

Perth, Australia  
21 May 2014

## JIANGSU SALE UPDATE – GALAXY RECEIVES US\$12.2M DEPOSIT

Galaxy Resources Ltd (ASX: GXY) (“Galaxy” or the “Company”) confirms that it has received US\$12.2 million from Sichuan Tianqi Lithium Industries Inc. (“Tianqi”) in deposit funds, as provided for in the binding Share Purchase Agreement announced by Galaxy on 30 April 2014 regarding the sale of the Galaxy Jiangsu Plant.

The deposit is 10% of the US\$122 million cash consideration component of the Share Purchase Agreement. The sale of the Jiangsu Plant is based on an enterprise value of US\$230 million, with Tianqi assuming US\$108 million of Chinese bank debt at Galaxy Jiangsu, in addition to the cash component.

The Company will further update the market as the sale process continues.

**-ENDS-**

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**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.

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