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SIGNIFICANT TANTALUM DRILL RESULTS AT MT CATTLIN

Highlights

- Final tantalum results received from 2008 drilling show excellent grades
- Intercepts including 5m @ 673 ppm Ta_2O_5, from 1m below surface
- Definitive Feasibility Study assumes an average grade of 116 ppm Ta_2O_5
- As is the case for the lithium resource, tantalum intercepts are still open along strike and at depth
- Positive results add further value to Mt Cattlin Lithium -Tantalum Project

Galaxy Resources Limited (ASX: GXY) today announced that RC drilling at its Mt Cattlin Lithium -Tantalum Project, 2 kms north of Ravensthorpe has returned significant tantalum results. The drilling program, which was completed during August-September 2008, was designed to test strike extensions of the known resource, infill portions of the Dowling pit area, and test the potential for repetitions of the lithium and tantalum bearing pegmatite horizons at depth.

Lithium results returned from this work were reported in ASX releases on 4/12/08 and 24/12/08. Tantalum results have only recently been received due to extended laboratory turnaround time for tantalum assays in 2008, although current turnaround times have significantly improved.

The tantalum results show excellent grades with the best intercepts being:

GX875 - 5m @ 673ppm Ta_2O_5, from 1m below surface
GX868 - 14m @ 462ppm Ta_2O_5 from 18m below surface

Managing Director, Mr Iggy Tan said that tantalum results returned from the drilling program had returned grades significantly higher than the average grade assumed in the Company's DFS.

"With very positive lithium results from the RC drilling program received in December 2008, we're pleased to learn that the tantalum results are equally encouraging," said Mr Tan.

"The final results show the potential for further strike extensions to the south west of the deposit and below the known resource which is consistent with the lithium results."

"These positive results indicate that the deposit has the potential to be significantly larger than the known resource, adding further value to the Mt Cattlin project," he said.

South West Extensions

Several holes on the south western margin of the prospect were previously reported to have intersected significant Li_2O grades (Galaxy ASX release, 24/12/08): Tantalum results for these intercepts have now been received by Galaxy which show high grade tantalum pentoxide intercepts. (See Table 4) Selected intercepts with higher grade tantalum values are given in Table 1 below.

Table 1. Selected high grade tantalum pentoxide intercepts, SW area

HOLE	East	North	From (m)	To (m)	Width (m)	Ta_2O_5 (ppm)
GX896	224201	6281980	12	16	4	232
GX900	224200	6282060	20	23	3	244
GX901	224160	6282059	18	22	4	147
GX901	224160	6282059	29	34	5	127
GX903	224198	6282140	22	35	13	144

Results show that significant tantalum pentoxide grades occur in drill holes on the south western margin of the current resources, with potential for further strike extensions. Drill collars from the August-September drilling (hole numbers GX856 to GX909) are highlighted in Figure 1.

