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## MT CATTLIN EXTENSION MINING LEASES GRANTED

### Highlights

- Grant of ML74/155 and ML74/182, which are contiguous with Mt Cattlin M74/12
- The new mining leases cover additional highly prospective ground around Mt Cattlin proposed operation
- Current resource already supports a 15 year mine life for a 1m tpa operation
- New leases has the potential to extend Mt Cattlin mine life
- Every 1 million tonnes added to project mine life increases the project NPV by \$12 million

Emerging lithium producer **Galaxy Resources Limited (ASX:GXY)** is pleased to announce that it has been granted Mining Leases ML74/155 and ML74/182, which surround the Mt Cattlin lithium and tantalum resource near Ravensthorpe in Western Australia.

Mining Leases ML74/155 and ML74/182 are contiguous with ML74/12, which hosts the bulk of the Mt Cattlin lithium and tantalum resource (see Figure 1) which **already supports a 15 year mine life for a 1m tpa operation.**

In addition, the recently granted Mining Leases are highly prospective for additional pegmatite-hosted lithium and tantalum mineralisation, and drilling targeting further extensions of the known resource is planned for early next year. As noted in press releases on 4/12/08 and 24/12/08, the Mt Cattlin resource is still open in several directions. Grant of these leases will enable the Company to proceed with further step out drilling and potentially increase the resource base.

Galaxy Managing Director Iggy Tan said the Company believed there was significant potential to expand the resource at Mt Cattlin.

"We're very happy to have obtained leases to mine the area surrounding Mt Cattlin, which is considered prospective for further lithium-bearing pegmatites," said Mr Tan.

"An independent resource estimation completed at the M74/12 Mt Cattlin deposit in 2007 indicates a contained mineral resource of 2.03 million tonnes of spodumene and 6.62 million pounds of Ta<sub>2</sub>O<sub>5</sub>.

"Additional infill and extension RC drilling at M74/12 has returned a number of significant intersections and now with the ability to explore the surrounding area we believe there is potential to significantly grow the known resource.

"We look forward to proceeding with exploration of ML74/155 and ML74/182 and hopefully bringing further value to the Mt Cattlin lithium and tantalum project. Every 1 million tonnes added to project mine life increases the project Net Present Value (NPV) by \$12 million" he said.

Priority drill target areas include:

- 1) Southwest Extensions – drilling in this area has returned a number of significant intersections, including 13m @ 1.56%Li<sub>2</sub>O in drill hole GX903 (reported 24/12/08). Drilling has until now been constrained by the tenement boundary of ML74/12, but can now be extended to the west and southwest.

- 2) Northwest and North Extensions – drilling on the margins of the resource in this area has intersected a dolerite dyke, but no drilling has yet been completed to the west of the dyke. Follow up work in this area to the west and north of the current resource is planned.
- 3) NE Extensions – there is an area on ML74/155 northeast of the current resource which has undergone limited historic drilling (Figure 1). This work intersected significant zones of pegmatite, which unfortunately were not assayed for lithium at that time. It is likely that this pegmatite is lithium-bearing and there is considered to be significant potential to extend the resource in this direction.

In addition, to immediate resource extensions, the granted tenements are considered highly prospective for further lithium-bearing pegmatites that may be concealed under shallow cover.

The grant of other, additional prospective mining leases surrounding Mt Cattlin is still awaited, but Galaxy's current lease holding provides ample scope for development of current resources, including the Dowling pit (providing 5 years mine life) and all required site infrastructure.

