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GALAXY COMMENCES MINING AT MT CATTLIN AHEAD OF SCHEDULE

Highlights

- Pre-strip mining commences ahead of schedule
- Four month pre-strip period is on track to supply ore for the commissioning of the process plant in Q3 2010
- Mine gate workforce to grow to approximately 150 by April 2010

Emerging lithium producer, **Galaxy Resources Limited (ASX: GXY)** is pleased to announce that the Company has commenced pre-strip mining at its Mt Cattlin Spodumene Project ahead of schedule.

Galaxy Resources Managing Director, Mr Iggy Tan, said a four month pre-strip mining period was on track and would guarantee supply of run of mine ore for the commissioning of the Mt Cattlin processing plant during the third quarter of 2010.

"Both the Company and the mining contractor, Orionstone Pty Ltd (Orionstone) have worked diligently to successfully implement all elements of a 'Business Readiness Plan' and allow mining to commence in a timely manner," he said.

"We have been particularly pleased with the ability of Orionstone to quickly mobilise key mining equipment which is a major reason for the pre-strip commencing ahead of schedule."



Excavator commences pre strip at Mt Cattlin

Orionstone's mining fleet at the Mt Cattlin Project comprises a Hitachi 1800 excavator, four Caterpillar 777D dump trucks, a Caterpillar D10 dozer and other ancillary equipment as well as plant operators and maintenance staff.

"The Mt Cattlin workforce will deliver significant economic benefits to the south east coastal region," Mr Tan said.

"By April, the workforce is expected to grow to approximately 150 which will include a major proportion from Ravensthorpe and surrounding areas."

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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 mineralization 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.