# Galaxy Resources Limited: Reports High Lithium Oxide Grades at James Bay

24.04.2012 | ABN Newswire

Perth, Apr 24, 2012 - Galaxy Resources Limited (ASX:GXY) is pleased to announce that geochemical analysis from channel samples taken at its 20% owned James Bay Pegmatite Project ('James Bay') in Quebec has revealed high lithium oxide grades (Li2O) with low impurity levels.

The highest grade was 1.77% Li2O from CS-8.32, significantly higher than the current NI 43-101 compliant resource average of 1.28% Li2O.

The analysis was taken from 83 samples submitted from a recent 160 metre infill channel sampling program at James Bay.

James Bay is an extensive high-grade spodumene pegmatite deposit that occurs at surface and the latest channel samples were taken across four separate pegmatites.

The breakdown of samples comprised 67 from pegmatites, 8 from country rock and 8 quality control standards and check samples. All samples were analysed for Li2O and 14 other oxides, 39 trace elements and LOI (Loss on Ignition). See summary of the sample analysis (Table 1) and the location of the channel samples (Figure 1).

Significantly, the channel sampling data revealed that the spodumene-bearing pegmatite samples were similar to the ore at Galaxy's wholly-owned Mt Cattlin mine in Western Australia.

**Table 1 - Summary of the Li2O intercept results**

| Channel ID | Li2O(%) | Length(m) | From(E) | From(N) | To(E) | To(N) |
|---|---|---|---|---|---|---|
| CS-12.11 | 1.59 | 17.2 | 358,117 | 5,789,462 | 358,098 | 5,789,467 |
| CS-10.30 | 1.18 | 1.5 | 358,418 | 5,789,416 | 358,414 | 5,789,415 |
| CS-10.31 | 1.12 | 5.5 | 358,426 | 5,789,432 | 358,421 | 5,789,433 |
| CS-10.40 | 1.44 | 4.5 | 358,398 | 5,789,437 | 358,394 | 5,789,436 |
| CS-9.12 | 1.39 | 8.05 | 358,522 | 5,789,401 | 358,515 | 5,789,409 |
| CS-8.61 | 1.73 | 34.5 | 358,630 | 5,789,309 | 358,607 | 5,789,334 |
| CS-8.32 | 1.77 | 8.9 | 358,701 | 5,789,377 | 358,687 | 5,789,287 |
| CS-8.10 | 1.49 | 5.9 | 358,720 | 5,789,228 | 358,712 | 5,789,232 |

Galaxy currently owns 20% of James Bay under a farm-in agreement with Lithium One Inc. (CVE:LI). The completion of a Definitive Feasibility Study (DFS) - currently underway - would increase Galaxy's stake in the project to 70%.

Galaxy announced on 30 March 2012, that it had entered into an agreement to effect a proposed merger between Galaxy and Lithium One Inc. Lithium One also owns (70%) the highly prospective Sal de Vida lithium and potash brine project in Argentina ('Sal de Vida'). If the merger is successful, Galaxy will own 100% of James Bay and 70% of Sal de Vida.

The channel sampling data will be incorporated into an updated Mineral Resource Estimate for James Bay and will be utilised in a current metallurgical testwork program on bulk samples previously collected from James Bay (being undertaken at Lakefield SGS).

To view the complete Galaxy Resources announcement including Figure 1, please refer to the following link below:
http://media.abnnewswire.net/media/en/docs/ASX-GXY-586592.pdf

**About Galaxy Resources Limited:**

Galaxy Resources Limited (ASX:GXY) is an Australian-based integrated lithium mining, chemicals and battery company listed on the Australian Securities Exchange and is a S&P/ASX 300 Index Company. Galaxy wholly owns the Mt Cattlin project near Ravensthorpe in Western Australia where it mines lithium pegmatite ore and processes it on site to produce a spodumene concentrate and tantalum by-product. At full capacity, Galaxy will produce 137,000 tpa of spodumene concentrate and 56,000 lbs per annum of contained tantalum. The concentrated spodumene is shipped to Galaxy's wholly-owned Lithium Carbonate Plant in China's Jiangsu province. Once complete, the Jiangsu plant will produce 17,000 tpa of battery grade lithium carbonate, the largest producer in the Asia Pacific region and the fourth largest in the world.

Galaxy is also advancing plans for a lithium-ion battery plant, to produce 350,000 battery packs per annum for the electric bike (e-bike) market. The Company also has a farm in agreement with TSX-listed Lithium One Inc to acquire up to 70% of the James Bay Lithium Pegmatite Project in Quebec, Canada.

Lithium compounds are used in the manufacture of ceramics, glass, electronics and are an essential cathode material for long life lithium-ion batteries used to power e-bikes and hybrid and electric vehicles. Galaxy is bullish about the global lithium demand outlook and is positioning itself to achieve its goal of being involved in every step of the lithium supply chain.

Source: Galaxy Resources Limited

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