GALAXY
meeting a lithium future

Perth, Australia
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CONTINUED PRODUCTION INCREASES AT GALAXY'S JIANGSU PLANT

Highlights

- July lithium carbonate production increases 12% to 678 tonnes
- Total July product sales of 611 tonnes, up 11.5%
- Further increases in production and sales of battery grade lithium carbonate

Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or "the Company") is pleased to announce that production at its wholly-owned Jiangsu Lithium Carbonate Plant ("Jiangsu" or "the Plant") totalled 678 tonnes in July 2013, an increase of 12% month-on-month.

Production of battery grade lithium carbonate (99.5% purity and above) also increased during July from the previous month.

Combined battery and technical grade sales reached 611 tonnes in July, up 11.5% from June. Battery grade lithium carbonate (99.5% purity and above) continued to increase as a proportion of overall sales. Testing and qualification of Jiangsu's battery grade lithium carbonate continues with a range of battery cathode makers.

Production and sales figures have continued to increase since the Jiangsu Plant was brought back online in February this year. As reported in the latest Quarterly Report, sales in Q2 were three-fold higher than Q1 this year.

Galaxy Interim Managing Director Anthony Tse said: "We are pleased with the increases in production and sales at Jiangsu, and continue to be focused on making efficiency enhancements to the Plant to improve overall output during the coming months."

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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 has built an advanced and fully-automated Lithium Carbonate production facility in Jiangsu Province, China ("Jiangsu Plant"). The Jiangsu Plant has a name-plate capacity of 17,000 tpa, is primarily focused on producing battery grade lithium carbonate, and is aiming to become the largest producer in the Asia Pacific region and the fourth largest in the world.

Galaxy is currently advancing plans to develop the Sal de Vida Lithium and Potash Brine Project ("Sal de Vida") in Argentina, which is situated in the Lithium Triangle, a region where Chile, Argentina and Bolivia meet, and presently accounts for 60% of global lithium production. Sal de Vida has excellent promise as a future low cost production facility.

The Company also owns the Mt Cattlin Spodumene Mine near Ravensthorpe in Western Australia and the James Bay Lithium Pegmatite Project in Quebec, Canada.

Lithium compounds are used in the manufacture of ceramics, glass, electronics and are an essential ingredient in producing battery materials such as cathode and electrolyte, in the manufacture of long life lithium-ion batteries, which are used in consumer electronics, power tools, electric bikes, hybrid and electric vehicles. Anticipating the growing demand in coming years, Galaxy is positioning itself to become a major producer of lithium products.