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GALAXY HOSTS JIANGSU FOUNDATION DAY CEREMONY

Highlights

- Chinese blessing ceremony marks commencement of foundation pilings on site
- Preparatory site works progressing concurrently with final approvals
- Lithium Carbonate Plant on schedule for start-up in Q4, 2010

Emerging lithium producer, **Galaxy Resources Limited (ASX: GXY)**, moved a step closer to becoming a world player in lithium yesterday as it marked the commencement of piling foundations for its Jiangsu Lithium Carbonate Project with a blessing ceremony on site.

The Foundation Day Ceremony was jointly conducted by Galaxy and the Zhangjiagang Free Trade Zone authorities on the eighth day of the Chinese New Year to coincide with the conclusion of the Spring Festival celebrations.

Galaxy Resources Managing Director, Mr Iggy Tan, said it was fitting that Galaxy's lithium carbonate facility would be constructed and completed within 2010, the Year of the Tiger.

"According to the Chinese Zodiac, the tiger is a symbol of strength, power, leadership and audacity - all qualities which Galaxy Resources embodies as it seeks to gain a first mover advantage and capitalise on the growing demand for battery grade lithium carbonate," he said.



"We are pleased to welcome representatives from our cornerstone Chinese investment partner Creat Group and our foundation customer Mitsubishi Corporation to witness the ceremony at our site in Jiangsu Province, China.



Galaxy Chairman, Craig Readhead and Party Secretary of ZJG, Qin Huang



Ground Breaking and laying of Foundation Stone

"Galaxy is committed to forging strong relationships with all of our project stakeholders including loan syndicate partners and key suppliers of input materials for the lithium carbonate processing facility."

The Company's rapid progress through the Chinese approvals process has been helped by Galaxy's strong working relationship with the Zhangjiagang Free Trade Zone. The Ceremony was attended by Party Secretary of Zhangjiagang City, Mr Qin Huang and Mayor of the Free Trade Zone, Mr Xu Zhongao.

Mr Tan said that the next major milestone would be the construction permit which was expected to be granted shortly ahead of the formal commencement of construction in April.

Once complete, the Jiangsu Plant will produce 17,000 tonnes of battery grade lithium carbonate per annum to supply end users across the Asia Pacific region.

"Progress has already been made on the Jiangsu site with the Zhangjiagang authorities allowing preparatory works to be conducted over the past few months," Mr Tan said.

"Detailed design work is being finalised by Hatch, with commissioning and plant start-up targeted for the final quarter of 2010."



Galaxy Managing Director, Iggy Tan

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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.