

Perth, Australia
15 May 2014

JIANGSU SALE UPDATE – TIANQI SHAREHOLDERS APPROVE US\$12.2M DEPOSIT

Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or the "Company") has been made aware following an announcement by Sichuan Tianqi Lithium Industries Inc. ("Tianqi") regarding a Shareholders Meeting convened on 13 May 2014, that Tianqi shareholders have approved payment of US\$12.2 million deposit to Galaxy, as outlined in the binding Share Purchase Agreement announced by Galaxy on 30 April 2014 regarding the sale of the Galaxy Jiangsu Plant to Tianqi.

The deposit will represent 10% of the US\$122 million initial cash consideration of the proposed transaction. The proposed transaction 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 upon receipt of the deposit and as the transaction progresses.

-ENDS-

For more information, please contact:

Corporate

Andrew Meloncelli
Interim CFO and 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

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.

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.