

**Galaxy considers expanding product mix**

Stuart McKinnon, The West Australian January 25, 2012

Galaxy Resources says it will investigate the feasibility of expanding its Jiangsu lithium carbonate project in China to cater for lithium hydroxide production.

The company said the study would consider the potential to produce 5000tpa of battery-grade lithium hydroxide, in addition to its capacity for 17,000tpa of lithium carbonate.

This would take total capacity of the Jiangsu project to 22,000tpa of lithium products, Galaxy said in a statement.

The six-month study would focus on the construction of a lithium hydroxide production plant on spare land adjacent to the lithium carbonate facility.

Galaxy managing director Iggy Tan announced the feasibility study at the Lithium Supply and Markets Conference in Buenos Aires, Argentina.

He said demand for battery grade lithium hydroxide has been growing strongly and there is limited production capacity around the world.

"A battery-grade lithium hydroxide plant would expand Galaxy's product mix significantly and, at a relatively minimal cost by making use of existing infrastructure at Jiangsu, allow the company to tap into growth in both markets, thereby extending the company's battery sector customer base," he said.

Galaxy said the additional circuit could be operating within 18-24 months. Galaxy shares were unchanged at 89 cents at 10.30am.