

GALAXY

QUARTERLY REPORT

...meeting a lithium future

For the three months ending 31 March 2013

SIGNIFICANT EVENTS DURING THE QUARTER

- Operations recommenced at Jiangsu Lithium Carbonate Plant
- 99.9% EV Grade lithium carbonate produced in commercial quantities
- First sales of lithium carbonate to Japan
- Specialist lithium marketing consultant joins sales team
- Spodumene supply agreement secured with Talison Lithium
- Mt Cattlin operations suspension extended
- Sal de Vida DFS completed
- DFS shows potential for low cost, long life lithium and potash operation
- Sal de Vida maiden reserve estimate completed
- Deutsche Bank Tranche 2 Funding Settled

SAL DE VIDA (70%)

Sal de Vida DFS Completed

The Definitive Feasibility Study (DFS) on the Sal de Vida Lithium-Potash Brine Project ("Sal de Vida") in Argentina was completed on schedule and on budget by the end of the Quarter.

The DFS confirmed robust economics and excellent promise for a low cost, long life brine mine, with lithium carbonate and potash processing facilities. Galaxy has the potential to add reserves and mine life to the project and maintains belief it will become the Company's next flagship asset.

Galaxy acquired the Sal de Vida project in July 2012 from the merger with Lithium One Inc. At that time, the PFS had been completed. The Company funded the completion of the DFS, which included extensive hydrology work and modelling, drilling, pump tests, resource development, pilot plant testwork, flow sheet development and engineering, logistics, market and financial modelling. The Company has spent in the region of US\$13 million on bankable feasibility study work headed by Argentinean engineering company, Taging S.A. Ingenieria Inteligente ("Taging"). Further engineering and process work was provided by Galaxy, Calder Maloney Pty Ltd and Hatch Engineering ("Hatch").

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/ASX300 Index.

Galaxy wholly owns the Jiangsu Lithium Carbonate Plant in China's Jiangsu province. The Jiangsu Plant has commenced production and will produce 17,000 tpa of battery grade lithium carbonate, 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%) 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.

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The DFS, which costed 9.5 square kilometres of ponds, two well fields of 27 wells each (peak), and lithium carbonate and potash plants, estimated a pre-tax net present value of US\$645 million (US\$380 million post-tax) at a 10% discount rate. Sal de Vida has the potential to generate total annual revenues in the region of US\$215 million and operating cash flow before interest and tax of US\$118 million per annum at full production rates. Average operating costs have been estimated at US\$2,200 per tonne (net of potash credits) of battery grade lithium carbonate. The total capital cost for Sal de Vida is estimated at US\$369.2 million.

DFS Key Financials

Definitive Feasibility Study (US\$)	10% Discount	8% Discount
Lithium Carbonate Production	25,000 tpa	
Potash Production	95,000 tpa	
Mine Life	>40 years	
Capital Costs	\$369 million	
Operating Costs (after KCI net back)	\$2,200/t LC	
Total Revenue	\$215 million	
Av Cash Flow (pre interest, tax)	\$118 million	
Av Battery Grade Price (Roskill forecast for 2017)	\$6,395 /t LC	
Net Present Value (pre-tax)	\$645 million	\$921 million
Internal Rate of Return (pre-tax)	23.0 %	23.0%
Net Present Value (post-tax)	\$380 million	\$565 million
Payback	4 Yrs 7 Mths	4 Yrs 7 Mths
Internal Rate of Return (post-tax)	19.4%	19.4%

Capital Cost Breakdown

Design and supply packages for process equipment are based on budget quotations from selected bidders based on commercial terms and conditions, scope of work and functional specifications or data sheets. For minor equipment, prices were obtained from historical data or budget quotations. Where not included in budget quotes, installation costs for equipment were estimated by using historical data or factored based on the equipment capital cost.

