GALAXY
meeting a lithium future

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NEW PEGMATITE ZONES DISCOVERED AND EXCELLENT INTERCEPTS

Highlights

- New pegmatite zone discovered to North West of current resource
- Best result in North West zone is 9m @ 2.13%Li_2O
- Excellent intercepts reported in South West and East Zones
- Best South West and East Zone intercepts are 5m @ 1.93% Li_2O, 9m @ 1.78% Li_2O respectively

Emerging lithium producer, Galaxy Resources (GXY) has just completed half of a significant 9,260m RC drilling program aimed at upgrading and extending resources at the Mt Cattlin Spodumene Project. The overall resource grade for Mt Cattlin is 1.08% Li_2O so intercept grades above this level are considered significant.

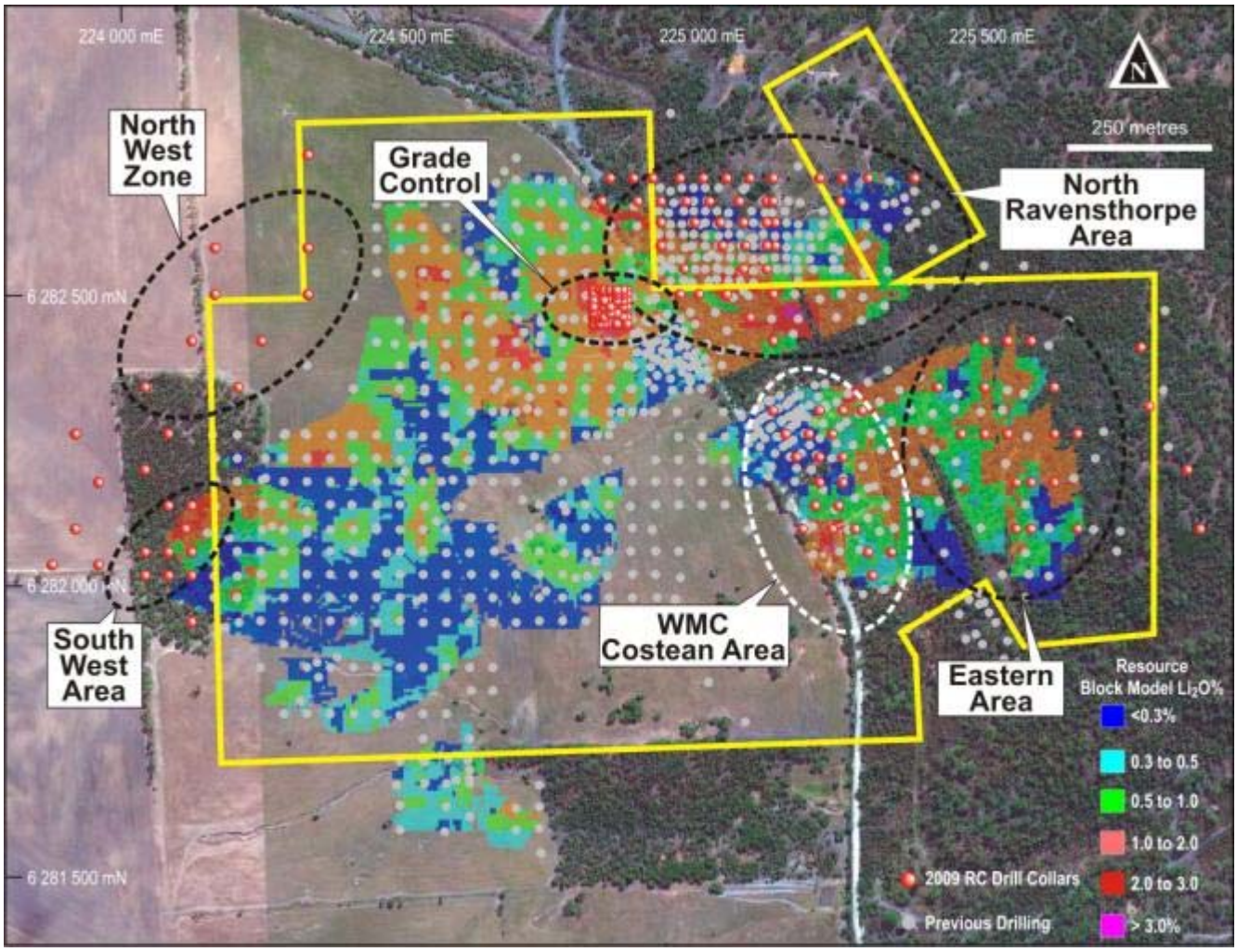
Highlights:

- Northwest Zone
  New zone of lithium-bearing pegmatite mineralisation discovered to the northwest of the current resource with best intercepts of 16m @ 1.35%Li_2O in GX1054 and 9m @ 2.13%Li_2O in GX947.

- Southwest Zone
  Some extension of the resource to the south west is evident. Several holes intersected significant pegmatite mineralisation, including 5m @ 1.93% Li_2O in GX926 and 4m @ 1.82% Li_2O in GX925.

- East Zone
  In the east of the Mt Cattlin resource, infill and minor step out drilling returned excellent results, with the best of these including 9m @ 1.78% Li_2O in GX968 and 9m @ 1.41% Li_2O in GX969.

