

JUNE 2011

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1. LITHIUM PRICE BOOST FOR GALAXY RESOURCES

SHARES in Galaxy Resources were higher after it upwardly revised its lithium price forecasts for the next two years.

In a statement today, Galaxy said one of the largest global manufacturers and suppliers of lithium-based compounds, Chemetall Lithium, had announced a 20 per cent price increase for its lithium products, effective from the start of next month.

The increase returns the price of lithium carbonate and lithium hydroxide prices to 2008 levels.

“Our own modelling forecasted lithium prices to return to pre-GFC levels in the next 12 months due to the significant rise in demand,” Galaxy managing director Iggy Tan said.

“We now see this occurring sooner than expected, and we welcome the demand growth and corresponding signals of price increases in the global lithium market.”

Galaxy is currently mining lithium at its Mt Cattlin operation at Ravensthorpe.

Shares in Galaxy rose 2c, or 2.6 per cent, to 79c at 0853 AWST.

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AUSTRALIAN FINANCIAL REVIEW

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Morning Resources Roundup

Galaxy Resources was to upgrade its 2011 and 2012 budgeted lithium price forecasts after Rockwood Holdings' lithium division Chemetall announced a price rise of up to 20pc for its lithium salts and increases on lithium metal battery upgrade.



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2. GALAXY FIRMER ON LITHIUM PRICE HIKE



The West Australian ©

Shares in Galaxy Resources were firmer after the company said it expected higher prices for the lithium over the next two years.

The company announced one of the world's biggest manufacturers and suppliers of lithium-based compounds, Rockwood Holdings' Chemetall Lithium, had forecast a price increase of up to 20 per cent for its lithium salts, including lithium carbonate, lithium hydroxide, lithium chloride, and increases on lithium metal battery grade from July 1.

Rockwood said the price increases meant lithium carbonate and lithium hydroxide prices would return to 2008 levels.

Galaxy managing director Iggy Tan said the company's own modelling forecasted lithium prices to return to pre-GFC levels in the next 12 months on the back of a significant rise in demand.

"We now see this occurring sooner than expected and we welcome the demand growth and corresponding signals of price increases in the global lithium market," he said.

Galaxy operates the Mt Cattlin spodumene mine near Ravensthorpe.

Galaxy shares were up 1.5 cents, or 1.95 per cent, to 78.5 cents at 8.40am.