Costs Breakdown Chart

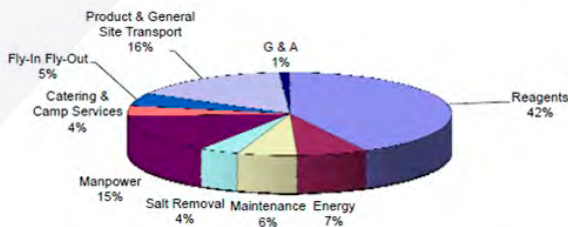
Capital Costs	US\$ million
General	7.0
Brine Extraction	26.2
Evaporation Ponds	88.4
Lithium Carbonate Plant	61.8
Potash Plant	26.0
Reagents	6.0
Power Plant & Onsite Infrastructure	50.2
Other	10.1
Total Direct Costs	275.6
EPCM	35.6
Owners Costs & Spares	13.0
Freight	11.4
Total Indirect Costs	60.0
Total Direct & Indirect Costs	335.6
Contingency	33.5
Total Capital Investment	369.2



Cost estimate data were obtained from reputable equipment suppliers and Argentinean-based contractors who relied on technical specifications and material quantity take-offs provided by Tagging engineers. The capital costs and plant operating cash costs are to an accuracy of +/- 15%.

Operating Costs

Operating cost information and selected input parameters for the economic evaluation were obtained from market pricing of reagents, utilities and services from sources within Argentina, where possible. Labour rates were supplied by Galaxy, drawing on local knowledge of rates applicable to the Puna area in northwest Argentina.



The estimated average operating cost per tonne of battery grade lithium carbonate is US\$2,200 per tonne (after potash net back) of which 42% comprises reagent costs such as soda ash, lime and various process reagents. The other major contributors to operating costs include labour (15%), transport costs (16%) and power generation (7%).

Battery Grade Production

Galaxy has utilised purification technology at Sal de Vida to upgrade the lithium carbonate's purity to battery grade (99.5% pure, or better) meaning it can be used by battery cathode producers for the manufacture of lithium-ion batteries. Due to its high value application, battery grade lithium carbonate receives a price premium to technical grades.

Final Investment Decision

The Galaxy Board will reserve making a final investment decision on Sal de Vida until after the Jiangsu Lithium Carbonate Plant in China reaches a cash flow positive status on a sustained basis and Galaxy has received funding commitments from its Sal de Vida joint venture partners.

Joint Venture Partners

The DFS has been issued to Galaxy's joint venture partners in Sal de Vida - KORES, LG International and GS Caltex (Korea Consortium). The Korea Consortium has earned 4% of the project to date but now has 90 days to exercise the option to earn the full 30%. If the option is exercised, the Korea Consortium will provide a project completion guarantee for Galaxy's portion of project debt financing until completion, and use commercially reasonable best efforts to obtain project finance.

Sal de Vida Permits

Final approvals for the Sal de Vida project are expected in May 2013. The Provinces of Catamarca and Salta requested further clarifications to the Environmental Impact Report (EIR) and all of the observations and enquiries have now been addressed. The permits are in the final stages awaiting the Mining Secretaries of both provinces to issue their respective "Declaracion de Impacto Ambiental," or DIA documents, which comprise the approval permits.

The DIAs, or conditions of approval, will lay out the conditions for building and operating the lithium carbonate extraction wells, evaporation and processing facility, and define not only an acceptance of environmental impacts and mitigation thereof, but also define the commercial/political conditions required by the Province.

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Maiden Reserve Estimate at Sal De Vida

Just prior to the release of the DFS, Galaxy announced a maiden JORC-compliant Reserve estimation of 1.1 million tonnes of retrievable lithium carbonate equivalent for Sal de Vida. In addition, the Reserve estimates 4.2 million tonnes of potassium chloride (potash) equivalent.

The Reserve estimate supports annual production at Sal de Vida of 25,000 tonnes of lithium carbonate and 95,000 tonnes of potash over a 40 year period. The maiden Reserve estimate is based on updated exploration drilling, well field pump tests and groundwater flow model projections.

Reserve Category	Time Period (Years)	Tonnes Li Total Mass	Tonnes Equivalent Li_2CO_3	Tonnes K Total Mass	Tonnes Equivalent KCl
Proven	1-6	34,000	181,000	332,000	633,000
Probable	7-40	180,000	958,000	1,869,000	3,564,000
Total	40 total	214,000	1,139,000	2,201,000	4,197,000

Table 1 - Probable and Proven Reserve Statement April 2013
Note: Assumes 500 mg/LLi cut off

The maiden Reserve estimate was compiled by consultancy Montgomery and Associates (M&A). Total tonnages for the economic reserve values provided in Table 1 account for anticipated leakage and process losses of lithium and potassium. Table 1 gives results of the Proven and Probable reserves from the Southwest and East well fields when these percent estimated processing losses are factored in, assuming a continuous average brine extraction rate of 30,000 m³/d.

