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GALAXY ACHIEVES 100% SALES OFFTAKE AGREEMENTS

Highlights

- Long term offtake agreements signed with the top ten major lithium cathode producers
- 100% of lithium carbonate production secured in offtake arrangements
- Galaxy to supply minimum fixed quantities of lithium carbonate to major Chinese foundation customers commencing in 2011
- Galaxy has locked in the future growth potential of the Chinese and Japanese battery grade lithium carbonate market for the next five years

Emerging lithium producer, **Galaxy Resources Limited (ASX: GXY)**, is pleased to announce that it has executed agreements with thirteen major Chinese lithium cathode producers for the offtake of its battery grade lithium carbonate product.

When coupled with the sales agreement with Mitsubishi Corporation, the commercially confidential offtake agreements signed now equate to 100 per cent of Galaxy's 17,000 tonnes of lithium carbonate production per annum and involve the supply of battery grade product commencing in 2011.

Galaxy Resources Managing Director, Mr Iggy Tan, said that securing offtake customers for all of the total output confirmed the quality of the project and Galaxy's ability to capitalise on the future demand within the lithium market.

"We are pleased to have secured major Chinese lithium cathode producers as the foundation customers of lithium carbonate produced at our Jiangsu Plant," Mr Tan said.

"The unanimous message received from all of the lithium cathode producers during recent marketing trips has been that Galaxy's project will deliver the right product, from the right place, at the right time.

"Almost all of the lithium cathode producers Galaxy has engaged with are significantly increasing capacity in the coming 12 to 24 months and by signing up for our product, these foundation customers are acknowledging the strength of the Galaxy project, particularly as it provides security of supply for battery grade lithium carbonate needed to underpin their expansion plans.

"We have essentially locked in the future growth potential of the Chinese and Japanese battery grade lithium carbonate market for the next five years," he said.

Galaxy's strategic objective is to produce the highest battery grade product in a new era of lithium carbonate demand.

The Company remains well placed to capitalise on its first mover advantage in the lithium carbonate market, the highest growth sector of all the lithium products.

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About Galaxy (ASX: GXY)

Galaxy Resources is a Western Australian S&P / ASX 300 Index 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.