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CHINA DEVELOPMENT BANK JOINS LOAN SYNDICATE

Highlights

- China Development Bank Corporation (CDB) joins project finance syndicate lead by Raiffeisen Zentralbank Österreich AG (RZB)
- CDB is China's leading financial institution with total assets of 3,821 billion RMB
- Signifies confidence of lenders in Galaxy's projects and strategy

Emerging lithium producer, **Galaxy Resources Limited** (ASX: GXY), is pleased to announce that China Development Bank Corporation (CDB), China's leading financial institution, has joined the project finance syndicate lead by Austrian bank, Raiffeisen Zentralbank Österreich AG (RZB).

Both banks, RZB and CDB have conducted their respective due diligence on the Mt Cattlin and Jiangsu Projects and have now approved the loan for A\$130 million (US\$ 105 million).

CDB is an international Chinese bank established in 1994 with total assets of 3,821 billion RMB. During the recent wave of globalisation, the bank has taken the opportunity to enhance its role and reputation on the global stage. CDB has played a prominent role in the development of China's economy and society.

Galaxy Managing Director, Mr Iggy Tan said that attracting a project loan facility from two independent international banks of the calibre of RZB and CDB is real benefit for the Company.

"We are delighted to have RZB and CDB as our new commercial finance partners and having recently achieved our first drawdown of US\$20 million, we look forward to accelerating the development of our projects and generating a return for our shareholders." Mr Tan said.

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Caution Regarding Forward Looking Statements

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.

About Galaxy (ASX: GXY)

Galaxy Resources is a Western Australian company which is soon to become one of the world's leading producers of lithium – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

By 2010, GXY's Mt Cattlin mine will be the world's second largest hard rock producer of lithium and, through the development of its value adding lithium carbonate plant (17,000 tpa), the Company will be the largest and lowest cost lithium producer in China.

Lithium concentrate and lithium carbonate materials are forecast to be in short supply against 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 by downstream processing to supply lithium carbonate to the lucrative Asian market.