Based on their understanding of the conceptual hydrogeological system and the results of the numerical model, M&A and Galaxy determined that it is appropriate to categorise the Proven reserve according to what can be feasibly be pumped to the ponds and recovered at the end of the process during the first 6 years of operation. This production is expected to come almost entirely from the Southwest well field. The model projects that the well fields will sustain operable pumping for 40 years, and as a result, the following 34 years of pumping are categorised as a Probable reserve. If the model forecasts are shown to be tracking the estimated Proven reserve, the model projects that pumping of brine above the cutoff grade should be possible past 40 years.

As the model does not project excessive drawdown in either well field at the end of 40 years, and all pumped brine is still projected to be above the cutoff grade, the current numerical model projections suggest that additional brine could be pumped from the basin from the proposed well fields past a period of 40 years. Furthermore, additional brine resources have been demonstrated in other parts of the basin. Favourable hydrogeological exploration and development of the other parts of the basin could potentially produce future increases in the Reserve estimates.



JIANGSU PLANT (100%)

Operations recommenced at Jiangsu

Galaxy recommenced operations at the Jiangsu Lithium Carbonate Plant ("Jiangsu Plant" or "the Plant") in early February 2013. The Zhangjiagang Safety Bureau cleared the site to re-start operations after inspecting and approving Galaxy's repairs to the affected u-bend section of pipe in the sodium sulphate crystallisation area of the Plant that ruptured in November 2012. A complete Hazard and Operability (HAZOP) review was conducted across the entire operation to ensure complete and ongoing safety of the Plant.

An investigation into the incident by the Company concluded that on shutdown of the Plant, an abnormal and unexpected blockage in the vertical crystallizer section held up a mass of sodium sulphate liquid, the force of which, on subsequent unforeseen release, caused the fiber glass pipe work at the U bend section to rupture on impact. Due to the highly abnormal nature of the incident, the risk of this type of incident was not identified by the Plant designers in their design documentation or safety studies.

China's Suzhou Safety Bureau also conducted an independent investigation and concurred with the root cause analysis of the incident found by Galaxy. The Company's refurbishment plan of replacing the ruptured u-bend section with stainless steel (2507) material with additional load support was approved by the Suzhou Safety Bureau. The stainless steel replacement material was ordered and the system refurbishment was completed in early February. The Suzhou Safety Bureau subsequently inspected the repaired system and approved Jiangsu's production recommencement.



The Plant was fully operational again by late February and has been producing battery grade lithium carbonate to the desired specifications. Production is also increasing and sales of both technical and battery grade product have been ongoing. The kiln at the front end of the Plant has been very stable since the recommencement of operations. The recently installed kiln lifters are also allowing the kiln to operate at close-to-design feed rates and with improved levels of natural gas usage. The precipitation plant has also been re-established and is achieving production rates reached prior to the November shutdown.

During Q1, the Government's environment administration agency conducted a second round of environmental testing, focusing on the emission quality of the sulphation process. The test result met the mandatory limit. Galaxy expects to receive Jiangsu's final environment acceptance certificate from the government in early May. Jiangsu completed the first round of an external audit for ISO9001/ISO14001/OHSAS18001 management system by BSI in 2012. The final acceptance audit will be carried out in April 2013. Completion of the certification process is expected in the first half of 2013.

Jiangsu Production and Quality

At the process front end, with the newly installed permanent material lifters, the calcine kiln is capable of running at the designed capacity (18 tonnes of spodumene feed per hour). At the process rear end, a new lithium carbonate precipitator was installed during the shutdown. The system is now able to run at the designed top feed rate (28 cubic metres of lithium sulphate solution per hour).

Jiangsu produced 669 tonnes of lithium carbonate (214 tonnes of battery grade and 455 tonnes of technical grade) in February and March. The overall output for April is expected to be significantly higher. Production reached 386 tonnes in the first half (15 days) of April 2013. Lithium carbonate output over that period averaged 26 tonnes per day, which represents 55% of the Plant's design capacity.

Jiangsu's quality performance continues to be excellent. Galaxy's cathode producing customers are satisfied with the product quality.

