

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

| | |
|----------------|--------------------------|
| Name of entity | GALAXY RESOURCES LIMITED |
| ABN | 11 071 976 442 |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

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|---------------------|------------------------------|
| Name of Director | CRAIG LESLIE READHEAD |
| Date of last notice | 23 November 2009 |

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

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| Direct or indirect interest | <ol style="list-style-type: none"> 1) Direct 2) Indirect 3) Indirect 4) Indirect |
| Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest. | <ol style="list-style-type: none"> 2) Hengolo Pty Ltd – a company in which the director is a director and beneficial shareholder 3) Hengolo Pty Ltd <CL Readhead Super Fund a/c> - a superfund of which the director may be a beneficiary 4) Hengolo Pty Ltd <CL Readhead Family Trust> - a trust of which the director may be a beneficiary |
| Date of change | 31 December 2009 |
| No. of securities held prior to change | <ol style="list-style-type: none"> 1a) 750,000 shares 1b) 750,000 options 2a) 1,122,223 shares 3a) 1,833,333 shares 3c) 100,000 options 4b) 500,000 options |

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| Class | a) Fully paid ordinary shares b) Unlisted options exercisable at \$0.60 with various vesting dates and expiry dates c) Unlisted options exercisable at \$0.35 on or before 31 December 2009 |
| Number acquired | 3a/c) Exercise of 100,000 unlisted options into 100,000 fully paid ordinary shares. |
| Number disposed | Nil |
| Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation | 35 cents per fully paid ordinary share. |
| No. of securities held after change | 1a) 750,000 shares 1b) 750,000 options 2a) 1,122,223 shares 3a) 1,933,333 shares 4b) 500,000 options |
| Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back | Exercise of 100,000 unlisted options exercisable at \$0.35 on or before 31 December 2009. |

Part 2 – Change of director's interests in contracts

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| Detail of contract | |
| Nature of interest | |
| Name of registered holder (if issued securities) | |
| Date of change | |
| No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed | |
| Interest acquired | |
| Interest disposed | |
| Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation | |

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| Interest after change | |
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