

17 February 2010

## GALAXY PROJECT UPDATE & BROADCAST

### Highlights

- Mt Cattlin construction progressing and on schedule for commissioning in Q3, 2010
- Mining Contactor has mobilised fleet and will commence pre-strip mining ahead of schedule
- Jiangsu Project approval milestones achieved in timely manner
- Lithium Carbonate Plant on schedule for start-up in Q4, 2010

Emerging lithium producer, **Galaxy Resources Limited (ASX: GXY)**, is pleased to provide an update on the development progress of its Mt Cattlin Spodumene Project and Jiangsu Lithium Carbonate Plant.

Galaxy Resources Managing Director Iggy Tan said recent marketing success, most notably the announcement of Mitsubishi Corporation as a foundation customer, highlighted the need to expedite the development of both projects to capitalise on growing global demand for lithium.

### Mt Cattlin Progress

Since the commencement of earthworks in November last year, construction at Mt Cattlin has progressed rapidly with foundations and concrete works underway at the onsite processing facility.



Mr Tan said the Company was targeting commissioning and start-up of the mine by the third quarter of 2010 and remained on track to meet the milestone. "Our mining contractor, Orionstone Pty Ltd, has already mobilised its fleet at Mt Cattlin and pre-strip mining is set to commence in March, one month ahead of schedule," Mr Tan said.

"The recruitment of personnel has also ramped up in recent weeks with a senior management team in place and rental housing established to accommodate a residential workforce.

"These preparations are part of a 'Business Readiness Program' which Galaxy is implementing to ensure all business systems are in place and functioning effectively to ensure a smooth transition from construction and commissioning to start-up."

Galaxy also recently announced the execution of a five year agreement with Hong Kong based shipping company Pacific Basin to export spodumene from the Esperance Port to Galaxy's downstream processing facility in China at rates half those estimated in the DFS.



## Jiangsu Progress

The Company's China based Jiangsu Lithium Carbonate Plant in Jiangsu Province is also progressing rapidly with several key milestones achieved in recent weeks.

The Project Application has been approved and the Business License was issued by the Zhangjiagang Free Trade Zone authorities allowing further preparatory works to be conducted.

Mr Tan said that the achievement of these milestones in a timely fashion was a testament to the excellent relationship between Galaxy, Hatch Engineering and the Zhangjiagang authorities.

"The approval process is not delaying work on the Jiangsu site, with works including land clearing, draining and the fencing foundations all currently underway," Mr Tan said.

Detailed design work is currently being finalised by Hatch, and the commencement of construction remains on schedule for April, ahead of commissioning and plant start-up which is targeted for the final quarter of 2010.

A senior management team is already in place to oversee the Jiangsu operations and several tenders will be released later this month.

Galaxy will participate in a Foundation Day site blessing ceremony on February 21 with delegates from the Zhangjiagang authorities and the Company's Chinese investment partners, Creat Group.

The Ceremony will coincide with Chinese New Year celebrations and officially mark the commencement of foundation pilings on the site of the processing facility.



## **GALAXY RESOURCES LIMITED BROADCAST**

**GALAXY RESOURCES LIMITED (GXY)** provides the opportunity to listen to an audio broadcast with **Mr Iggy Tan, Managing Director** in a presentation titled "**Galaxy Project Update February 2010 - Mr Iggy Tan, Managing Director**".

**To listen**, copy the following details into your web browser: [brr.com.au/event/64127](http://brr.com.au/event/64127)

The presentation details are as follows:

- **Galaxy Market Update February 2010 - Mr Iggy Tan, Managing Director**
- **Presented by Mr Iggy Tan, Managing Director**
- **Wed, 17 Feb 2010 09:00AM AEST**





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**Caution Regarding Forward Looking Statements**

Statements regarding Galaxy's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Galaxy's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

**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.