
		\cdot 13 brine exploration wells were constructed, ranging in depth from 60 to 1 m, cased with 6-inch and 8-inch PVC	
		\cdot 2 reverse circulation boreholes with brine samples collected by airlift during drilling	
		 Pumping equipment was installed in the brine exploration wells, and 12 short-term pumping tests were conducted to determine aquifer transmissivity and to obtain composite aquifer brine samples 	
		Four additional monitor wells and two production wells were completed and tested in proposed wellfield locations; and long-term pumping tests were conducted in proposed wellfield areas.	
		All drillholes and wells are vertical. Collar elevations are not tabulated as all wells and coreholes were constructed on a salar surface of low relief. Depths for all down-hole samples have been recorded.	
		This update has 1 well additional, SVWW17-21. The information of this singular well in not material to the declared resource and reserve.	
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	Calculations for in-situ drainable porosity and brine chemistry were made using averages of discrete drainable porosity and depth-specific brine samples collected by drivepoint from core holes at multiple depths during construction. Brine chemistry was confirmed by centrifuge brine extraction from selected core samples, low-flow pumping of core holes, and construction	
	high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should	and testing of wells, including long-term (30-day) tests. This phase of pump tests are relatively short term – 24 to 48 hours.	
	 be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	No metal equivalents have been reported.	



Relationship between mineralisation widths and intercept lengths	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	The Mineral Resource and Mineral Reserves reported for Sal de Vida project occur as brine. As stated previously, brine prospects differ from solid phase industrial mineral prospects by virtue of their fluid nature. The relationship between mineralization width and intercept length has no meaning in this context.
Diagrams	 Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	Explanatory maps are included in the text above and in Appendices below.
Balanced reporting	 Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	No update to reserve metrics is reported. The resource is split as per tenement disposal. The resource is reported on a residual Galaxy 100% equity basis.
Other substantive exploration data	 Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	 Brine sampling from trenches, and gravity and vertical electrical sounding (VES) surveys have been conducted at the Sal de Vida project. A total of 249 brine samples from trenches had been collected. Gravity surveys were conducted in two phases, in 2009 (53.6 km) and 2010 (42.7 km), by Quantec Ltda. A total of 50 vertical electric soundings (SEV) were conducted in August 2010, by Geophysical Exploration and Consulting S.A., (GEC), Mendoza, Argentina (GEC, 2010). No new geophysical surveys are reported in this release. Along with lithium and potassium, the pumped brine is projected to contain significant quantities of magnesium, calcium, sulfate, and to a lesser degree, boron. These constituents must be removed from the brine to enable effective retrieval of the lithium and potassium.
Further work	 The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not 	Geotechnical test work for pond and pilot plants. Further wellfield development in Catamarca Province. A four-wellfield development program has commenced.

commercially sensitive.



Section 3 Estimation and Reporting of Mineral Resources (Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	 Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	All data produced in the Sal de Vida project were transferred into a central data repository managed by Galaxy Lithium and located in Denver, Colorado. Data for the Sal de Vida project was then synchronized with a data repository at Montgomery & Associates in Tucson, Arizona. Raw data from the project were transferred into a customized Access Database, and used to generate diverse types of reports as needed. The data generated in the field were transferred by the field personnel into customized data entry templates. Field data were verified before being loaded into the Access database. The data contained in the templates is loaded by use of an import tool, which eliminates reformatting of the data. Data were reviewed after entry into the database.
Site visits	 Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	Regular site visits were undertaken by Mr. Michael Rosko and Dr. Jeff Jaacks over the duration of the project. Mike Rosko visited the property four times during the course of the program. April 5 to 10, 2010, August 11 to 16, 2010, January 16 to 26, 2011 and June 22 to 28, 2011 and again during August 15 - 20, 2011 to oversee aspects of all drilling techniques, logging, sampling and other technical procedures. Jeff Jaacks visited the property on October 11-19, 2009 and again on January 18-22, 2011 to review sampling procedures, quality assurance programs and sample storage protocols. Michael Rosko visited the project areas again in September, 2018.
Geological interpretation	 Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	The salar is developed in a graben-like intermontane basin in the foreland of the greater Andes. It comprises a complex architecture of recent alluvial fan and volcanoclastic rocks that are either aquifers or aquitards depending on grain size and cementation. The lithium and potassium bearing brine occurs in the pore space of sediments and test work has established the relationships between brine chemistry, brine density and total dissolved solids. Horizontal effective permeability is ~10x vertical permeability. Considerable efforts have gone into the development of the conceptual geological and hydrogeological model for the basin. Stratigraphic correlation of units was considered sufficient to establish a high degree of confidence in the conceptualization. Geological interpretation of cross sections was prepared by Montgomery & Associates using available drilling results. Geologic information then imported into a block model to create a three-dimensional geological model of the lithologies and hydrogeologic units which was ultimately used to assist in construction of the numerical groundwater flow model. The current geological interpretation is believed to be robust and it is not



