

3 June 2011

GALAXY'S SECOND LITHIUM SHIPMENT AHEAD OF SCHEDULE

Highlights

- Mt Cattlin spodumene production 12,778 tonnes in April-May
- Mt Cattlin plant operating at around 75% of annual design capacity at end of May 2011
- Second shipment of spodumene to China brought forward by a month to mid June 2011
- Shipment tonnage increased to 17,000 tonnes vs previous 12,000 tonnes

Galaxy Resources Limited (ASX: GXY, "Galaxy") is pleased to announce that recent solid production at its Mt Cattlin spodumene project near Ravensthorpe in Western Australia has allowed for the re-scheduling of its second shipment of spodumene to China to mid June 2011, a month earlier than expected.

Production at Mt Cattlin totalled 12,778 tonnes of spodumene for April and May 2011, with May's production accounting for 7,185 tonnes. The plant produced 3,891 tonnes in the last fortnight, which represents around 75% of its annual design rate.

Plant utilisation has also improved dramatically, with the company reporting above-budget utilisation rates, with the concentrator averaging an on line utilisation of 84% (compared with design of 85%) in the last fortnight.

The mining operation provided sufficient ore on the ROM pad at above-design grades over the period. The crushing plant has also performed well and has mostly operated above design rates.

In addition to the revised shipment timetable, Galaxy has increased the shipment's volume to 17,000 tonnes from 12,000 previously. The "MV Karine Bulker" has been booked to transport the product to the Port of Zhangjiagang in China. As with the initial shipment, Galaxy expects to ship its second load of product from the Bunbury Port as it finalises long term export arrangements with the Port of Esperance.

Galaxy Resources Managing Director, Iggy Tan, said he's pleased to report the growth in production at Mt Cattlin: "We have reached a stage where the Mt Cattlin operation is established, stable and consistent. The whole operation is performing solidly, thanks to the persistent hard work of our Mt Cattlin team."



Stockpile spodumene at Mt Cattlin ready for shipment

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Statements regarding Galaxy's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Galaxy's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

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About Galaxy (ASX: GXY)

Galaxy Resources is an international S&P / ASX 300 Index company which plans to become one of the world's leading producers of lithium compounds – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

Galaxy wholly-owns and operates the Mt. Cattlin mine, which is currently producing spodumene concentrate. Galaxy's Jiangsu lithium carbonate plant, once completed, will have a design capacity of 17,000 tpa of lithium carbonate, which Galaxy expects would make it one of the largest plants in China converting hard rock lithium mineral concentrates into lithium compounds and chemicals.

Lithium compounds such as lithium carbonate are forecast to be in high future demand due to advances in long life batteries and sophisticated electronics including mobile phones and computers.

Galaxy Resources has positioned itself to meet this lithium future by not only mining the lithium, but also by downstream processing to supply lithium carbonate to the expanding Asian market.