

14 December 2010

GALAXY SIGNS TANTALUM CONCENTRATE SALES AGREEMENT

Highlights

- 5 year sales agreement with Global Advanced Metals Pty Ltd for primary tantalum concentrate
- Agreement covers a total of 200,000 lbs contained tantalum pentoxide
- Tantalum from Mt Cattlin is around 3% tantalum pentoxide

Galaxy Resources Limited (“Galaxy”, ASX: GXY) is pleased to announce it has signed a sales agreement with Global Advanced Metals Pty Ltd (“GAM”), for tantalum concentrate produced at its Mt Cattlin operation.

GAM, which owns the world’s largest-known resources of tantalum, has agreed to purchase up to 200,000 lbs of contained tantalum pentoxide over the next five years.

The long term sales agreement will be based on a CPI-adjusted price of raw tantalum concentrate product (around 3% tantalum pentoxide) from Mt Cattlin, near Ravensthorpe, Western Australia. GAM intends to further upgrade this material into a saleable form at its tantalum Greenbushes operations in Western Australia.

Galaxy Managing Director, Iggy Tan said the Company is pleased to form a partnership with an established tantalum producer like Global Advanced Metals.

“By selling tantalum as a primary concentrate, Galaxy is able to establish a market for its tantalum, but without the costly process of upgrading the material,” said Mr Tan.

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For more information, please contact:

Iggy Tan
Managing Director
08 9215 1700
0419 046 397

Jane Grieve
FD
08 9386 1233
0488 400 248

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About Galaxy (ASX: GXY)

Galaxy Resources is a Western Australian S&P / ASX 300 Index company which plans to become one of the world's leading producers of lithium compounds – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

By 2011, Galaxy's Mt Cattlin mine will be the world's second largest producer of lithium mineral concentrate globally, and through the development of its 17,000 tpa lithium carbonate plant in Jiangsu province, the Company expects to be one of the largest and lowest cost lithium compound producers in China.

Lithium compounds such as lithium carbonate 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 also by downstream processing to supply lithium carbonate to the expanding Asian market.