

22 June 2010

## EXCELLENT DRILL INTERCEPTS FROM MT CATTLIN

### Highlights

- Additional significant drill results received from recent drilling at the NW Zone, including 20m @ 1.15% Li<sub>2</sub>O and 12m @ 1.64% Li<sub>2</sub>O
- Intercepts including 26m @ 1.61% Li<sub>2</sub>O and 20m @ 1.49% Li<sub>2</sub>O in the north west part of the Dowling pit indicate the potential to deepen the pit to over 100m in this area
- A diamond drilling program in the Dowling pit area has returned high grade intersections including 18.3m @ 2.60% Li<sub>2</sub>O and 568ppm Ta<sub>2</sub>O<sub>5</sub>
- Grade control drilling of a portion of the Stage 1A Pit has confirmed the resource model estimate in this area

Emerging lithium producer, **Galaxy Resources Limited (ASX: GXY)**, is pleased to release the results for the second phase of an RC drilling program completed earlier this year at the Mt Cattlin Spodumene Project.

The program was aimed at upgrading and extending the existing resource base. Results for Phase 1 included excellent intercepts from the North West Zone and were reported by Galaxy in an ASX release 14 April 2010.

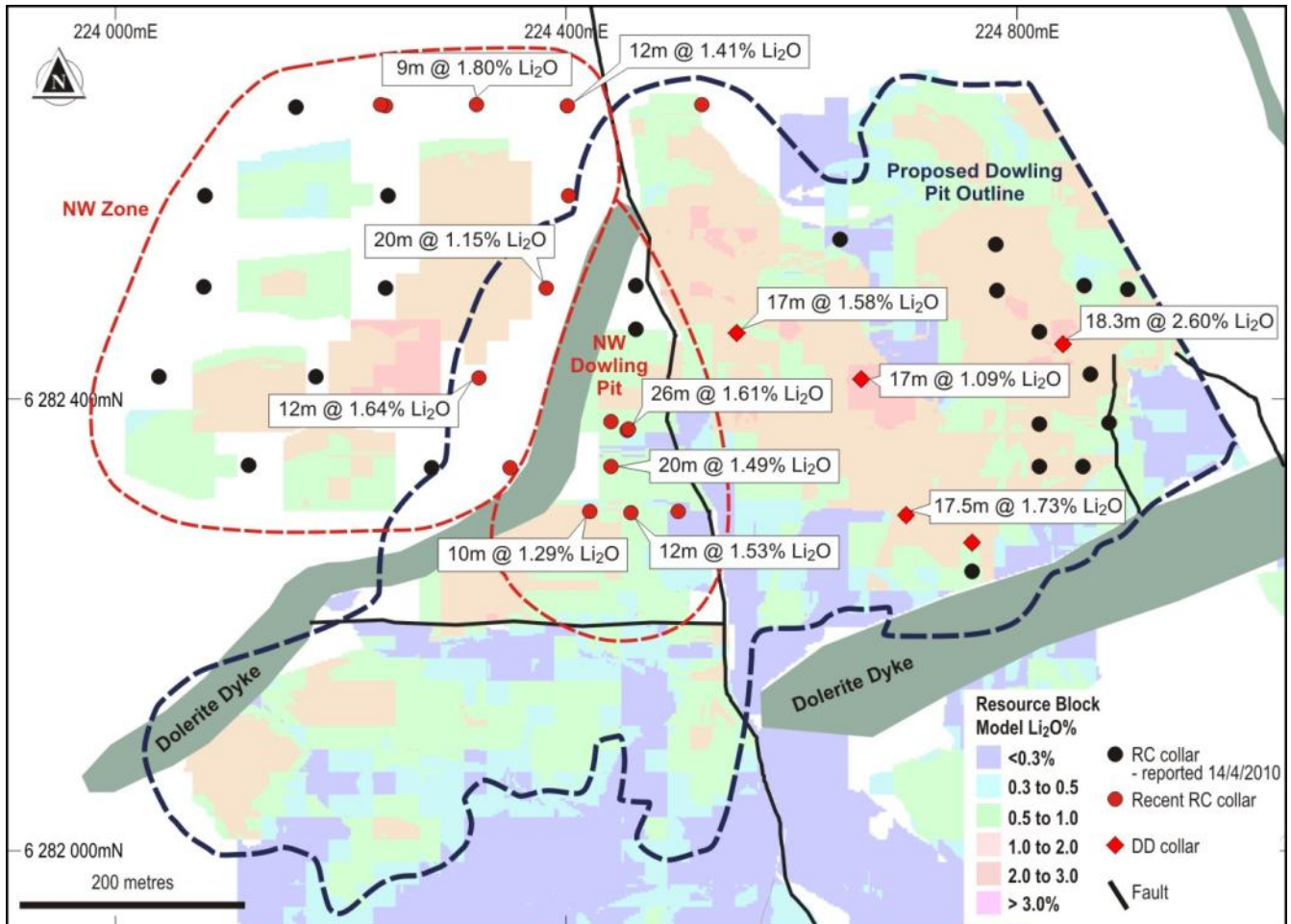
The results for Phase 2 show additional outstanding intercepts from the North West Zone and also from the Dowling Pit area in the north west of the current resource. These results support the potential to extend the open pit in this area to a depth of more than 100m and to possibly include a portion of the North West Zone in the open pit.



