

Perth, Australia
17 April 2013

JIANGSU PRODUCTION UPDATE

Highlights

- 386 tonnes of lithium carbonate produced in first half (15 days) of April
- Average daily production rate of 26 tonnes, representing 55% of Plant's design output
- Follows monthly production of 425 tonnes in March
- Jiangsu Plant ramp-up continuing

Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or "the Company") advises that production at its Jiangsu Lithium Carbonate Plant ("Jiangsu" or "the Plant") in China has reached 386 tonnes in the first half (15 days) of April 2013.

Lithium carbonate output over that period has averaged 26 tonnes per day, which represents 55% of the Plant's design capacity.

April's production rate so far marks a significant improvement on the previous month, as Galaxy ramps the Plant up to capacity output. Following re-commencement of operations at Jiangsu in February 2013, Galaxy recorded total production of 425 tonnes for the month of March, with average production rates of 14 tonnes a day (31% of design output).

Galaxy Resources Managing Director Iggy Tan said: "The recent shutdown of the Jiangsu Plant significantly affected the Plant's production profile. However, we are pleased with the production rates in March and now April as we continue with the Plant's ramp-up schedule."

Jiangsu's design capacity is 17,000 tonnes per annum, which will make Galaxy the largest lithium carbonate producer in China and the largest battery grade (99.5% purity) lithium carbonate producer in the world.

--ENDS--

For more information, please contact:

Corporate

Iggy Tan
Managing Director
Galaxy Resources Ltd
Tel (office): +61 (0)8 9215 1700
Email: ir@galaxylithium.com

Media Contact

Jane Munday
FTI Consulting
Tel (office): +61 (0)8 9485 8888
Tel (mobile): + 61 (0)488 400 248
Email: jane.munday@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) 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.

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.