

17 December 2010

JIANGSU LITHIUM CARBONATE PROJECT UPDATE

Highlights

- Jiangsu lithium carbonate project on schedule
- Lithium carbonate plant commissioning and start-up in Quarter 2, 2011
- First shipment of spodumene from Mt Cattlin expected early Quarter 1, 2011

Galaxy Resources Limited ("Galaxy", ASX: GXY) wishes to present an update of the company's Jiangsu Lithium Carbonate Project in Jiangsu, PRC.

- No lost time injuries recorded at Jiangsu site since commencement of the project
- All roads on site completed
- Foundation piling for most areas of the plant and pipe-racks completed
- General contracted works focusing on building steel structures for both the maintenance and office buildings in progress
- Cladding for lithium packaging and warehouse in progress
- First two kiln shells for Area 20 delivered
- Fabrication of major equipment complete, including sulphating mixer and ball mill
- Award of contracts for the calcination, sulphation and drying Installation, thickeners, belts filters and ion exchange columns
- Revised construction permit and planning permit received

Galaxy's Lithium Carbonate Project is progressing in line with statements made in its last quarterly report.

Galaxy's Managing Director Iggy Tan said: "At this stage, construction is progressing well and the project is tracking as planned. There are some scheduling issues to manage around Chinese New Year and the Hatch/Galaxy team are working very hard to ensure all suppliers meet their agreed timeframes. The lithium carbonate plant is on track for commissioning and start-up in Quarter 2, 2011."

"The first shipment of spodumene from Mt Cattlin to an external lithium carbonate producer in China is now scheduled for early in the first quarter of 2011. The revised schedule is due to delays in receiving the necessary approvals for Esperance port as well as the ramp up at Mt Cattlin plant being slower than expected".



Maintenance Workshop
Steelwork

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Administration Building



Lithium Packaging Building Steelwork



Admin and Maintenance Building



Civil contractor supervision at site



Safety focus on site



Calcliner Kiln on site



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Lithium Bagging Machine at Haver Factory



Ball mill fabrication at suppliers workshop



Brickwork of process building



Pipework support structures



Product Development Testwork at Galaxy Town Laboratory



Galaxy Town Laboratory



– ENDS –

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About Galaxy (ASX: GXY)

Galaxy Resources is a Western Australian S&P / ASX 300 Index company which plans to become one of the world's leading producers of lithium compounds – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

By 2011, Galaxy's Mt Cattlin mine will be the world's second largest producer of lithium mineral concentrate globally, and through the development of its 17,000 tpa lithium carbonate plant in Jiangsu province, the Company expects to be one of the largest and lowest cost lithium compound producers in China.

Lithium compounds such as lithium carbonate 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 also by downstream processing to supply lithium carbonate to the expanding Asian market.