ASX ANNOUNCEMENT / MEDIA RELEASE

GALAXY
meeting a lithium future

Perth, Australia
10 May 2013

JIANGSU APRIL PRODUCTION UPDATE

Highlights

- 650 tonnes of lithium carbonate produced in April (excludes one week scheduled maintenance)
- Average daily production rate of 28 tonnes, representing 60% of Plant's design output (vs 31% in March)
- Sales of 575 tonnes (revenue A$3.5 million, inclusive of VAT) recorded for the month
- April Jiangsu operating costs (excluding sunk ore costs) was around A$2.5 million
- Jiangsu Plant is China's second-largest lithium production facility at current output rates

Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or "the Company") advises that production at its Jiangsu Lithium Carbonate Plant ("Jiangsu" or "the Plant") in China totalled 650 tonnes in April 2013. Average daily production, excluding scheduled outage in the month was 28 t/day, representing 60% of the Plant's design output. April's figures include three weeks of production and exclude a one week scheduled outage for improvements and modifications.

April's production marks a significant improvement on the previous month, where Galaxy recorded total production of 425 tonnes, with average production rates of 14 tonnes a day (31% of design output). Operations at Jiangsu re-commenced in February 2013.

Product sales in April totalled 575 tonnes of battery and technical grade product. Sales revenue was A$3.5 million (including VAT). Production cost for Jiangsu, (excluding sunk ore costs) was around A$2.5 million for April, which means on a purely cash inflow and outflow basis, the operation generated positive inflows for the month.

Galaxy Resources Managing Director Iggy Tan said: "We are pleased with the recent performance of the Jiangsu Plant and the generation of positive cash inflows. At current production rates, Jiangsu ranks as the second largest lithium carbonate production facility in China. Equally, we are encouraged by the increase in product sales and are working hard to continue to drive the ramp-up of our business."

The Jiangsu Plant is designed to produce 17,000 tonnes per annum, which would make Galaxy the largest lithium carbonate producer in China and the largest battery grade (99.5% purity) lithium carbonate producer in the world.

--ENDS--

For more information, please contact:

Corporate
Iggy Tan
Managing Director
Galaxy Resources Ltd
Tel (office): +61 (0)8 9215 1700
Email: ir@galaxylithium.com

Media Contact
Jane Munday
FTI Consulting
Tel (office): +61 (0)8 9485 8888
Tel (mobile): + 61 (0)488 400 248
Email: jane.munday@fticonsulting.com

About Galaxy (ASX: GXY)

Galaxy Resources Ltd ("Galaxy") is an Australian-based global lithium company with lithium production facilities, hard rock mines and brine assets in Australia, China, Canada and Argentina. The Company is a lithium producer listed on the Australian Securities Exchange (Code: GXY) and is a member of the S&P/ASX 300 Index.

Galaxy wholly owns the Jiangsu Lithium Carbonate Plant in China's Jiangsu province. The Jiangsu Plant will eventually produce 17,000 tpa of battery grade lithium carbonate, becoming the largest producer in the Asia Pacific region and the fourth largest in the world.

Galaxy is also advancing plans to develop the Sal de Vida (70%) 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 promise as a future low cost brine mine and lithium carbonate processing facility.

The Company owns Mt Cattlin (100%) spodumene project near Ravensthorpe in Western Australia and the James Bay (100%) Lithium Pegmatite Project in Quebec, Canada.

Lithium compounds are used in the manufacture of ceramics, glass, electronics and are an essential cathode material for long life lithium-ion batteries used to power e-bikes and hybrid and electric vehicles. Galaxy is bullish about the global lithium demand outlook and is positioning itself to become a major producer of lithium products.