

25 August 2011

GALAXY JIANGSU LITHIUM CARBONATE PROJECT UPDATE

Galaxy Resources Limited (**ASX: GXY, Galaxy**) advises that final-stage construction of the Jiangsu Lithium Carbonate Project (the Project or Jiangsu) continued on schedule during August 2011, with good progress made in all areas.

Galaxy said the construction workforce currently totalled 350 people, with an expected ramp up to 450 during September 2011. During August, solid progress had been achieved in all areas with all tanks and bins delivered and installed on site. equipment installation, structural steel and pipework installation also progressed according to schedule.

High voltage cable and switchgear installation was completed and cable tray installation commenced. During the month, the kiln contractor was replaced (from MCC1 to CN 2,3). Productivity significantly improved with the kiln contracting workforce increasing from 28 to 110 people. There was some minor time lost due to typhoon Muifa and local flooding.

Galaxy Resources Managing Director, Iggy Tan said good progress had been achieved at the Jiangsu site with the project developing according to the previously-announced schedule.

"We are pleased with the progress being made towards the commissioning of the Jiangsu Project. Construction workforce levels have markedly improved and will continue to increase. Pleasingly, project costs are also in line with expectations," Mr Tan said.

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