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GALAXY SELLS FIRST LITHIUM CARBONATE FROM JIANGSU

Highlights

- First lithium carbonate sale from Jiangsu Lithium Carbonate Plant, China
- First product sold achieves lithium carbonate level of 99.5% purity
- Sale represents first cash flows for Jiangsu operation
- Jiangsu Plant records continuous lithium carbonate flow
- Jiangsu Plant is the first fully automated lithium carbonate plant in China
- Offtake agreements already signed for 100% of Jiangsu's design capacity of 17,000 tonnes per annum

Galaxy Resources Limited (ASX: GXY) ("Galaxy" or "the Company") is pleased to announce the sale of the first batch of lithium carbonate product (Li_2CO_3) from its wholly-owned Jiangsu Lithium Carbonate Plant ("Jiangsu" or "the Plant") in China, marking the first revenue stream from the Plant.

The lithium carbonate was produced using spodumene concentrate from Galaxy's wholly-owned Mt Cattlin mine in Western Australia ("Mt Cattlin").

The first seven tonnes of lithium carbonate from Jiangsu was sold to a Chinese customer as technical grade lithium carbonate, despite the product exceeding expectations by meeting battery grade level purity. Galaxy said the quality of the **first sales batch averaged 99.5% purity Li_2CO_3** . In addition, sodium, magnesium, iron, and sulphate impurity levels were lower-than-expected.

Galaxy said achieving battery grade level purity was a major achievement, particularly as the purification units installed to achieve battery grade quality and remove impurities (purification plant and removal ion-exchange units) were not used at this stage. The purification units will be brought on line and optimised in the next few weeks as part of the ramp up schedule.

The Company said it had achieved continuous lithium carbonate production and plant stability after achieving first production last month. All areas of the Plant are performing well and according to expectations.

Galaxy Managing Director, Iggy Tan said: "This first sale represents the first cash flow from the processing of Mt Cattlin concentrate into lithium carbonate at the Jiangsu operation and is another step forward with our business plan of developing Galaxy as a fully integrated lithium company.

"We continue to improve operations at Jiangsu to ensure the quality of the product reaches the highest grade specifications desired by the lithium-ion battery sector, although it was very satisfying that even in the early ramp up phase we successfully produced 99.5% grade product. We continue to ramp up throughput and lithium carbonate production and remain on track to reach the 17,000 tonne per annum design capacity within 12 months," Mr Tan said.

The A\$100 million Jiangsu Plant is the first fully-automated lithium carbonate plant in China and one of the most highly sophisticated plants of its kind in the world. Galaxy has long term offtake framework agreements signed with 13 major cathode producers in China and Mitsubishi Corporation of Japan (5,000 tpa) for 100% of Jiangsu's design capacity.

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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 process 137,000 tpa of spodumene concentrate and 56,000 lbs per annum of contained tantalum. The concentrated spodumene is shipped to Galaxy's wholly-owned Lithium Carbonate Plant in China's Jiangsu province. Once complete, the Jiangsu plant 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 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 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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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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