

7 January 2010

SAFETY AND ENERGY APPROVALS RECEIVED FOR JIANGSU PLANT

Highlights

- Safety and Energy Savings approvals received for Jiangsu Lithium Carbonate Plant
- Next step is submission of project investment proposal
- Remain on schedule to lodge project approval and obtain PRC business licence in early January 2010

Emerging lithium producer, **Galaxy Resources Limited** (ASX: GXY), today announced it has received the safety and energy saving approvals for its Jiangsu Lithium Carbonate Plant. Both approvals were granted by the Suzhou Municipal Administration of Work Safety. These approvals are important steps toward full project approval for the Company's lithium carbonate plant.

Figure 1 – Approval Milestones for Jiangsu



The Nanjing University of Technology was engaged as the third party consultant to prepare and submit reports on how Galaxy intended to manage the safety and energy savings aspects of the projects. . An "Expert Panel" review of the draft Safety Assessment report was conducted and the final report was submitted to the Suzhou Municipal Administration of Work Safety.

The Safety and the Energy Approvals are pre-requisites for the project application (See figure 1).

The Project Application Report (PAR) will be submitted this week and based on the anticipation of prompt assessments, the business licence for Galaxy Lithium (Jiangsu) Company Limited should be granted late January 2010.

Galaxy Resources Managing Director, Mr Iggy Tan, said that the Company welcomed the safety and energy saving approvals for the Jiangsu project and looked forward to promptly meeting the next component of the approvals process.

"The approval process is not delaying work on the site as preparation works for the Jiangsu Lithium Carbonate Plant in the Zhangjiagang

Yangtze River International Chemical Industrial Park is well underway," Mr Tan said.

"The work involves clearing the vegetation from the site in preparation for back-filling, levelling and compaction by the Zhangjiagang Free Trade Zone (ZFTZ) authorities.

"Once this is completed, Galaxy has permission from the ZFTZ authorities to commence the plant foundation piling in January 2010.

"The work commenced to date, coupled with the project approvals process for the Jiangsu Plant means that the Company is on track to achieve first production of lithium carbonate in Q4 2010," Mr Tan said.

– ENDS –

For more information, please contact:

Iggy Tan
Managing Director
08 9215 1700
0419 046 397

Jon Snowball
FD Third Person
08 9386 1233
0424 473 841

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.