

22 September 2010

## LOAN FACILITY DRAWDOWN COMPLETED

Emerging lithium producer, **Galaxy Resources Limited** (ASX: GXY), is pleased to announce that the project loan facility has been fully drawn.

The Company has now received the full US\$105 million from the syndicate banks, China Development Bank (CDB) and Austrian bank, Raiffeisen Zentralbank Österreich AG (RZB), in its loan facility disbursement account.

Drawdown funds will be used to continue the construction of both the Mt Cattlin and Jiangsu projects and repay any outstanding bridging loans.

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### Caution Regarding Forward Looking Statements

This document includes "forward-looking statements". These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate" and "expect" and includes references to certain intentions, expectations, and plans of Galaxy regarding its mineral properties, processing facilities and operations, and the sale and marketing of its products. Forward-looking statements are based on assumptions regarding Galaxy's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which Galaxy will operate. These forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed. They involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of Galaxy to be materially different from those expressed or implied by the forward-looking statements. Accordingly, there can be no assurance or guarantee that these statements, estimates or projections will be realised. They should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive.

Galaxy disclaims any responsibility for the accuracy or completeness of any forward-looking statements in this document. Galaxy disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Galaxy's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

### 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.