

Galaxy Resources expects to commence lithium concentrate production

Galaxy Resources Limited (ASX: GXY) is an Australia based company in the mining exploration and production industry, specifically focusing on Lithium mining, and conducting operations across three sites in Australia, Canada and Argentina. Lithium is a key component in eponymous lithium ion batteries, used in all manner of equipment from personal electronic devices and laptops to the electronic vehicles. With supply constraints and ever increasing demand, Lithium was one of the few commodities to increase in price value over 2015, growing from \$5,800/tonne to over \$10,000/tonne within the year.

In 2012 Galaxy Resources acquired, and has since been developing, their flagship project at Sal de Vida in Argentina, an area which produces over 60% of global lithium supplies. This area is known for having some of the highest quality lithium brine in the world, with high lithium content and potassium yields necessary for scaling production, and low impurities which reduce production costs. Galaxy Resources controls exclusive mineral rights over 385 square kilometres. A feasibility study for the site conducted in 2013- prior to the 2015 price increases in Lithium – estimated that the Sal de Vida site would produce annual revenues of US \$215 million. Coupled with devaluation of the Peso and removal of withholding taxes in the country, there is a lot lining up in support of the lucrative Argentinian site.

Galaxy Resources has taken impressive strides since coming under new management in 2013. Chairman Martin Rowley has founded and directed a number of commodities mining companies, including First Quantum – one of the world's largest copper

producers. Anthony Tse, Managing Director, arrived with over 20 years' experience in senior corporate management within high-growth sectors. Over the last three years the new team has drastically reduced the company's debt from A\$200 million to \$20 million, directing the business's focus on developing lithium production. Part of this strategy has included divestment from a processing plant in China worth over \$100 million. In 2015 Galaxy Resources Limited reinvested in a joint venture with General Mining Corporation Ltd to begin lithium production at their Mt Cattlin mine in Western Australia. This joint venture soon developed into a takeover bid from Galaxy, no doubt encouraged by the agreement reached between General Mining and Mitsubishi for the latter to offtake total lithium production from the Mt Cattlin site. The share price for each partner has rocketed by over 1,000% over the last 12 months, and merger will see the creation of Australia's second-largest lithium producer with a combined market cap of \$657 million.

Galaxy Resources is suitably positioned to make impressive gains as their recent developments and projects come into maturation, boosted by exceptional performance of the lithium market generally. The acquisition of General Mining has transformed Galaxy Resources into a major global supplier of lithium, and they enjoy the security of diverse operations incorporating varied techniques of extraction across several global sites, including one of impeccable quality. The company has capitalised on the lethargic supply-side response to booming demand in lithium, positioning themselves to become a market leader. The highly credentialed board, which has dramatically developed, restructured and refocused the company over the last three years continues to be Galaxy Resources' most prized asset and should lend confidence to potential investors.

At the beginning of November, Galaxy Resources confirmed that the construction at Mt Cattlin was near completion. The

Company expects to commission the project over the coming weeks and aim to produce a spodumene concentrate by the 15th of November 2016.