GALAXY
meeting a lithium future

Perth, Australia
18 June 2013

JIANGSU MAY PRODUCTION UPDATE

Highlights

- 521 tonnes of lithium carbonate produced in May
- Major power upgrade completed on site during the month
- Total product sales of 538 tonnes recorded for the month
- Battery grade lithium carbonate sales increase

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 521 tonnes in May 2013.

Production slowed slightly month-on-month due to a one week scheduled outage for the completion of a major power upgrade on site as part of the ongoing ramp-up of the Plant.

Battery grade lithium carbonate sales increased during the month, with overall product sales (battery and technical grade) totalling 538.2 tonnes.

The increase in battery grade sales is a result of the completion of stringent qualification and approvals processes by a number of major battery cathode manufacturers in China. Galaxy expects further potential customers to complete the approvals process in the coming months.

Galaxy's new management and the Jiangsu team have already commenced a thorough review and assessment of ways to accelerate the ramp-up process to boost production towards the Plant's full capacity of lithium carbonate.

--ENDS--

For more information, please contact:

Corporate
Anthony Tse
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.

Caution Regarding Forward Looking Information.

This document contains forward looking statements concerning Galaxy.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on Galaxy's beliefs, opinions and estimates of Galaxy as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Not For Release in US

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