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Galaxy looks at rare earths

SHARES in Ravensthorpe lithium miner Galaxy Resources went up after the company revealed it was looking to spread its wings, announcing positive results from a rare earths project this week.

The Ponton Rare Earths Project is 200km east of Kalgoorlie-Boulder and covers 206sqkm.

During a review, Galaxy analysed historical rare earth element exploration and drill data completed by Herald Resources in 1994.

Detailed aerial and ground magnetic and radiometric surveys were completed, which outlined a strong radiometric anomaly in the east of the tenement, in addition to several magnetic anomalies.

The best historical drill results included intersections of 16m at 14.48 per cent rare earth oxides and 28m at 10.50 per cent REO (including 6m at 20.57 per cent REO). As a comparison, Lynas Corporation's Mt Weld Central Lanthanide deposit has an average resource grade of

10.7 per cent REO + Y.

Galaxy managing director Iggy Tan said while development of Galaxy's lithium assets had been a priority, market demand for rare earths presented opportunities in developing the company's long-held Ponton Rare Earth Project.

"Whilst we are strongly focused on lithium, we believe it is worth undertaking further exploration work at Ponton in order to realise the project's value," he said.

"There is no guarantee, however, that the tenement application will be granted by the WA Government."

China, which supplies more than 90 per cent of the world's REE market, has in recent years reduced REE export quotas.

In late 2010 the Chinese Ministry of Commerce announced a 35 per cent reduction in the export quota for the first half of 2011, compared to the corresponding period in 2010.