

27 October 2011

GALAXY SELLS SECOND SHIPMENT OF TANTALUM FROM MT CATTLIN

Highlights

- Galaxy sells second shipment of tantalum concentrate from Mt Cattlin
- Shipment under five year deal with Global Advanced Metals
- Shipment volume of 242 tonnes, averaging 3.3% tantalum pentoxide
- Galaxy capitalises on tight global tantalum supply

Galaxy Resources Limited (ASX: GXY, "Galaxy") is pleased to announce it has delivered the second shipment of tantalum concentrate from its Mt Cattlin mine in Western Australia, under its five-year sales agreement with Global Advanced Metals Pty Ltd ("GAM").

The shipment of 242 tonnes had an average grade of 3.3% tantalum pentoxide (Ta_2O_5), representing a total of 17,610 lbs of tantalum pentoxide.

About half of the world's tantalum is used in the electronics industry to manufacture capacitors and circuit board connectors for mobile phones, personal computers, digital cameras and electronic systems for vehicles.

Tantalum is also used as an alloy additive in nickel-based superalloys in the manufacture of turbine blades for the aerospace industry and land based gas turbines. Other uses include sputtering targets, mill products, cutting tools, surgical implants and specialty chemicals and coatings.

While Galaxy's primary focus at Mt Cattlin is production of spodumene, tantalum occurs as by-product and is recovered with additional processing.

Galaxy Managing Director Iggy Tan said Galaxy was pleased to be able to supply a secondary product from its Mt Cattlin operation, especially considering the tight global tantalum market.

"Supply from our Mt Cattlin mine, though small, is an important source for the industry. The tantalum supply market has been historically around seven million pounds of tantalum pentoxide, with a significant amount coming from the conflict region of Democratic Republic of Congo (DRC).

"With potential legislation in the US enforcing use of conflict-free ore, and with limited number of supply sources, the market is in a shortage," Mr Tan said.

GAM is a global leader in the production of tantalum concentrate (tantalum pentoxide, Ta_2O_5). The company's Western Australian operations at Wodgina, near Port Hedland, and Greenbushes, near Bunbury, contain the world's largest known resources of tantalum ore.

Galaxy said it was also preparing a third spodumene consignment of around 31,000 tonnes for shipment to China in December 2011.

-ENDS-

For more information, please contact:

Corporate

Iggy Tan
Managing Director
Galaxy Resources Limited
Tel (office): 08 9215 1700
Email: ir@galaxylithium.com

Australia Media Contact

Jane Grieve
FTI Consulting
Tel (office): 08 9386 1233
Tel (mobile): 0488 400 248
Email: jane.grieve@fticonsulting.com

Hong Kong Media Contact

Cindy Lung
Strategic Financial Relations Limited
Tel (office): (852) 2864 4867
Tel (mobile): (852) 9282 4640
Email: cindy.lung@sprg.com.hk

About Galaxy (ASX: GXY)

Galaxy Resources Ltd ("Galaxy") is an Australian-based integrated lithium mining, chemicals and battery company listed on the Australian Securities Exchange (Code: GXY) and is a S&P/ASX 300 Index Company. Galaxy wholly owns the Mt Cattlin project near Ravensthorpe in Western Australia where it mines lithium pegmatite ore and processes it on site to produce a spodumene concentrate and tantalum by-product. At full capacity, Galaxy will produce 137,000 tpa of spodumene concentrate and 56,000 lbs per annum of contained tantalum. The concentrated spodumene is shipped to Galaxy's wholly-owned Lithium Carbonate Plant in China's Jiangsu province. Once complete, the Jiangsu plant will produce 17,000 tpa of battery grade lithium carbonate, the largest producer in the Asia Pacific region and the fourth largest in the world.

Galaxy is also advancing plans for a lithium-ion battery plant, to produce 350,000 battery packs per annum for the electric bike (e-bike) market. The Company also has a farm in agreement with TSX-listed Lithium One Inc to acquire up to 70% of the James Bay Lithium Pegmatite Project in Quebec, Canada.

Lithium compounds are used in the manufacture of ceramics, glass, electronics and are an essential cathode material for long life lithium-ion batteries used to power e-bikes and hybrid and electric vehicles. Galaxy is bullish about the global lithium demand outlook and is positioning itself to achieve its goal of being involved in every step of the lithium supply chain.