Results from a diamond drilling program aimed at providing further geological, metallurgical and geotechnical information have also been received and include high grade intercepts of 18.3m @ 2.60% Li<sub>2</sub>O and 568ppm Ta<sub>2</sub>O<sub>5</sub> in GXD017.

Figure 1 shows collar locations of all exploration holes drilled in the Dowling Pit and North West Zone during the year.

Figure 1. Drill collar location plan



### North West Zone

The North West zone of lithium-bearing pegmatite mineralisation was discovered late in 2009 (see Figure 1). The recent RC drilling program in this area has in-filled collar spacing to 80m x 80m, in order to define additional inferred resources. All assay results have now been received for the latest phase of drilling, and include outstanding intercepts such as 20m @ 1.15% Li<sub>2</sub>O in GX1108, 12m @ 1.64% Li<sub>2</sub>O in GX1103 and 12m @ 1.41% Li<sub>2</sub>O in GX1106.

Significant intercepts from the North West zone received previously and reported on 14/04/2010 include 16m @ 1.52% Li<sub>2</sub>O and 9m @ 2.41% Li<sub>2</sub>O.

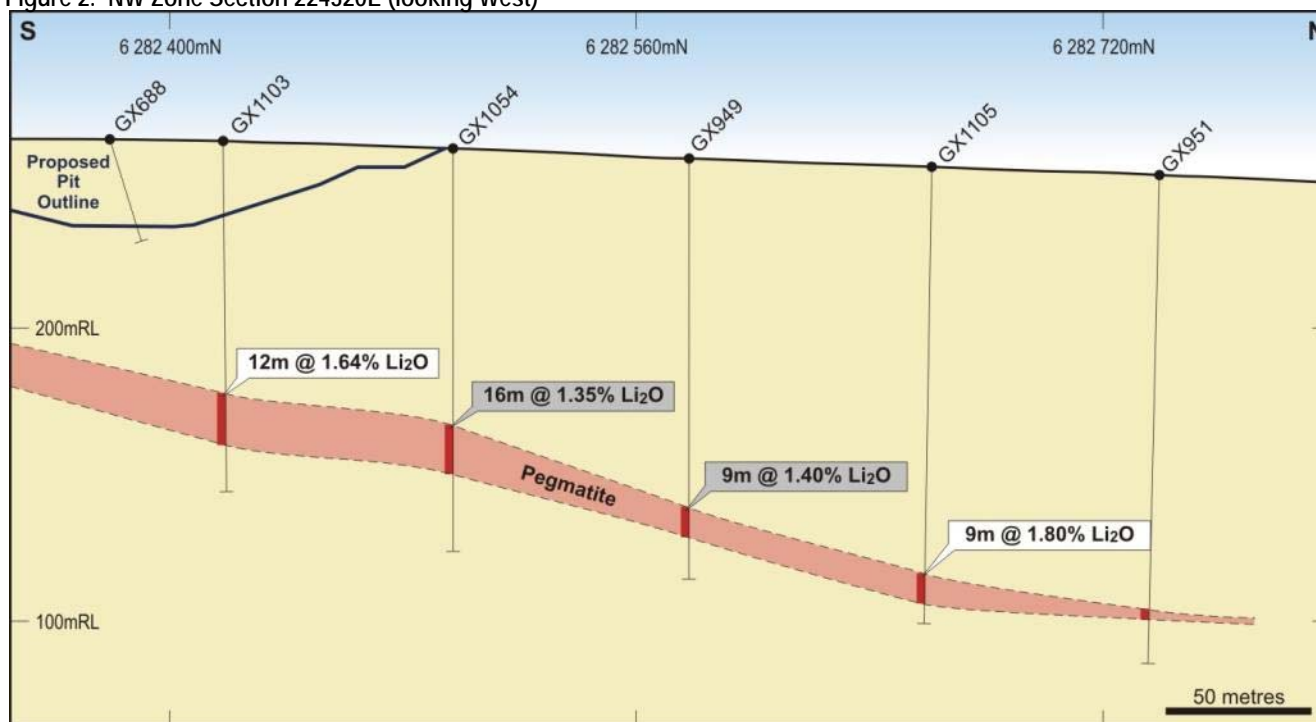
Recent drilling supports the geological model for the area. Further compilation and modelling of results is underway in order to produce an updated resource estimate incorporating the latest drilling.

A full list of significant intercepts for the North West Zone from the Phase 2 program is outlined in Table 1 below. A typical cross section of the North West Zone is shown in Figure 2.

