

31 March 2010

CREAT PLACEMENT UPDATE

Galaxy Resources Limited (ASX: GXY) has been advised by AIM listed Creat Resources Holdings Limited (CRHL) that it was not successful in raising the required funds for the acquisition of Galaxy shares and accordingly will rely on the underwriting funding obligations of the Company's controlling shareholder, Creat Group Co Limited (Creat Group) to complete the remaining Galaxy subscription.

Galaxy has also been advised by Creat Group that its Board has approved on 29 March 2010, the release A\$27 million of funds to CRHL for the Galaxy placement obligations.

Creat Group has advised that the disbursement of funds from China will take approximately four weeks due to the Chinese financial regulatory approvals process.

As a result, Creat Group has requested an extension of the deadline and agreed to pay interest on outstanding amounts during the extension period. Galaxy has agreed to the extension of time in light of the required financial regulatory approval process.

Galaxy has a substantial cash position of \$64 million and the extension of deadline for the Creat placement will not impact on development and construction at both the Mt Cattlin and Jiangsu projects.

– 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.

About Galaxy (ASX: GXY)

Galaxy Resources is a Western Australian S&P / ASX 300 Index 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.