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Table 2. Jiangsu Production and Sales

Tonnes	Dec 2012 Quarter*	March 2013 Quarter**
Production	714	669
Sales	701	464***

* Plant was shut down from 21 Nov 2012

** Plant re-start from 8 Feb 2013

*** Chinese New Year closure for 2 weeks in February

99.9% EV Grade lithium carbonate

In March 2013, Galaxy announced the achievement of commercial production of 99.9% Li_2CO_3 purity lithium carbonate at the Jiangsu Plant. The Jiangsu Plant was originally designed to produce 17,000 tpa of battery grade (minimum 99.5% Li_2CO_3 purity) lithium carbonate product but adjustments and improvements to the process has allowed the Jiangsu team to produce a higher specification product of 99.9% purity. Lithium carbonate of minimum 99.9% purity, registered by Galaxy as EV Grade®, is used specifically in the manufacture of electrolyte solution for lithium-ion batteries. EV Grade® currently accounts for 5-10% of the overall battery grade lithium carbonate market but commands a price premium of 20%-30% to battery grade (99.5% purity) lithium carbonate product due to the higher purity specification and limited supply globally.

While the main future demand for lithium carbonate will come from cathode producers seeking 99.5% purity product the capability to produce higher purity grades will give the Company more marketing options.

Lithium carbonate sales

Total lithium carbonate sales in the Quarter were 464 tonnes of technical and battery grade product. First quarter sales figures have been impacted by the lack of inventories with the Plant only returning to operation in February and the closure of all factories due to Chinese New Year public holidays in February.



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MT CATTLIN (100%)

Spodumene supply agreement secured

During the Quarter, Galaxy advised it had signed a three year spodumene feedstock contract with Talison Lithium ("Talison") to supply the Jiangsu Plant. The supply contract is expected to commence in July 2013 after existing stockpiles at Jiangsu have depleted. Galaxy will purchase the Talison feedstock in US dollars, which will represent additional cost benefits to Galaxy. Mt Cattlin was developed as an integrated feedstock provider for Jiangsu. Since then, exchange rate deterioration of over 40% over a sustained term has pressured the cost of local production. The contract will deliver spodumene from Talison's Greenbushes mine in Western Australia to Jiangsu at a better rate compared to the costs of a full reinstatement of Galaxy's Mt Cattlin operation in Ravensthorpe. Talison's recently-expanded capacity and threefold head grade at its Greenbushes operations resulted in the first significant external supply of spodumene becoming available on the international market.

Mt Cattlin Operations Further Suspended

The Board reached a decision that the Company's Mt Cattlin operations will remain suspended until further notice, but will remain operationally ready to restart in the event Galaxy needs to resume its own internal production, and for Galaxy to retain security of supply.

Mt Cattlin remains a crucial internal source of feedstock to ensure stable and secure supply to the Jiangsu Plant to produce high-value lithium carbonate. Galaxy believes Mt Cattlin is a valuable strategic asset for the Company and purchasing external spodumene maintains Mt Cattlin's resource base without further depletion. Galaxy's Mt Cattlin team has been reduced to a small workforce to maintain the mine and processing plant. The positions of 37 local Galaxy staff were regrettably made redundant. Galaxy has provided support and assistance packages for affected staff, many of whom have been successfully placed at other local operations.

Galaxy again thanks the dedicated team at Mt Cattlin for their hard work and dedication to this project to date and the Ravensthorpe Community for its continued support.

Deutsche Bank Funding Settled

During the Quarter, the second tranche ("Tranche 2") of an A\$20 million (before costs) funding facility with Deutsche Bank was settled. This followed the recommencement of operations at the Jiangsu Plant and subsequent site inspection by Deutsche Bank - a condition of the Tranche 2 funding. Galaxy sought the funding from Deutsche Bank for working capital and corporate purposes following an accident at the Jiangsu Plant in November 2012, which halted operations until February 2013.

Management Appointments

In the Quarter, Galaxy appointed lithium sales and marketing consultant Mr Joe Lowry to the Company's sales and marketing team. Mr Lowry spent 23 years with lithium major FMC Lithium ("FMC") and prior to joining Galaxy was FMC's Global Sales & Business Development Director, responsible for sales of approximately US\$240 million worldwide. Prior to that position, Mr Lowry was FMC's Managing Director, Asia Pacific. During this time, he spent five years in China and six years in Japan, significantly growing FMC's lithium product sales across Japan, China and Korea. Mr Lowry was also the Venture Manager for FMC's first manufacturing plant (butyllithium) in China. Mr Lowry's appointment is significant for the Company as it increases its sales and customer base in 2013.



