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## GALAXY REPORTS HIGH LITHIUM OXIDE GRADES AT JAMES BAY

### Highlights

- Channel sample analysis at James Bay shows high lithium oxide (Li<sub>2</sub>O) grades
- Highest grade 1.77% Li<sub>2</sub>O vs current NI 43-101 resource average 1.28% Li<sub>2</sub>O
- 160 metres of channelling completed, 83 samples analysed
- Low impurity levels shown across all samples
- Sampling to contribute to updated James Bay mineral resource estimate and DFS

Galaxy Resources Ltd (ASX: GXY, "Galaxy" or "the Company") is pleased to announce that geochemical analysis from channel samples taken at its 20% owned James Bay Pegmatite Project ("James Bay") in Quebec has revealed high lithium oxide grades (Li<sub>2</sub>O) with low impurity levels.

The highest grade was **1.77% Li<sub>2</sub>O** from CS-8.32, significantly higher than the current NI 43-101 compliant resource average of 1.28% Li<sub>2</sub>O.

The analysis was taken from 83 samples submitted from a recent 160 metre infill channel sampling program at James Bay. James Bay is an extensive high-grade spodumene pegmatite deposit that occurs at surface and the latest channel samples were taken across four separate pegmatites.

The breakdown of samples comprised 67 from pegmatites, 8 from country rock and 8 quality control standards and check samples. All samples were analysed for Li<sub>2</sub>O and 14 other oxides, 39 trace elements and LOI (Loss on Ignition). See summary of the sample analysis (Table 1) and the location of the channel samples (Figure 1).

Significantly, the channel sampling data revealed that the spodumene-bearing pegmatite samples were similar to the ore at Galaxy's wholly-owned Mt Cattlin mine in Western Australia.

Table 1 – Summary of the Li<sub>2</sub>O intercept results

Channel ID	Li <sub>2</sub> O (%)	Length (m)	From (E)	From (N)	To (E)	To (N)
CS-12.11	<b>1.59</b>	17.2	358,117	5,789,462	358,098	5,789,467
CS-10.30	<b>1.18</b>	1.5	358,418	5,789,416	358,414	5,789,415
CS-10.31	<b>1.12</b>	5.5	358,426	5,789,432	358,421	5,789,433
CS-10.40	<b>1.44</b>	4.5	358,398	5,789,437	358,394	5,789,436
CS-9.12	<b>1.39</b>	8.05	358,522	5,789,401	358,515	5,789,409
CS-8.61	<b>1.73</b>	34.5	358,630	5,789,309	358,607	5,789,334
CS-8.32	<b>1.77</b>	8.9	358,701	5,789,377	358,687	5,789,287
CS-8.10	<b>1.49</b>	5.9	358,720	5,789,228	358,712	5,789,232

Galaxy currently owns 20% of James Bay under a farm-in agreement with Lithium One Inc. (TSX-V: LI, "Lithium One"). The completion of a Definitive Feasibility Study (DFS) – currently underway – would increase Galaxy's stake in the project to 70%.

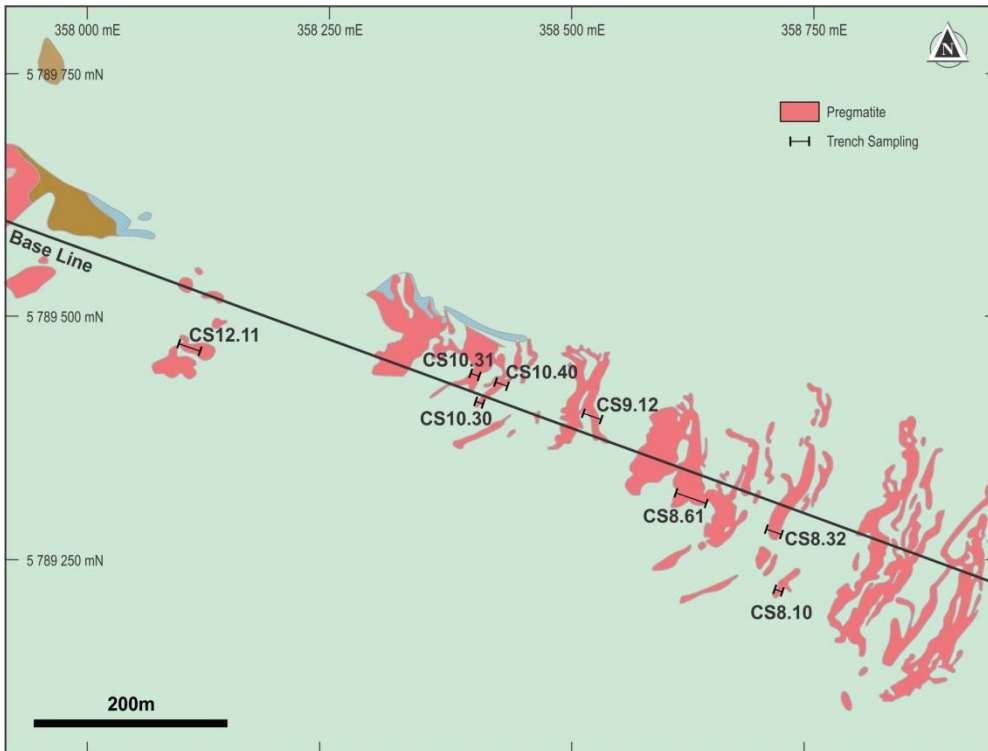
Galaxy announced on 30 March 2012, that it had entered into an agreement to effect a proposed merger between Galaxy and Lithium One Inc. Lithium One also owns (70%) the highly prospective Sal de Vida lithium and potash brine project in Argentina ("Sal de Vida"). If the merger is successful, Galaxy will own 100% of James Bay and 70% of Sal de Vida.

The channel sampling data will be incorporated into an updated Mineral Resource Estimate for James Bay and will be utilised in a current metallurgical testwork program on bulk samples previously collected from James Bay (being undertaken at Lakefield SGS).



Channel sampling at James Bay

Figure 1 – Location of channel samples



--ENDS--

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## About Galaxy (ASX: GXY)

Galaxy Resources Ltd ("Galaxy") is an Australian-based integrated lithium mining, chemicals and battery company listed on the Australian Securities Exchange (Code: GXY) and is a S&P/ASX 300 Index Company. 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 be able to process 137,000 tpa of spodumene concentrate and 56,000 lbs per annum of contained tantalum. The concentrated spodumene is to be shipped to Galaxy's wholly-owned Lithium Carbonate Plant in China's Jiangsu province. Once complete, the Jiangsu plant is expected to produce 17,000 tpa of battery grade lithium carbonate, which, on that basis and current global production, would make Galaxy the largest producer in the Asia Pacific region and the fourth largest in the world.

Galaxy is also advancing plans for a lithium-ion battery plant, to produce 620,000 battery packs per annum for the electric bike (e-bike) market. The Company also has a farm-in agreement with TSX-listed Lithium One Inc to acquire up to 70% of the James Bay 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 current global lithium demand outlook and is positioning itself to achieve its goal of being involved in every step of the lithium supply chain.

## Caution Regarding Forward Looking Information.

This document contains forward looking statements concerning Galaxy and Lithium One.

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 (and Lithium One) 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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## Competent Persons

The mineral resources are reported in accordance with National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Resource evaluation work was completed by Mr. Sébastien Bernier, P.Geo (OGQ#1034, APGO#1847) an independent Qualified Person as defined by NI 43-101.