

11 March 2011

JIANGSU LITHIUM CARBONATE PROJECT UPDATE

Highlights

- Jiangsu lithium carbonate project is on schedule
- Lithium carbonate plant commissioning and start-up is scheduled for end Quarter 2, 2011
- MV Ocean Flower booked for the first spodumene shipment from Mt Cattlin to China for end of March 2011

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

- No lost time injuries were recorded at Jiangsu site since commencement of the project
- All roads on site are completed
- Most building steelwork and cladding are completed
- Calciner kiln, sulphation kiln and cooler shells have arrived onsite
- Shells to be welded on the ground and lifted into place when support foundations are completed
- Conveyor from the wharf is progressing well
- Major plant and equipment have arrived on site ready for installation
- Jiangsu lithium carbonate project is on schedule
- Lithium carbonate plant commissioning and start-up is scheduled for end Quarter 2, 2011
- MV Ocean Flower has been booked for the first spodumene shipment from Mt Cattlin to China, for end March 2011



Administration Building



Maintenance building



Processing Building



Product warehouse



Calciner kiln shell on site



Calcliner kiln shell with processing building in background



Welding of Calciner kiln shell



Micronising and packing building



Administration building from front gate



Plant and equipment on site ready for installation



Processing building



Dedicated conveyor to the wharf



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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.

Galaxy wholly-owns and operates the Mt. Cattlin mine, which is currently producing spodumene concentrate. Galaxy's Jiangsu lithium carbonate plant, once completed, will have a design capacity of 17,000 tpa of lithium carbonate, which Galaxy expects would make it one of the largest plants in China converting hard rock lithium mineral concentrates into lithium compounds and chemicals.

Lithium compounds such as lithium carbonate are forecast to be in 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.