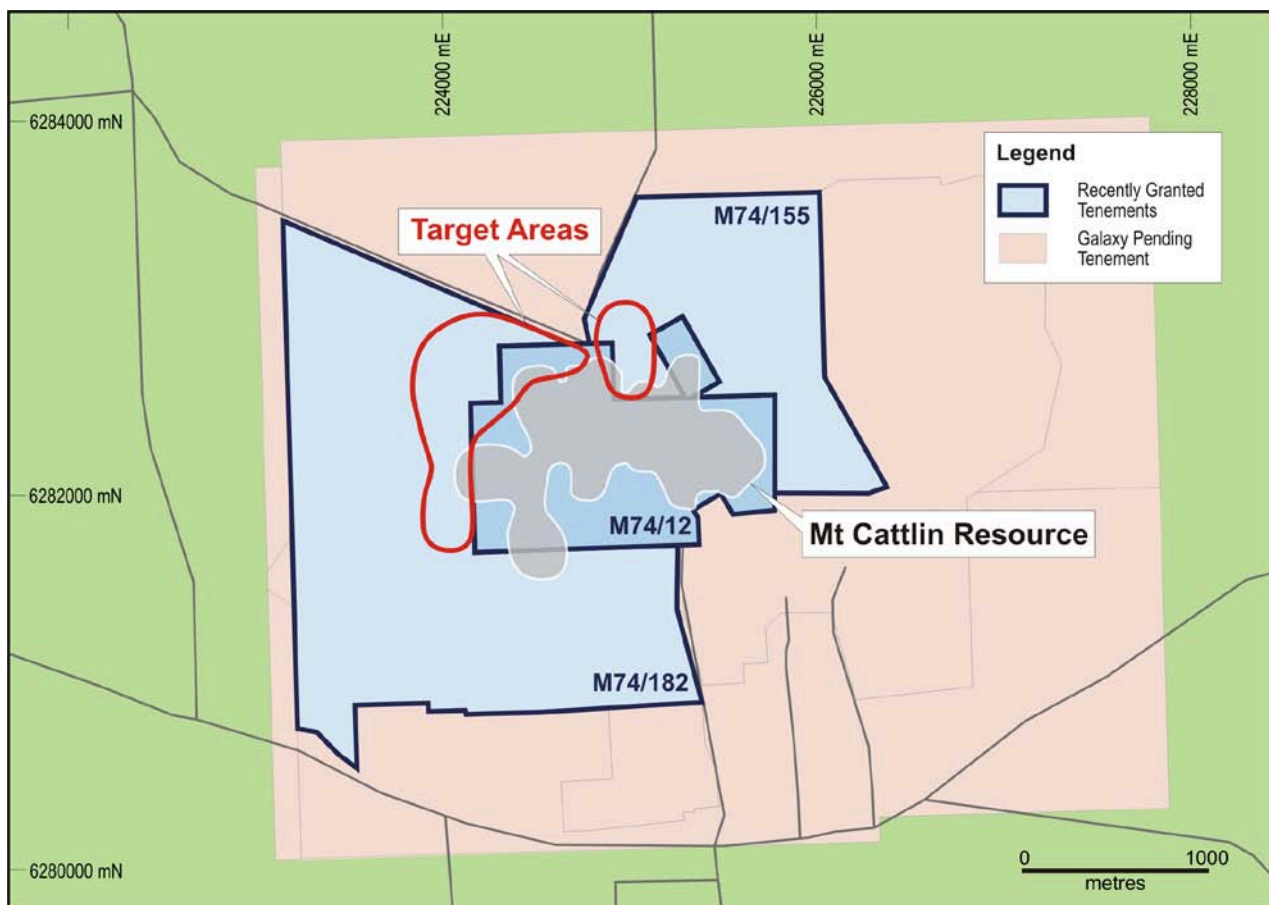


Figure 1. Plan showing tenements with outline of resources projected to surface.

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The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves 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. 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 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 Limited (Galaxy) is an industrial minerals company focusing on lithium and tantalum production. Galaxy has completed a definitive feasibility study (DFS) which suggests the Mt Cattlin lithium / tantalum project is commercially viable based on a processing rate of 1 million tonnes per annum over a 15 year mine life. The Company is planning to commence the development of the mine and the construction of the processing plant in mid 2009 with first concentrate production scheduled for Q3, 2010.

The company has also commenced a preliminary scoping study into the value adding downstream production of lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>).

Lithium concentrate and lithium carbonate raw materials are currently in short supply and face high future demand growth due to advances in long life batteries and sophisticated electronics in hybrid and electric vehicles, mobile phones and computers.