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## GALAXY COMMENCES LITHIUM HYDROXIDE EXPANSION STUDY

### Highlights

- Feasibility study to investigate expansion into battery-grade lithium hydroxide at Jiangsu
- Proposed production of 5,000 tpa battery grade lithium hydroxide
- Potential to increase total Jiangsu lithium products output to 22,000 tpa
- Lithium hydroxide used in cathode and electrolyte production
- Battery-grade lithium hydroxide commands price premiums versus carbonate
- Incremental expansion likely to result in lower operating costs at Jiangsu

Galaxy Resources Limited (ASX: GXY) ("Galaxy" or "the Company") is pleased to announce it will commence a feasibility study to assess the potential to expand into lithium hydroxide production at the Company's Jiangsu Lithium Carbonate Project ("Jiangsu").

The study will look at the potential for Galaxy to produce 5,000 tpa of battery grade lithium hydroxide, in addition to Jiangsu's current design of 17,000 tpa of lithium carbonate. This would take total capacity of the Jiangsu project to 22,000 tpa of lithium products.

A lithium hydroxide circuit would include construction of a lithium hydroxide production plant on available land next to its existing lithium carbonate facility. Galaxy said the feasibility study will take up to six months to complete and will be conducted by Galaxy's technical team and Hatch Engineering.

Galaxy Managing Director Iggy Tan announced the feasibility study at the Lithium Supply and Markets Conference in Buenos Aires. He said demand for battery grade lithium hydroxide has been growing strongly and there is limited production capacity around the world.

"Like lithium carbonate, lithium hydroxide is also used in cathode and electrolyte production. While there is ample technical grade hydroxide available, higher purity battery-grade hydroxide is in limited supply, which also means it commands a price premium to lithium carbonate.

"A battery-grade lithium hydroxide plant would expand Galaxy's product mix significantly and, at a relatively minimal cost by making use of existing infrastructure at Jiangsu, allow the Company to tap into growth in both markets, thereby extending the Company's battery sector customer base," Mr Tan said.

Galaxy believes Jiangsu has extra front-end capacity including calcination and sulphation kiln, leaching and slag filtration capacity. The study will look at taking a side stream of purified lithium sulphate liquor to a lithium hydroxide production plant.

The feasibility study will determine how to utilize the front-end capacity and produce battery-grade lithium hydroxide without impacting on the current battery-grade carbonate output of 17,000 tpa.



Photo: Land area available for expansion

Cost-wise, Mr Tan said that the major attraction of an expansion circuit is that the incremental operating costs are likely to be lower due to sharing of site overheads and plant front end infrastructure.

In addition, battery-grade lithium hydroxide attracts higher premiums of around US\$1,000 to US\$2,000 per tonne more than battery-grade lithium carbonate.

If the Company decides to proceed with the expansion, the additional circuit could be operating within 18-24 months.

Additional spodumene ore requirements would be sourced either on-market or from the Company's James Bay project in Quebec, once it is operational.

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For more information:

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**About Galaxy (ASX: GXY)**

Galaxy Resources Ltd ("Galaxy") is an Australian-based integrated lithium mining, chemicals and battery company listed on the Australian Securities Exchange (Code: GXY) and is a S&P/ASX 300 Index Company. Galaxy wholly owns the Mt Cattlin project near Ravensthorpe in Western Australia where it mines lithium pegmatite ore and processes it on site to produce a spodumene concentrate and tantalum by-product. At full capacity, Galaxy will process 137,000 tpa of spodumene concentrate and 56,000 lbs per annum of contained tantalum. The concentrated spodumene is shipped to Galaxy's wholly-owned Lithium Carbonate Plant in China's Jiangsu province. Once complete, the Jiangsu plant will produce 17,000 tpa of battery grade lithium carbonate, the largest producer in the Asia Pacific region and the fourth largest in the world.

Galaxy is also advancing plans for a lithium-ion battery plant, to produce 350,000 battery packs per annum for the electric bike (e-bike) market. The Company also has a farm in agreement with TSX-listed Lithium One Inc to acquire up to 70% of the James Bay Lithium Pegmatite Project in Quebec, Canada.

Lithium compounds are used in the manufacture of ceramics, glass, electronics and are an essential cathode material for long life lithium-ion batteries used to power e-bikes and hybrid and electric vehicles. Galaxy is bullish about the global lithium demand outlook and is positioning itself to achieve its goal of being involved in every step of the lithium supply chain.