

16 February 2011

## GALAXY COMPLETES A\$91.5 MILLION CAPITAL RAISING

### Highlights

- Galaxy receives remaining Tranche 2 funding A\$49 million
- Both funding tranches now finalised, totalling A\$91.5 million
- Remaining Tranche 2 funding comprised A\$19 million in convertible bonds and A\$30 million equity placement

Galaxy Resources Limited (ASX: GXY, "Galaxy") is pleased to announce it has completed its previously-reported A\$91.5 million capital raising, following the receipt of the remaining A\$49 million in the second tranche of funding (Tranche 2).

The balance of Tranche 2 comprised A\$19 million in convertible bonds and a A\$30 million equity placement with Fengli Group (Hong Kong) Co. Limited.

The initial part of Tranche 2 - A\$10.5 million in convertible bonds - was received on January 14, 2011.

The capital raising proceeds will be used for the ramp-up program at Mt Cattlin, to finish construction of the Jiangsu Lithium Carbonate Project and to provide additional working capital.

Galaxy Resources Managing Director, Iggy Tan, welcomed the new bond holders and shareholders to the company.

"We see this significant investment as a testament to the company's growth potential and its strategy of becoming a vertically integrated lithium company, involved in raw product lithium production, through to chemical processing and lithium-ion battery manufacturing," he said.

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## About Galaxy (ASX: GXY)

Galaxy Resources is an international 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.

Galaxy wholly-owns and operates the Mt. Cattlin mine, which is currently producing spodumene concentrate. Galaxy's Jiangsu lithium carbonate plant, once completed, will have a design capacity of 17,000 tpa of lithium carbonate, which Galaxy expects would make it one of the largest plants in China converting hard rock lithium mineral concentrates into lithium compounds and chemicals.

Lithium compounds such as lithium carbonate are forecast to be in 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.