			considered that an alternative interpretation would have a significant impact on the outcome of the Resource.
			Geologic factors do not affect grade, but do affect the Resource estimation as the Resource estimation is partially controlled by the hydraulic conductivity of hydrogeologic units. Lithology of hydrogeologic units affects both volume of brine in storage and the ability to remove brine via pumping.
			Cross sections are provided in Appendix 2, below.
Dimensions	•	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	Because the Resource is a mobile brine, the dimensions are effectively the identified aquifer located in the eastern half of the Salar de Hombre Muerto basin. Galaxy has mineral rights ownership of a total 38,159.04 hectares in the east half of Salar del Hombre Muerto. The Resource calculation was restricted to only brine located within the mineral rights ownership area. Hard rock areas on the basin edges were considered no-flow boundaries. Maximum depth drilled was 402 meters; however, the Resource was computed for polygons only to the maximum depth drilled at that location, even though additional aquifer may occur at a greater depth.
			than at the subdivision between the eastern and western sub-basin.
Estimation and modelling techniques	•	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	The resource was estimated using the polygon method and a spreadsheet. To estimate the total amount of lithium and potassium the brine was first sectioned the basin into polygons based on location of exploration drilling. Polygon sizes were variable. Each polygon block contained one diamond drill exploration hole that was analyzed for both depth specific brine chemistry and drainable porosity. Boundaries between polygon blocks are generally equidistant from diamond drill holes. For some polygon blocks, outer boundaries are the same as basin boundaries, as discussed above
	•	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	Within each polygon shown on the surface, the subsurface lithologic column was separated into hydrogeologic units. Each unit was assigned a specific thickness based on core descriptions, and was given a value for drainable
		The assumptions made regarding recovery of by- products.	porosity and average lithium and potassium content based on laboratory analyses of samples collected during exploration drilling. Correlation between depth and lithium and potassium concentration in the brine was
		Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	observed and lent increased confidence in the method. The computed resource for each polygon was the sum of the products of saturated hydrogeologic unit thickness, polygon area, drainable porosity, and lithium and potassium content
	•	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	A cut-off grade of 500 mg/L of lithium was used. Hydrogeologic units within each polygon with lithium content less than cut-off grade were not included in
		Any assumptions behind modelling of selective mining units.	each polygon is independent of adjacent polygons, but adjacent borehole geology was used to confirm stratigraphic continuity of the units surrounding
	•	Any assumptions about correlation between variables.	each borehole.
	•	Description of how the geological interpretation was used to control the resource estimates.	
	•	Discussion of basis for using or not using grade cutting or capping.	
	•	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	
Moisture	•	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Resource values are computed based on total amount of lithium and potassium in the extractable brine volume.
Cut-off parameters	•	The basis of the adopted cut-off grade(s) or quality parameters applied.	A conservatively high cut-off grade of 500 mg/L in the brine was selected based on the projection that brine with 500 mg/L or large would be available for a 40-year period. A cut-off for potassium was not directly used, but for areas where the brine was 500 mg/L or less, the potassium values was not included in the Resource.



Mining factors or assumptions	•	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Mining/extraction methodology ultimately would be via wellfield pumping in areas identified as favorable for brine extraction.
Metallurgical factors or assumptions	•	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	An on-site pilot plant demonstrated the ability to extract the lithium and potassium from the brine.
Environmental factors or assumptions	•	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	An industrial process has been designed for the removal of magnesium, calcium sulfate and boron.
Bulk density	•	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Density for the brine containing over 500 mg/L ranged from 1.14 to 1.21 Kg/L. Concentration of lithium and potassium is linearly correlated total dissolved solids, and with brine density.
Classification	•	The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit.	Relevant factors include the spatial positioning of lithium and potassium brine concentrations, spatial understanding of hydrogeologic units, measured values for specific yield (drainable porosity), location of boundaries, and location of fresh and brackish water with low lithium concentration. Because several measurement techniques were used to obtain samples and evaluate the key parameters a high level of confidence in the values used to estimate the Resource, particularly the spatial location of the measurements has been achieved. In addition, statistical evaluation of the measurements has been done to provide additional support for the methods used.
Audits or reviews	•	The results of any audits or reviews of Mineral Resource estimates.	An internal peer review of the existing Mineral Resource Estimates was conducted by Montgomery & Associates to verify the calculated values. In addition, a 3 rd party review was conducted by a Qualified Person experienced



			in lithium brine resources in Argentina.
Discussion of relative accuracy/ confidence	 I a a a a a a a a a a a a a a a a a a a	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. In general, where key evaluation parameters were sparse or lacking, standard values (such as specific capacity) used in hydrogeological analyses were used. However, in all cases, the values selected were considered to be conservatively low, as to not artificially increase the Resource.

Section 4 Estimation and Reporting of Ore Reserves

No update of Ore Reserves is presented in this announcement.



A	ppen	dix	1 –	Drill-hole	collar	positions
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WELLID	DEPTH DRILLED	UTM EASTING	UTM NORTHING
	(meters)	(meters, WGS 84)	(meters, WGS 84)
SVWW17_21	160	3,412,058	7,194,923

Appendix 2 – Representative geological cross sections. See JORC Table above for locations.







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