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MARKETING & SALES

Product Qualification Continues

Potential lithium carbonate customers continued qualification of Galaxy's product throughout the Quarter. With production and quality increases at the Jiangsu Lithium Carbonate Plant in China, Galaxy now produces three grades of lithium carbonate including:

Battery Grade – 99.5%

Technical Grade Milled – 99.2%

Technical Grade – 99.0%

Galaxy also has the capability to produce a fourth grade of lithium carbonate with 99.9% purity (EV Grade®). Galaxy showed it could achieve commercial production of 99.9% Li₂CO₃ purity lithium carbonate during the Quarter.

Galaxy was pleased in the Quarter to have completed the first sales of lithium carbonate to Japan, which was a significant milestone as the Japanese market sets the highest standards for product quality and it only comes after an extensive testing and qualification period.

Approval for Galaxy's lithium carbonate product across its main customer base – Asia – is continuing. The approvals and qualification for battery grade lithium takes a significant amount of time, ranging between 6 months to a year and beyond for more stringent approvals processes, incorporating a long line of approvals down the supply chain. Galaxy is finding some of the qualification processes are taking longer than expected.

Demand in Japan is experiencing lower than forecast growth due to the slow uptake globally of electric vehicles. Additionally, cathode production for batteries used in mobile, laptops and other devices is shifting towards China and Korea from Japan. The focus for Japanese cathode producers is now mainly in EV batteries, which require longer approval processes. The Company will continue to produce and sell both battery and technical grade product as potential customers complete approval processes, while gradually building the sales of battery grade lithium carbonate.

Galaxy's fully-automated Jiangsu Plant has the capacity to supply 17,000 tpa of battery grade lithium carbonate. In comparison, other Chinese lithium carbonate producers' current capacities range from 2,000 tpa to 7,500 tpa of battery grade product. Galaxy's large capacity underpins future expansion plans of global cathode producers.

Pricing

According to Asia Metal Pty Ltd, after mid-February, prices for battery grade lithium carbonate in China increased marginally to US\$6,750/tonne - US\$7,100/tonne (inclusive of VAT). Technical Grade prices also increased to US\$6,400/tonne – US\$6,700/tonne (inc of VAT).



Annual General Meeting

The Company's General Meeting was held on Friday, 15 February 2013. All resolutions were passed by the requisite majority on a show of hands

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Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Michael J. Rosko who is a full time employee of Montgomery & Associates Consultores Limitada (M&A). M&A have been engaged by Galaxy Lithium to prepare the documentation for Sal de Vida Project in Salar de Hombre Muerto, Argentina. Mr Rosko is a member of a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX. Mr Rosko has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr. Rosko consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Rosko verifies that the announcement is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Ore Reserves.

Forward Looking Statements

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Galaxy Resources Limited

ABN

11 071 976 442

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	1,560	1,560
1.2	Payments for (a) exploration & evaluation	(3,226)	(3,226)
	(b) development		
	(c) production	(5,773)	(5,773)
	(d) administration	(4,166)	(4,166)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	51	51
1.5	Interest and other costs of finance paid	(1,959)	(1,959)
1.6	Income taxes paid		
1.7	R&D Refund	429	429
	Net Operating Cash Flows	(13,084)	(13,084)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	(3,059)	(3,059)
	(d) intangibles		
1.9	Proceeds from sale of:		
	(a) prospects	250	250
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Deposits	(35)	(35)
	Net investing cash flows	(2,844)	(2,844)
1.13	Total operating and investing cash flows (carried forward)	(15,928)	(15,928)
1.13	Total operating and investing cash flows (brought forward)	(15,928)	(15,928)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. (net)	9,980	9,980
1.15	Proceeds from borrowings	11,276	11,276
1.16	Proceeds from convertible bonds		

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.17	Repayment of borrowings	(6,845)	(6,845)
1.18	Dividends paid		
1.19	Other - Cash acquired from merger	-	-
	- Payment for call option	(2,500)	(2,500)
	Net financing cash flows	11,911	11,911
	Net increase (decrease) in cash held	(4,017)	(4,017)
1.20	Cash at beginning of quarter/year to date	7,719	7,719
1.21	Exchange rate adjustments to item 1.20	211	211
1.22	Cash at end of quarter	3,913	3,913

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	487
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Includes directors' fees, salary and superannuation and also fees paid to directors or director related entities for professional and technical services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	114,280*	113,549*
3.2	Credit standby arrangements	-	-

*As at 31 March 2013, RMB 696 million had been drawn down of approved RMB 701 million facilities and a US\$7.1m facility had been drawn fully. Therefore, the amount available is 5m RMB (A\$0.8m).