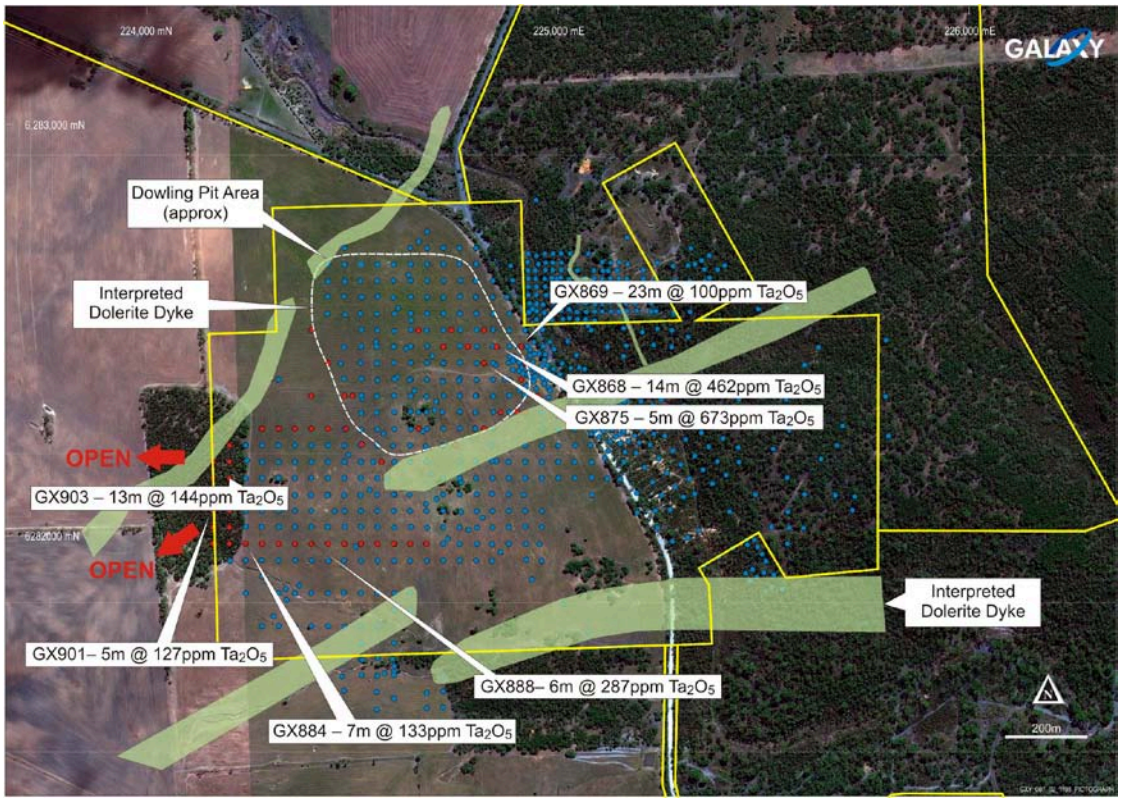
Dowling Pit Infill Program

Tantalum results from the Dowling pit infill program (for which lithium results were previously reported on 24/12/08) confirm previous high grade lithium and tantalum intercepts in this area. Selected high grade intercepts are given in Table 2 below.

Table 2. Selected high grade tantalum pentoxide intercepts, Dowling Pit area

HOLE	East	North	From (m)	To (m)	Width (m)	Ta_2O_5 (ppm)
GX868	224850	6282458	18	32	14	462
GX869	224908	6282457	11	34	23	100
GX872	224817	6282501	29	37	8	351
GX873	224820	6282421	22	32	10	379
GX874	224915	6282418	10	31	21	246
GX875	224911	6282379	1	6	5	673

Figure 1 – Drill collars overlain on Quickbird image, with location of selected intercepts



Depth Extensions

Final tantalum results have been received from all deeper holes drilled in 2008, and as is the case with the lithium results (reported 4/12/08), confirm the potential for repetitions of lithium and tantalum bearing pegmatite horizons at depth below known mineralisation.

Selected high grade tantalum intercepts for deep holes are given in Table 3, with a full list of significant intercepts included in Table 4. Figure 2 includes Section 6281980N showing significant tantalum intercepts.

Table 3. Selected high grade tantalum pentoxide intercepts below current resource

HOLE	East	North	From (m)	To (m)	Width (m)	Ta_2O_5 (ppm)
GX857	224398	6282261	77	83	6	159
GX858	224318	6282263	70	79	9	182
GX860	224664	6282260	95	98	3	285
GX861	224479	6282340	74	77	3	301
GX863	224440	6282420	100	105	5	124
GX864	224479	6282263	72	77	5	139

GX864	224479	6282263	136	138	2	171
GX884	224241	6281979	74	81	7	133
GX884	224241	6281979	107	109	2	214
GX888	224400	6281980	81	87	6	287

Figure 2. Cross section 6281980N

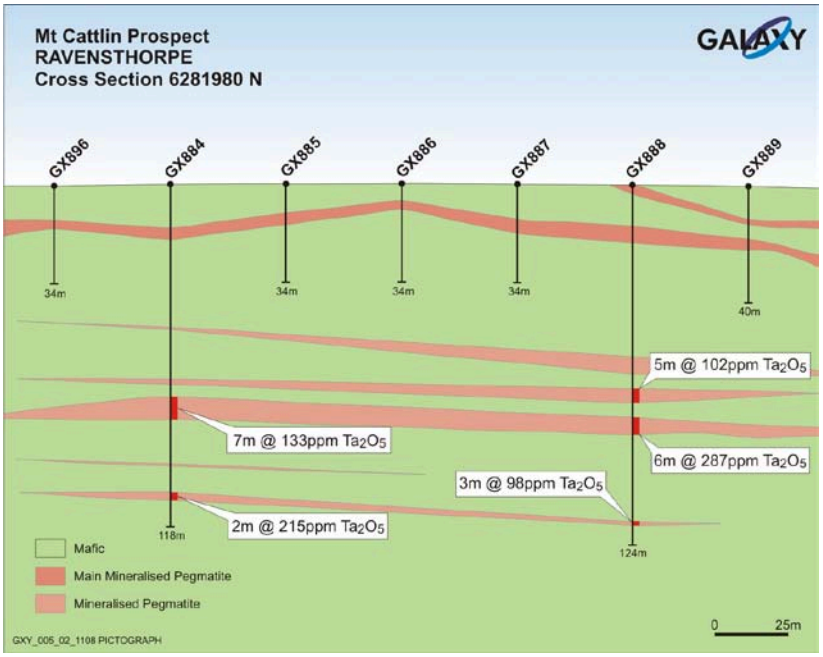


Table 4 – Significant tantalum pentoxide drill results from August-September 2008 drill program

