

Perth, Australia
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GALAXY APPOINTS SAL DE VIDA SITE DIRECTOR

Lithium producer Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or "the Company") is pleased to announce the appointment of Mr Daniel Chavez Diaz as Site Director of the Sal de Vida lithium and potash brine project ("Sal de Vida" or "the Project") in Argentina.

Mr Chavez Diaz is a chemical engineer and highly experienced management executive who has spent the last 20 years working for lithium giant FMC Corporation ("FMC"). Since 2007, Mr Chavez Diaz has been President of FMC subsidiary Minera del Altiplano S.A., and has been responsible for overseeing FMC's lithium production facilities in Argentina.

Since 2007, he has also been General Manager of FMC's Fenix lithium operation in the Salar del Hombre Muerto. Fenix project includes evaporation ponds, lithium chloride and carbonate plants and shares the same salar (salt pan) as Sal de Vida. Other previous management roles at Fenix project include Operations Director, Plant Manager and Production Manager. He holds a chemical engineering degree from Universidad Nacional de Salta, and a Master of Business Administration degree, from prestigious Argentine business school IAE, and is currently the President of Unión Industrial de Salta.

Galaxy's Managing Director, Iggy Tan, said Mr Chavez Diaz will lead the Sal de Vida team in developing Galaxy's planned lithium brine operation and lithium carbonate plant.

"We are very pleased to secure someone with Mr Chavez Diaz's lithium industry experience and, most importantly, in-country experience. Mr Chavez Diaz has many years of experience liaising with provincial and federal authorities, as well as establishing and operating businesses in Argentina. He is a noteworthy addition to the Sal de Vida team."

Mr Chavez Diaz's appointment along with the recent addition of lithium industry veteran Dr Vijay Mehta brings in about 50 years of lithium brine processing expertise to the Sal de Vida team. Dr Mehta worked at FMC for 30 years and was one of the founding developers of the Fenix project operation. Dr Mehta's expertise is in brine processing through solar energy and the production of high purity (battery grade) lithium carbonate, lithium hydroxide and anhydrous lithium chloride.

Galaxy is continuing to build a highly qualified and experienced technical team at Sal de Vida as it nears completion of the Sal de Vida Definitive Feasibility Study. The make-up of current team incorporates lithium brine experience from Chile and Argentina as well as Galaxy's Jiangsu plant in China. In particular, the team has extensive brine pond and lithium processing experience as well as strong operational and design expertise.

The high quality Sal de Vida project is expected to become Galaxy's next flagship asset. Sal de Vida's potential production profile is 25,000 tpa of battery grade lithium carbonate, which would take Galaxy's annual lithium carbonate production to 42,000 tpa from 2016 onwards. Galaxy is continuing work on the development of Sal de Vida, although a final investment decision won't be made by the Galaxy Board until the Jiangsu Plant is generating positive cash flows on a sustained basis, expected Q1 2013.

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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 Grieve
FTI Consulting
Tel (office): +61 (0)8 9485 8888
Tel (mobile): + 61 (0)488 400 248
Email: jane.grieve@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 an integrated lithium mining, chemicals and battery company listed on the Australian Securities Exchange (Code: GXY) and is a member of the S&P/ASX 300 Index.

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 which will feed the Company's wholly-owned Jiangsu Lithium Carbonate Plant in China's Jiangsu province. The Jiangsu Plant has commenced production and 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 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 completed a feasibility study for a proposed lithium-ion battery plant, to produce 620,000 battery packs per annum for the electric bike (e-bike) market. The Company also owns 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 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.

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.

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