Table 1. Significant intercepts, North West Zone

Area	Hole	East	North	From (m)	To (m)	Width (m)	Li <sub>2</sub> O (%)	Ta <sub>2</sub> O <sub>5</sub> (ppm)
NW Zone	GX1102	224,235	6,282,660	154.0	160.0	6.0	1.30	42
NW Zone	GX1103	224,323	6,282,419	86.0	98.0	12.0	1.64	47
NW Zone	GX1103	224,323	6,282,419	101.0	103.0	2.0	0.53	98
NW Zone	GX1104	224,350	6,282,339	77.0	94.0	17.0	0.87	70
NW Zone	GX1105	224,320	6,282,661	139.0	148.0	9.0	1.80	84
NW Zone	GX1106	224,402	6,282,659	118.0	130.0	12.0	1.41	111
NW Zone	GX1107	224,402	6,282,580	114.0	121.0	7.0	0.94	112
NW Zone	GX1108	224,383	6,282,499	100.0	120.0	20.0	1.15	114

Figure 2. NW Zone Section 224320E (looking West)



### North West Dowling Pit

Infill drilling to 40m x 40m was completed in the north west of the proposed Dowling Pit, adjacent to the North West Zone but to the east of a Proterozoic dolerite dyke (see Figure 1). Results include thick, high grade intercepts such as 26m @ 1.61% Li<sub>2</sub>O in GX1114 and 20m @ 1.49% Li<sub>2</sub>O in GX1113.

A full list of significant intercepts for the North West Dowling Pit area is outlined in Table 2 below.

Table 1. Significant intercepts, North West Zone

Area	Hole	East	North	From (m)	To (m)	Width (m)	Li <sub>2</sub> O (%)	Ta <sub>2</sub> O <sub>5</sub> (ppm)
NW Zone	GX1109	224,421	6,282,300	86.0	96.0	10.0	1.29	145
NW Zone	GX1110	224,500	6,282,300	70.0	73.0	3.0	1.37	167
NW Zone	GX1110	224,500	6,282,300	79.0	86.0	7.0	1.68	119
NW Zone	GX1111	224,439	6,282,380	94.0	111.0	17.0	1.30	137
NW Zone	GX1112	224,458	6,282,300	71.0	76.0	5.0	1.20	247
NW Zone	GX1112	224,458	6,282,300	88.0	100.0	12.0	1.53	116
NW Zone	GX1113	224,440	6,282,340	82.0	102.0	20.0	1.49	95
NW Zone	GX1113	224,440	6,282,340	113.0	115.0	2.0	1.25	177
NW Zone	GX1114	224,455	6,282,373	84.0	110.0	26.0	1.61	84

Additional North West zone resources could potentially be mined from underground. Preliminary studies indicate that mining of this zone via a decline at the base of the Dowling Pit would be economic.

### Diamond Drilling

A diamond drilling program aimed at providing further geological, metallurgical and geotechnical information from the Dowling Pit area was completed earlier this year (Figure 1). Several outstanding, high grade intersections were returned, including **18.3m @ 2.60% Li<sub>2</sub>O and 568ppm Ta<sub>2</sub>O<sub>5</sub>** in GXD017. A full list of significant intercepts from the diamond drilling program is included in Table 3 below.

Further metallurgical testwork on this core is now in progress.

Table 3. Significant intercepts, Diamond Drilling, Dowling Pit Area

Area	Hole	East	North	From (m)	To (m)	Width (m)	Li <sub>2</sub> O (%)	Ta <sub>2</sub> O <sub>5</sub> (ppm)
Dowling Pit	GXD014	224,551	6,282,458	37.0	53.9	17.0	1.58	143
Dowling Pit	GXD014	224,551	6,282,458	58.4	63.8	5.4	1.16	99
Dowling Pit	GXD015	224,702	6,282,297	26.5	43.9	17.5	1.73	163
Dowling Pit	GXD017	224,841	6,282,448	24.0	42.3	18.3	2.60	568
Dowling Pit	GXD018	224,662	6,282,418	36.6	53.6	17.0	1.09	82

Note: Coordinates are in projection GDA 94, Zone 51 to an accuracy of <1m. Most holes are vertical and since the mineralised pegmatite is sub-horizontal, intercept widths approximate true thickness. Intercepts are weighted averages calculated using a lower cut of 0.4% Li<sub>2</sub>O from 1 metre riffle split samples of RC percussion chips. Diamond core samples are quarter core samples of HQ or PQ holes. No top cut has been applied. Analysis by SGS Australia Pty Ltd using AAS for Li (converted to Li<sub>2</sub>O) and XRF for Ta (converted to Ta<sub>2</sub>O<sub>5</sub>).

### Grade Control

Two phases of grade control drilling have now been completed over the Stage 1A Pit and assay results received. These have confirmed the resource model tonnes and grade in the area drilled.

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#### Competent Persons

The information in this report that relates to Exploration Results is based on information compiled by Mr Philip Tornatora who is a full time employee of the Company and who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Tornatora has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tornatora consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

#### 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 mineralisation 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.