+ See chapter 19 for defined terms.

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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	2,000
4.2	Development	-
4.3	Production (net of revenues)	-
4.4	Administration	3,000
Total		5,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	811	2,197
5.2 Deposits at call	3,102	5,522
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,913	7,719

Changes in interests in mining tenements – refer attached tenement schedule

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	See schedule.		
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities			

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Appendix 5B
Mining exploration entity quarterly report

7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	584,355,501 ¹	584,355,501	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	23,998,080 Fully Paid Ordinary Shares ²	23,998,080 Fully Paid Ordinary Shares	\$0.4167 per share	Fully Paid
7.5	*Convertible debt securities	615 Convertible Bonds (face value of \$100,000 per bond). Unsecured, subordinated 8% per annum. A\$1.136 conversion price.	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options (<i>description and conversion factor</i>)			<i>Exercise price</i>	<i>Expiry date</i>
		750,000	-	\$0.45	17/11/14
		3,350,000	-	\$0.60	26/11/14
		5,350,000	-	\$0.60	Vesting not satisfied
		1,800,000	-	\$0.90	26/11/14
		3,000,000	-	\$0.96	Vesting not satisfied
		3,600,000	-	\$1.11	22/07/16
		1,900,000	-	\$1.11	Vesting not satisfied
		39,100,000	-	\$1.16	Vesting not satisfied
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (<i>totals only</i>)	-	-		
7.12	Unsecured notes (<i>totals only</i>)	-	-		

¹ For voting purposes, the total number of shares presently carrying voting rights in Galaxy Resources Limited is 584,355,501. This is made up of 572,499,068 Fully Paid Ordinary Shares and 11,856,433 Special Voting Shares (which, effectively, may be voted by the holders of the remaining un-exchanged 11,856,433 Exchangeable Shares in Galaxy Lithium One Inc). These amounts are aggregated on the basis that ASX has confirmed that the voting rights attached to each Special Voting Share along with each Exchangeable Share (and its associated exchange rights and obligations) together upon and from their issue are to be treated as one Fully Paid Ordinary Share in Galaxy for the purposes of the ASX Listing Rules. During the current quarter 0 Exchangeable Shares were exchanged for Fully Paid Ordinary Shares.

² This figure of 23,998,080 Fully Paid Ordinary Shares does not include 0 Fully Paid Ordinary Shares issued upon the exchange of Exchangeable Shares during the current quarter. ASX has confirmed that the voting rights attached to each Special Voting Share along with each Exchangeable Share (and its associated exchange rights and obligations) together upon and from their issue are to be treated as one Fully Paid Ordinary Share in Galaxy for the purposes of the ASX Listing Rules. Accordingly, the issue of 0 Fully Paid Ordinary Shares upon the exchange of 0 Exchangeable Shares during the current quarter is reflected in Galaxy Resources Limited's Appendix 5B for the quarter ended 31 March 2013.

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: **30 April 2013**
(~~Director~~/Company secretary)

Print name: A L Meloncelli

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Tenement Schedule as at 31 March 2013

Project	Tenement	Notes (100% interest unless stated)
<u>Argentina</u>		
<u>Sal De Vida</u>	Various	70% Interest upon satisfaction of JV conditions with Kores Consortium.
<u>Australia</u>		
<u>Boxwood Hill</u>	E70/2493 E70/2513-E70/2514 E70/2547	
<u>Connolly</u>	E69/1878	
<u>Ponton</u>	E28/1317 E28/1830	
<u>Shoemaker</u>	E69/1869-1871	20% Interest with General Mining Corporation.
<u>Ravensthorpe</u>		
Aerodrome	E74/398	
Bakers Hill	E74/295 E74/299 E74/415	
Floater	E74/400 P74/307-P74/308	
Mt Cattlin	L74/46 L74/48 M74/244	
Sirdar	E74/401 P74/309-P74/310	80% Interest with Traka Resources. 80% Interest with Traka Resources.
West Kundip	L74/47 M74/133 M74/238	
<u>Canada</u>		
<u>James Bay</u>	Various	

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