

Perth, Australia  
11 August 2014

## GALAXY JIANGSU DIVESTMENT UPDATE

Further to the agreement between Galaxy Resources Ltd. ("Galaxy") and Sichuan Tianqi Lithium Industries Inc. ("Tianqi") for the sale of Galaxy Lithium International Limited ("GLIL") (parent entity of the Jiangsu Plant) announced on 30 April 2014, Galaxy is pleased to announce the drawdown of the first US\$15 million tranche of a US\$30 million facility (the "Facility") made available to the Company by Tianqi Group Hong Kong Company Limited ("TGHK"). TGHK is a member of the Tianqi group of companies. Funds from the first tranche were received on 8 August 2014. The Facility is being made available, at Galaxy's request, prior to the completion of the sale of GLIL due to the longer than anticipated time required to obtain all necessary regulatory approvals in China relating to the Jiangsu divestment transaction. All outstanding approvals are now targeted to be completed in October 2014. The Facility is guaranteed by GLIL and secured by all of the shares and assets of GLIL. The terms and conditions are in line with industry standards and will be repaid from the consideration received upon the completion of the sale of GLIL.

Further updates on the progress of the approvals in connection with the transaction will be announced as appropriate.

-ENDS-

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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.

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