

1 June 2011

## GALAXY SUBMITS ENVIRONMENTAL, GEOLOGICAL REPORTS FOR PONTON RARE EARTHS PROJECT

### Highlights

- Ponton Project Environmental Report submitted to Department of Mines and Petroleum
- Environmental Report completed by consultants Keith Lindbeck and Associates
- Geological Report submitted to Department of Mines and Petroleum as part of application for grant of tenement
- Discussions with WA Government for grant of tenement application continuing

Galaxy Resources Limited (ASX: GXY, Galaxy) is pleased to announce it has submitted the Environmental and Geological Reports to the WA Government's Department of Mines and Petroleum (DMP) as part of the application process for the grant of the Ponton Rare Earth Project (Ponton Project) tenement.

Galaxy wholly owns the Ponton Project, which is located 200km east of Kalgoorlie in the eastern Goldfields region of Western Australia and comprises a single Exploration Licence Application (E28/1317) covering 206 km<sup>2</sup>.

The Environmental Report was compiled by consultants Keith Lindbeck and Associates and reflects similar environmental management programs undertaken by Galaxy in the Fitzgerald River Biosphere Reserve south of Ravensthorpe.

The Report addresses environmental management practices in sensitive areas due to the Ponton Project ELA being situated on a Class A nature reserve.

The Company is continuing its discussions with the WA Government for the grant of the Ponton Project tenement. There is no guarantee that the tenement application will be granted by the government.

The Geological Report submitted to the DMP details the prospective nature of the Ponton Project as well as previous exploration work in the area.

Analysis of historical drill results from Ponton's previous owner Herald Resources (reported 11/01/11), showed intersections including 16m @ 14.48% rare earth oxides (REO), 28m @ 10.50% REO (including 6m @ 20.57% REO) and 26m @ 6.99% REO from surface (including 8m @ 13.12% REO).

-ENDS-

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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.

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**About Galaxy (ASX: GXY)**

Galaxy Resources is an international S&P / ASX 300 Index company which plans to become one of the world's leading producers of lithium compounds – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

Galaxy wholly-owns and operates the Mt. Cattlin mine, which is currently producing spodumene concentrate. Galaxy's Jiangsu lithium carbonate plant, once completed, will have a design capacity of 17,000 tpa of lithium carbonate, which Galaxy expects would make it one of the largest plants in China converting hard rock lithium mineral concentrates into lithium compounds and chemicals.

Lithium compounds such as lithium carbonate are forecast to be in 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 also by downstream processing to supply lithium carbonate to the expanding Asian market.