

15 January 2010

Mt Cattlin Large Mining Lease Granted

Highlights

- Large, single mining lease granted encompassing all of Galaxy's Mt Cattlin Spodumene Project resource and infrastructure
- Work access now possible in areas previously covered by small Prospecting Licence applications

Emerging lithium producer, **Galaxy Resources Limited (GXY)**, is pleased to announce that its application for a large mining lease covering all of the Company's Mt Cattlin tenements and tenement applications has been approved by the Department of Mines and Petroleum.

Mining Lease M74/244 was granted to Galaxy on 24th December 2009 for a period of 21 years. This tenement includes the Mt Cattlin Spodumene Project and replaces a number of previous mining leases and prospecting license applications.

Galaxy now holds granted tenure, consolidated into the single Mining Lease M74/244 over the whole of the Mt Cattlin ore body, and any potential extensions. The license also covers all required site infrastructure, including the processing plant, tailings dam and waste dump.

The grant will enable infill drilling to be completed on small portions of the resource in areas that were previously excluded from the granted mining leases. Outside of the current resource outline, M74/244 is considered to be very prospective for pegmatite-hosted lithium-tantalum mineralisation. Galaxy plans to carry out further work on the tenement to follow up on known pegmatite mineral occurrences with the aim of expanding the Mt Cattlin resource base.

Figure 1. Mt Cattlin Mining Leases M74/244



– 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

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.