

Perth, Australia
4 December 2013

JIANGSU PLANT OPERATIONS UPDATE

Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or the "Company") is pleased to announce that the Jiangsu Plant has now successfully completed a planned maintenance shutdown period, which was previously advised to the market. As part of the works, the "front end" of the plant has been modified to enable lithium carbonate production from higher grade spodumene feedstock supply from alternative sources including Talison Lithium.

The plant formerly operated on solely Mt Cattlin sourced spodumene feedstock and has now transitioned over to allow a wider range of feedstock. The modifications works were completed smoothly and the plant will now be operating on higher grade feedstock which is expected to enhance throughput capacity. The ongoing production ramp up is part of Galaxy's strategy to focus on delivering high-purity lithium products and a key component of the strategy to reach break-even levels of production at the Jiangsu Plant by the end of the year.

A full production report for the fourth quarter results will be contained in the December 2013 quarterly report.

Separately, Galaxy is happy to report that it has received a A\$918,000 reimbursement from the Australian Taxation Office, pursuant to the Research and Development Tax Incentive Program in respect of the year ended 31 December 2012 (Galaxy's financial year ends on 31 December).

-ENDS-

For more information, please contact:

Corporate

Andrew Meloncelli
Company Secretary
Galaxy Resources Ltd
Tel (office): +61 (0) 8 9215 1700
Email: ir@galaxylithium.com

Media Contact

Shane Murphy
FTI Consulting
Tel (office): +61 (0) 8 9485 8888
Tel (mobile): + 61 (0) 420 945 291
Email: shane.murphy@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).

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.

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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