

27 March 2009

CAPITAL RAISING

Highlights

- Successfully raised \$1.8 million via a book build to sophisticated investors
- Funds raised to be applied to completion of downstream lithium carbonate Pre-Feasibility Study (PFS)
- Galaxy on track to complete lithium carbonate PFS by mid 2009

Emerging lithium producer, **Galaxy Resources Limited (ASX: GXY)** is pleased to announce that it has raised \$1.8 million via a capital book build to sophisticated investors.

The book build placement consists of the issue of 6 million shares an issue price of 30 cents per share. Appendix 3B application for listing will be lodged once all subscription monies have cleared.

The funds raised through the book build will be used to help complete the downstream lithium carbonate Pre-Feasibility Study (PFS) to support the Company's Mt Cattlin Lithium Tantalum Project, at Ravensthorpe, Western Australia. It is anticipated that the PFS will be completed by mid June 2009. The work will also investigate establishing a similar lithium carbonate plant in China due to lower associated capital and operating costs, as well as being close to the strategic growing battery markets in Asia.

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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.