

15 June 2010

## GALAXY JIANGSU PROJECT UPDATE

### Highlights

- Construction permit received for Jiangsu Lithium Carbonate Plant
- Strong safety performance recorded during pre-construction phase
- Site preparation and site works nearing completion

Emerging lithium producer, **Galaxy Resources Limited (ASX: GXY)**, is pleased to provide an update on its 100% owned Jiangsu Lithium Carbonate Plant in Zhangjiagang, China.

Hatch Project Consulting (Shanghai) Co Ltd has been engaged by Galaxy to provide EPCM services associated with the development Galaxy's Jiangsu Lithium Carbonate Plant.

- The project safety performance has been excellent with no lost time injury incidents to date and a frequency rate (LTIFR) of zero.
- Since the last update in February, significant foundation piling construction progress has been made at Jiangsu, including the installation of 473 foundation piles for building structures.
- All utilities required for construction and for the operation of the site management office have been connected to and reticulated around the site including electricity, water, telephone and high-speed internet access.
- The site management office has been constructed and fitted out, and is now occupied full time by the construction management team.
- The site has been levelled and fenced with access established from Dongxin Road along with a truck wash station.
- Stabilised sub-bases for roads, hardstands (including the stockpile area) and buildings have been completed.
- Installation of concrete hardstand surface in the stockpile area and the concrete road surfaces are progressing well and work has also commenced on building foundations preparation works.
- The kilns, coolers, dryers, microniser and ball mill package contracts have also been awarded.

The Land Use Rights Certificate was obtained during April 2010 and the Construction Permit has now been granted. The permit was granted by the Jiangsu Province Administration Bureau for Industry and Commerce and represents the final key milestone of the approvals process for the Company's lithium carbonate project.

Galaxy Resources Managing Director, Mr Iggy Tan, said that the project is in the final stages of construction design with site works progressing well.

"Galaxy's EPCM provider, Hatch, is in the final stages of receiving construction and equipment tenders and once this process is completed, the construction plan and budget can be finalised," Mr Tan said.





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### **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.