

5 October 2010

GALAXY COMMENCES PRODUCTION AT MT CATTLIN

Highlights

- Galaxy commences spodumene production at Mt Cattlin
- Project establishment to production in a timeframe of less than 11 months
- Project has been completed on schedule
- Spodumene processing to ramp-up ahead of first shipment in November

Emerging lithium producer, **Galaxy Resources Limited (ASX: GXY)**, is pleased to announce that the Company has commenced lithium concentrate (spodumene) production at Mt Cattlin.

The production start up is on schedule and follows the successful commissioning of the crushing circuit and heavy media plant. Over the coming weeks, spodumene throughput will be progressively ramped up until the design capacity is reached on a continuous basis.

Galaxy Resources Managing Director, Mr Iggy Tan, said this important milestone was achieved on the back of an accelerated and highly successful construction program.

"Since ground was first broken at Mt Cattlin in November 2009, Galaxy has achieved first production of lithium concentrate in less than 11 months and we are very proud of this achievement," he said.

"Pleasingly, there were no lost time injuries throughout the construction, commissioning and start-up process and we are firmly focused on maintaining that record."

Mr Tan said Galaxy expects to export its first shipment of spodumene product to China in November.



First production of spodumene product on final stockpile



Crushing plant in operation



Final product conveyor



Heavy media plant in operation



Thickener and tails operation



Crusher operator



DMS cyclone operation



Mt Cattlin mine at sunset

For more information, please contact:

Iggy Tan
Managing Director
08 9215 1700
0419 046 397

Jon Snowball
FD Third Person
08 9386 1233
0424 473 841

Caution Regarding Forward Looking Statements

Statements regarding Galaxy's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Galaxy's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

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.