HOLE	East	North	From (m)	To (m)	Width (m)	Ta_2O_5 (ppm)
GX854r	224361	6282262	76	79	3	106
GX856	224440	6282260	42	47	5	173
GX856	224440	6282260	64	66	2	159
GX856	224440	6282260	70	76	6	132
GX857	224398	6282261	43	50	7	160
GX857	224398	6282261	77	83	6	159
GX858	224318	6282263	55	64	9	133
GX858	224318	6282263	70	79	9	182
GX860	224664	6282260	9	13	4	241
GX860	224664	6282260	20	31	11	161
GX860	224664	6282260	95	98	3	285

GX861	224479	6282340	74	77	3	301
GX861	224479	6282340	84	97	13	62
GX863	224440	6282420	84	97	13	85
GX863	224440	6282420	100	105	5	124
GX864	224479	6282263	38	40	2	31
GX864	224479	6282263	72	77	5	139
GX864	224479	6282263	136	138	2	171
GX864	224479	6282263	164	166	2	189
GX865	224722	6282456	44	51	7	202
GX865	224722	6282456	54	56	2	110
GX867	224781	6282461	26	34	8	32
GX867	224781	6282461	53	58	5	217
GX868	224850	6282458	18	32	14	462
GX868	224850	6282458	57	64	7	75
GX869	224908	6282457	11	34	23	100
GX869	224908	6282457	47	52	5	66
GX870	224739	6282499	17	24	7	23
GX870	224739	6282499	51	62	11	61
GX871	224658	6282501	30	41	11	95
GX871	224658	6282501	47	50	3	171
GX872	224817	6282501	29	37	8	351
GX872	224817	6282501	59	63	4	116
GX873	224820	6282421	22	32	10	379
GX873	224820	6282421	68	70	2	55
GX874	224915	6282418	10	31	21	246
GX874	224915	6282418	45	47	2	134
GX875	224911	6282379	1	6	5	673
GX875	224911	6282379	17	20	3	423
GX875	224911	6282379	26	29	3	98
GX876	224948	6282339	3	8	5	220
GX878	224860	6282302	13	17	4	107
GX879	224899	6282300	17	21	4	52
GX884	224241	6281979	16	19	3	207
GX884	224241	6281979	74	81	7	133
GX884	224241	6281979	95	98	3	37
GX884	224241	6281979	107	109	2	214
GX887	224359	6281980	11	14	3	53
GX888	224400	6281980	2	4	2	31
GX888	224400	6281980	71	76	5	102

GX888	224400	6281980	81	87	6	287
GX889	224440	6281980	11	14	3	159
GX889	224440	6281980	21	23	2	409
GX890	224480	6281980	2	5	3	49
GX890	224480	6281980	11	14	3	354
GX890	224480	6281980	25	28	3	268
GX891	224520	6281980	17	19	2	190
GX892	224560	6281980	6	9	3	183
GX892	224560	6281980	17	21	4	275
GX894	224640	6281981	31	35	4	131
GX896	224201	6281980	12	16	4	232
GX898	224200	6282019	38	40	2	196
GX900	224200	6282060	20	23	3	244
GX901	224160	6282059	18	22	4	147
GX901	224160	6282059	29	34	5	127
GX902	224162	6282139	25	27	2	61
GX902	224162	6282139	36	38	2	134
GX903	224198	6282140	22	35	13	144

Note: Coordinates are GDA 94 to an accuracy of <1m. All holes are vertical and given the mineralised pegmatite is flat lying, intercept widths approximate true thickness. Intercepts are weighted averages calculated using a lower cut of 2040ppmLi_2O (= 3% spodumene) from 1 metre riffle split samples of RC percussion chips. No top cut has been applied. Analysis by SGS Australia Pty Ltd using AAS for Li (converted to Li_2O) and XRF for Ta (converted to Ta_2O_5).

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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 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.

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About Galaxy (ASX: GXY)

Galaxy Resources Limited (Galaxy) is a specialty 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_2CO_3).

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