

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.

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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 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.

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