Figure 1. Zone Areas targeted with recent drill hole collars in red



North West Zone

The program has discovered a new zone of lithium-bearing pegmatite mineralisation to the northwest of the current resource (see Figure 1). Eight widely-spaced holes intersected pegmatite at a depth of around 80-100m, with best intercepts of 16m @ 1.35%Li_2O in GX1054 and 9m @ 2.13%Li_2O in GX947. The mineralised pegmatite has been intersected over an area of around 400m x 400m in plan view and varies from around 6m to 16m in width. The zone is still open to the west, although it is narrowing in this direction.

The North West zone appears to represent the north western extension of the main pegmatite horizon in the Dowling pit area. It lies to the west of a fault and northeast-trending dyke, which until now has defined the western limit of the resource. A full list of significant intercepts from the North west zone is given in Table 1 below.

Table 1. Significant intercepts, North West Zone

Area	Hole	East	North	From (m)	To (m)	Width (m)	Li_2O (%)	Ta_2O_5 (ppm)
NW Zone	GX916	224041	6282338	88	94	6	1.00	105
NW Zone	GX945	224120	6282419	92	99	7	1.27	65
NW Zone	GX946	224199	6282340	76	82	6	1.63	44
NW Zone	GX947	224240	6282419	96	105	9	2.13	72
NW Zone	GX949	224318	6282578	120	129	9	1.40	71
NW Zone	GX950	224162	6282579	133	136	3	1.12	59
NW Zone	GX1054	224315	6282497	95	111	16	1.35	68
NW Zone	GX1055	224158	6282500	110	116	6	1.49	38

South West Zone

Drilling at the South West margin of the resource (see Figure 1) indicates that some extension of the resource to the west is possible. Several holes intersected significant pegmatite mineralisation, including 5m @ 1.93% Li_2O in GX926 and 4m @ 1.82% Li_2O in GX925. A full list of significant intercepts from this area is given in Table 2 below.

Further step out drilling to the west did not intersect pegmatite at a depth however, geology in this area is complex, with several cross-cutting faults and dykes, and interpretation of results is ongoing. Sterilisation drilling to the west of the resource over the plant site failed to intersect pegmatite.

Table 2. Significant intercepts South West Zone

Area	Hole	East	North	From (m)	To (m)	Width (m)	Li_2O (%)	Ta_2O_5 (ppm)
SW Extensions	GX922	224121	6282139	23	29	6	0.93	225
SW Extensions	GX924	224081	6282059	51	55	4	1.30	64
SW Extensions	GX925	224119	6282059	45	49	4	1.82	70
SW Extensions	GX926	224108	6282099	45	50	5	1.93	62

Eastern Zone

In the east of the Mt Cattlin resource, infill and minor step out drilling has confirmed the geological interpretation and returned excellent results, with the best of these including 9m @ 1.78% Li_2O in GX968 and 9m @ 1.41% Li_2O in GX969. A full set of significant results is included below in Table 3.

Several widely spaced holes around 200m east of the resource did not intersect any significant pegmatite mineralisation. It appears that the eastern margin of the main pegmatite horizon is controlled by a north-south trending structure in this area, and the continuation of the pegmatite has not yet been encountered to the east of this structure. However, outcropping spodumene-bearing pegmatite has been mapped around 300m to the South East of the area, on an adjoining Galaxy tenement. This zone will be followed up by drilling when permitting has been completed.

Table 3. Significant intercepts Eastern area

Area	Hole	East	North	From (m)	To (m)	Width (m)	Li_2O (%)	Ta_2O_5 (ppm)
East Area	GX962	225478	6282421	6	12	6	1.31	74
East Area	GX965	225599	6282338	9	14	5	1.58	82
East Area	GX966	225481	6282338	29	32	3	1.12	59
East Area	GX967	225398	6282340	8	15	7	1.67	119
East Area	GX968	225439	6282261	24	33	9	1.78	126
East Area	GX969	225480	6282260	27	36	9	1.41	68
East Area	GX970	225600	6282180	58	60	2	2.07	116
East Area	GX972	225601	6282260	60	63	3	1.37	79
East Area	GX973	225520	6282261	48	56	8	0.91	147
East Area	GX974	225560	6282180	52	57	5	1.08	215
East Area	GX975	225534	6282181	34	37	3	1.97	387
East Area	GX975	225534	6282181	41	46	5	1.01	64
East Area	GX977	225561	6282100	44	49	5	1.38	249
East Area	GX978	225531	6282100	28	30	2	0.48	52
East Area	GX978	225531	6282100	34	37	3	0.49	79

– ENDS –

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Competent Persons

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 mineralisation 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 is an Australian mining and chemical company focusing on lithium and tantalum production. Galaxy has completed a definitive feasibility study (DFS) which suggests the Mt Cattlin Lithium / Tantalum project (Ravensthorpe, Western Australia) 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 mineral processing plant in Q3 2009 with first concentrate production scheduled for Q3, 2010.

The company has also commenced a pre feasibility study into the value adding downstream production of lithium carbonate (Li2CO3). The company plans to establish a 17,000 tpa 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.

Lithium concentrate and lithium carbonate raw materials are forecast to be 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.