

Perth, Australia
10 July 2013

JIANGSU JUNE PRODUCTION UPDATE

Highlights

- June lithium carbonate production increases month-on-month to 604 tonnes
- Total product sales of 548 tonnes recorded for the month
- Battery grade lithium carbonate production and sales continue to improve

Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or "the Company") is pleased to advise that production at its Jiangsu Lithium Carbonate Plant ("Jiangsu" or "the Plant") in China increased month-on-month to 604 tonnes in June 2013 from 521 tonnes in May.

Lithium carbonate sales (battery and technical grade) totalled 548 tonnes in the month, slightly ahead of May's figures.

Battery grade lithium carbonate production and sales also recorded increases during the month. Testing and qualification of the product is continuing with a range of battery cathode manufactures in China, which is expected to boost Galaxy's customer base in the second half of the year.

Galaxy interim Managing Director Anthony Tse said: "Production at Jiangsu has been steadily increasing following the recommencement of operations at the Plant in February 2013. We continue to ramp-up operations at the Plant, which at current production rates, already ranks as the second largest lithium carbonate production facility in China."

The Jiangsu Plant is designed to produce 17,000 tonnes per annum of battery grade (99.5% purity) 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.

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.

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