

Perth, Australia
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GALAXY'S JIANGSU PLANT ACHIEVING STABLE PRODUCTION

Highlights

- Jiangsu Plant has been at full operation with stable production
- Producing battery grade lithium carbonate, meeting all specifications
- Sales of technical and battery grade lithium carbonate recommence
- Jiangsu ramp-up program recommences

Following the recommencement of operations at the Jiangsu Lithium Carbonate Plant ("Jiangsu" or "the Plant") on 8 February 2013, Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or "the Company") advises that the Plant has been fully operational and producing battery grade lithium carbonate product without any major disruptions. Sales of both technical grade and battery grade lithium carbonate have also recommenced.

Production at Jiangsu is stable and testing has shown that the lithium carbonate is meeting the tight quality and purity specifications demanded by battery cathode manufacturing customers. The kiln at the front end of the Plant has been very stable with 100% online time 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 2012 accident, and will continue to be ramped-up in the coming weeks.

Galaxy Managing Director Iggy Tan said that it has been a very difficult and emotional quarter for Jiangsu and Galaxy staff, but it is a credit to the Jiangsu team to have brought Jiangsu back online so quickly and efficiently.

"Jiangsu is now producing at a stable rate and, importantly, producing the desired battery grade lithium carbonate. We will now continue to increase production and sales as part of Jiangsu's ramp-up program," Mr Tan said.

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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 an integrated lithium mining, chemicals and battery company listed on the Australian Securities Exchange (Code: GXY) and is a member of the S&P/ASX 300 Index.

Galaxy wholly owns the Mt Cattlin project near Ravensthorpe in Western Australia where it mines lithium pegmatite ore and processes it on site to produce a spodumene concentrate and tantalum by-product. At full capacity, Galaxy will process 137,000 tpa of spodumene concentrate which will feed the Company's wholly-owned 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 also owns 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 achieve its goal of being involved in every step of the lithium supply chain.

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