

22 December 2009

CONSTRUCTION PROGRESSES AT MT CATTLIN PROJECT

Highlights

- Construction at the Mt Cattlin Spodumene Project is progressing on schedule
- Earthworks and concrete works are well advanced with additional contractors commencing in early January
- Strong focus on the use of local contractors and service providers

Emerging lithium producer, **Galaxy Resources Limited** (ASX: GXY), today announced that construction of the processing plant at the Mt Cattlin Spodumene Project near Ravensthorpe, Western Australia is progressing on schedule.



Concrete works at fine ore bin

Concrete Batching Plant



Concentrator Site with ROM on right

Earthworks at the Mt Cattlin site commenced on 12 November and are being carried out by Esperance based Martin's Mining and Civil. Earthworks have been completed over a large percentage of the site, with approximately 70% of the total volume now removed and handover to the concrete contractor achieved. Construction of the run of mine (ROM) stockpile is also well advanced using material from the plant site earthworks and will be completed to final design when mining commences in early March 2010.

Construction of the new site access road from the Lake King road to the west of the site is also well advanced having been awarded to Roadtech Constructions in early December. Completion of the main access road including bitumen sealing is expected in late January.

Mobilisation of the concrete contractor S & N Constructions commenced on 4 December and the first major concrete pour which was the base of the fine ore bin tunnel occurred on 19 December.

A number of other major contracts were awarded in recent days and are expected to commence on 4 January 2010. These include the mine and maintenance offices which were awarded to local Ravensthorpe company R & L Constructions, the mine workshop to S & N Constructions and the power station supply contract which was awarded to the Contract Power Group of Companies. Other major contracts to be awarded in the new year include the mining and laboratory contracts as well as the structural and platework contracts.

Procurement of all the major long lead equipment items has been completed and the balance of the procurement process will be complete by the end of January 2010.



Site construction office



Concrete delivery on site



Formwork on Site

Galaxy Resources Managing Director, Mr Iggy Tan, said that the Company is very pleased with the construction progress to date, particularly the amount of local services and contractors used during the earthworks and construction period.

“The recruitment of the operating team is continuing to ramp up ahead of the commencement of pre-strip mining at the Dowling Pit which is scheduled for March 2010,” Mr Tan said.

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About Galaxy (ASX: GXY)

Galaxy Resources is a Western Australian 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.