

29 July 2009

## FOREIGN COMPANY STRUCTURE ESTABLISHED FOR GALAXY

### Highlights

- Established wholly owned Hong Kong investment subsidiary, Galaxy Lithium International Limited
- Wholly Foreign Owned Enterprise in China is in the process of being incorporated
- Project application proposal to be submitted within the month

Emerging lithium producer, **Galaxy Resources Limited** (ASX: GXY) today announced it has established a wholly owned investment subsidiary, Galaxy Lithium International Limited, registered in Hong Kong.

The Hong Kong investment company will be used as the vehicle to establish the Wholly Foreign Owned Enterprise (WFOE) in the Peoples Republic of China (PRC) which will develop the Jiangsu Lithium Carbonate Project.

The PRC WFOE subsidiary is in the process of being registered this week.

The project application proposal to the Zhangjiagang Free Trade Zone is now completed and will be submitted to the Jiangsu provincial authorities within the next two weeks. The required safety and environmental appraisal reports for the project have also been finalised. After obtaining the respective approval of all three proposals, (i.e. the project application, safety and environmental appraisal report), Galaxy will apply for the approval certificate for establishing the PRC WFOE.

Managing Director, Iggy Tan said Galaxy is well on its way to establishing the company structures required for hosting the value adding downstream business in China.

"We are pleased with the progress that has been made in advancing the development of the Jiangsu Lithium Carbonate Project," said Mr Tan.

"The Company has achieved these important milestones at a record pace in order to be ready for the future lithium industry growth."

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## 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 is an Australian mining and chemical company focusing on lithium and tantalum production. Galaxy has completed a definitive feasibility study (DFS) which suggests the Mt Cattlin Lithium / Tantalum project (Ravensthorpe, Western Australia) is commercially viable based on a processing rate of 1 million tonnes per annum over a 15 year mine life. The Company is planning to commence the development of the mine and the construction of the mineral processing plant in Q3 2009 with first concentrate production scheduled for Q3, 2010.

The company has also commenced a pre feasibility study into the value adding downstream production of lithium carbonate ( $\text{Li}_2\text{CO}_3$ ). The company plans to establish a 17,000 tpa lithium carbonate plant in China due to lower associated capital and operating costs, as well as being close to the strategic growing battery markets in Asia.

Lithium concentrate and lithium carbonate raw materials are forecast to be in short supply and face high future demand growth due to advances in long life batteries and sophisticated electronics in hybrid and electric vehicles, mobile phones and computers.