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GALAXY'S JIANGSU PLANT ACHIEVES 99.9% PURITY LITHIUM CARBONATE

Highlights

- Jiangsu Plant produces 99.9% Li_2CO_3 purity lithium carbonate (EV Grade®)
- EV Grade® used in electrolytes solution in lithium-ion batteries
- EV Grade® commands 20%-30% price premium to battery grade lithium carbonate
- Provides potential to extend market base to electrolyte manufacturers
- Battery Grade (99.5% purity) lithium carbonate will continue to make up bulk of Galaxy's sales

Galaxy Resources Ltd (ASX: GXY) ("Galaxy" or "the Company") is pleased to announce that it has achieved commercial production of 99.9% Li_2CO_3 purity lithium carbonate at its wholly-owned Jiangsu Lithium Carbonate Plant ("Jiangsu Plant") in China.

The Jiangsu Plant was originally designed to produce 17,000 tpa of battery grade (minimum 99.5% Li_2CO_3 purity) lithium carbonate product making it the largest battery grade producer in the world. Recent adjustments and improvements to the process have allowed the Jiangsu team to produce a higher specification product of 99.9% purity.

Lithium carbonate of minimum 99.9% purity, registered by Galaxy as **EV Grade®**, is used specifically in the manufacture of electrolyte solution for lithium-ion batteries. Up until now, the Jiangsu Plant has produced battery grade (99.5% Li_2CO_3) lithium carbonate, which is used in the cathode part of the batteries. Lithium-ion batteries are used in electric and hybrid vehicles and electronics like PDAs, mobile phones and laptops.

EV Grade® currently accounts for 5-10% of the overall battery grade lithium carbonate market but commands a price premium of 20%-30% to battery grade (99.5% purity) lithium carbonate product due to the higher purity specification and limited supply globally.

While the main future demand for lithium carbonate will come from cathode producers seeking 99.5% purity product, Galaxy Managing Director Iggy Tan said the capability to produce higher purity grades gives the Company more marketing options.

"We wanted to become a market leader in **EV Grade®** production, so I'm very pleased to have achieved this quality beyond the plant design. The ability to produce **EV Grade®** product extends Galaxy's potential customer base, allowing the Company to tap into growth in both the cathode and electrolyte markets.

"Although it's a smaller market, the higher price **EV Grade®** makes it a valuable product to add to our mix, and we will determine how much of each product to produce based on demand levels from our customers," Mr Tan added.

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EV Grade® is a registered trademark of Galaxy Resources Limited

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 Munday
FTI Consulting
Tel (office): +61 (0)8 9485 8888
Tel (mobile): + 61 (0)488 400 248
Email: jane.munday@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 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.

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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