GALAXY
meeting a lithium future

9 March 2010

AIRBORNE SURVEY AT WEST KUNDIP MANGANESE PROJECT

Highlights

- VTEM airborne electromagnetic survey completed
- Several anomalous zones of potential interest for manganese mineralisation identified
- Follow up ground work and drill approvals in progress
- Close proximity to existing operations in Ravensthorpe

Galaxy Resources Limited (ASX: GXY) is pleased to announce that it has commenced exploration on its West Kundip manganese project tenements with the completion of a VTEM airborne electromagnetic survey.

The two mining leases (M74/133 and M74/238) comprising Galaxy's West Kundip Manganese Project were granted recently (Figure 1) and are located approximately 15km south of Ravensthorpe. The leases cover a sequence of Proterozoic sediments including dolomite units, which are prospective for manganese mineralisation. Work conducted by Galaxy several years ago, prior to the tenements being converted to mining leases, outlined the presence of scattered pods of high grade manganese mineralisation.

The VTEM survey has defined several anomalous zones potentially related to bedrock conductors which could represent targets for manganese mineralisation (Figure 2). An anomaly in the south west of the area lies adjacent to previous drilling which has intersected pod zones of high grade manganese mineralisation. However, existing drilling has not tested the main portion of the centre of the anomaly, or any of the other target zones (Figure 2).

Final processing and interpretation of the geophysical data is almost complete. Galaxy is planning follow up ground checking and mapping of the target areas, and is progressing required environmental and aboriginal heritage approvals in order to carry out drill testing.

Figure 1. West Kundip Manganese Mining Leases

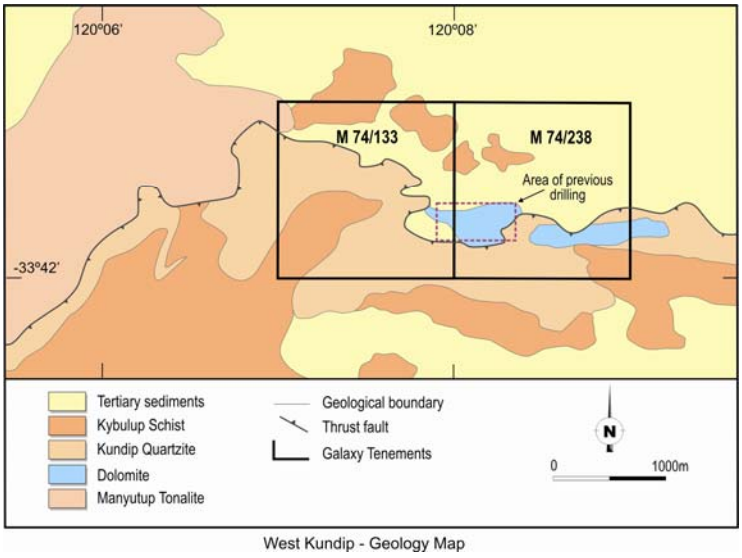
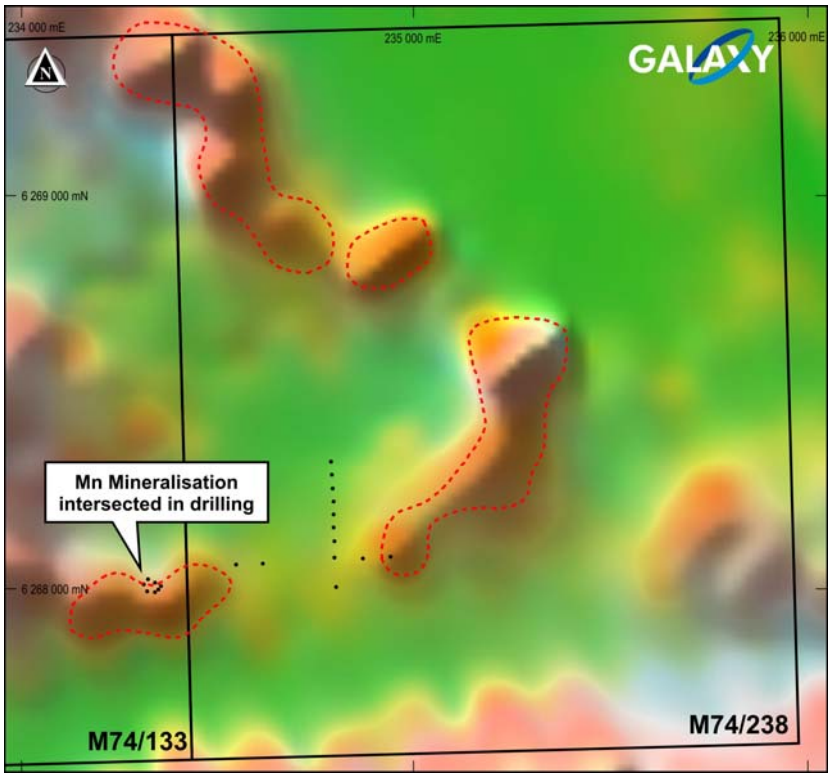


Figure 2. West Kundip VTEM showing discrete anomalies (outlined in red) and previous drill collars (RGB channels 10, 15, 20)



The mineralisation at West Kundip is considered to be of a similar style to Woodie Woodie, which is a significant manganese producing mine in Western Australia's Pilbara region.

A similar geological model to that proposed for Woodie Woodie, in which high grade pods of manganese ore are produced from dolomitic sediments as a result of hydrothermal alteration is being adopted by Galaxy to target manganese mineralisation in the West Kundip area. Past exploration in the region of a similar geological sequence has previously defined small manganese ore bodies at the Copper Mine Creek Deposit, Dempster River Crossing and Hamersley Gorge (which now lie in the Fitzgerald River National Park).

A sample of manganese from a 7 tonne bulk sample in 1998 gave assays of 38% Mn, 3.22% Fe, 2.80% Si, 0.03% P and 2.00% Al. Surface rock chip grab samples from the same area taken in 2008 and 2009 have returned up to 46.6% Mn, with 8.5% Fe, 1.0% Si, 0.002% P and 0.6% Al.

Figure 3. Surface Rock Chip grading 46.6% Mn, collected in 2009

Galaxy's experience in heavy media separation processing techniques, mining fleet in the Ravensthorpe area and Esperance port facility agreements provide the company with an advantage in exploiting potential manganese mineralisation in the Ravensthorpe region.

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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.