



RESOURCES LIMITED

24 Mumford Place
Balcatta WA 6021

p: 08 6241 1888
f: 08 6241 1811

abn: 11 071 976 442

16 April 2007

No. of Pages:

Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Via: www.asxonline.com

Dear Sir/Madam,

RE: GALAXY RESOURCES LIMITED (ASX Code: GXY) – ASX/MEDIA RELEASE

Please find attached ASX/Media release regarding GXY - Mt Cattlin Drilling Update.

Yours faithfully

A handwritten signature in blue ink, appearing to read "mfotios", is written over a light blue rectangular background.

Michael Fotios
Managing Director

**ASX ANNOUNCEMENT
16 APRIL 2007**

GALAXY ACHIEVES SIGNIFICANT DRILLING RESULTS AT MT CATTLIN TANTALUM/LITHIUM PROSPECT

HIGHLIGHTS

- 78 vertical RC drill holes, targeted at flat lying pegmatite, completed to date for 3002 metres
- Assay results received for pegmatite samples in first 28 holes
- Samples lodged and assays awaited for balance of holes drilled to date
- Drill holes test north western and southern extremities of the interpreted western extension of the shallow flat lying pegmatite
- 100% success rate in assayed holes intersecting mineralised pegmatite varying in thickness from 2 metres to 15 metres and averaging 8 metres at a weighted average grade of 1.39% Li₂O (20.4% Spodumene) and 254 ppm Ta₂O₅
- Conceptual extent, continuity and shallow nature of pegmatite confirmed

Significant results include:

HOLE	INTERVAL		Ta₂O₅ (ppm)	Li₂O (%)	Spodumene (%)
GX 450	15 metres	@	278	1.75	25.8
GX 452	7 metres	@	713	0.88	12.9
GX 454	10 metres	@	288	2.11	31.1
GX 456	9 metres	@	426	1.32	19.4
GX 460	12 metres	@	235	1.95	28.6
GX 461	14 metres	@	229	1.57	23.1
GX 462	8 metres	@	336	1.68	24.7
GX 466	8 metres	@	226	2.00	29.4
GX 467	9 metres	@	349	1.57	23.2
GX 470	5 metres	@	467	1.38	20.4
GX 479	6 metres	@	535	1.80	26.5

Galaxy Resources Limited (ASX:GXY) is pleased to announce significant assay results from its Reverse Circulation ("RC") drilling program at the Mt Cattlin Tantalum/Lithium prospect located 2 kilometres north of Ravensthorpe within the Archaean Ravensthorpe Greenstone Belt, Western Australia.

A total of 78 drill holes have been completed to date for a total of 3002 metres (GX450 to 530; GX468 & 481 remain to be drilled, GX475 to be redrilled). Assay results have been received for GX 450 to GX 479. The program has focussed on the western side of the conceptual target; the eastern extension is yet to be tested. The objective of the drilling program is to link the areas of historic drilling within the identified central zone of the pegmatite and extend drill hole coverage on a wider spacing in the western and eastern areas so that complete coverage of the interpreted extent of the pegmatite is achieved (Figure 1). Galaxy and other explorers have previously completed drilling programs totalling 12,420 metres in 341 holes.

Given the excellent continuity of the pegmatite intercepted in drilling to date it is now expected that about 150 holes (average depth 40 metres) will be drilled vertically to intersect the flat lying pegmatite (average thickness 11 metres) on 80 by 80 metre centres. In selected areas spacing will be reduced to 40 x 40 metre centres.

The program is designed to provide sufficient information to allow completion of a JORC compliant resource estimate. It is expected that drilling of the central zone will be completed by the end of April and a resource estimate by late May.

The size of the conceptual target in the central zone is 8 to 12 million tonnes and the overall target to the interpreted perimeter of the pegmatite (approximately 1500 metres by 1000 metres) is 30 to 40 million tonnes of mineralised (Ta_2O_5 and Spodumene) pegmatite (including the central zone). The conceptual grade is 200 to 300 ppm Ta_2O_5 and 10 % Spodumene (lithium bearing mineral).

Galaxy's Managing Director Michael Fotios said the results confirmed the resource potential of the shallow lateral extensions west of the central zone Mt Cattlin pegmatite system.

"What is particularly encouraging is that all holes designed within the perimeter intersected significant widths of mineralised pegmatite confirming the consistency of mineralisation obtained by earlier drilling programmes.

"Importantly, the results also confirm the coexistence of significant grades/content of Ta_2O_5 and Spodumene."

"We are pleased with the initial results of the RC drilling program, which have reconfirmed the potential of this project, and we intend to complete the remaining drill holes as quickly as we can."

Drilling Status

On completion of the above holes drilling ceased for about 10 days whilst the RC drill rig was utilised by Pioneer Nickel Limited for completion of a series of RC holes at the Mt Desmond copper prospect within the Ravensthorpe Joint Venture (PIO earning 75% from GXY). Drilling has recommenced at Mt Cattlin and is expected to continue during April and May

Drill testing at targets north of Mt Cattlin and at Bakers Hill will also be undertaken once the program at Mt Cattlin is completed.

Significant intercepts are detailed in Table 1. The mineralised pegmatite is essentially flat lying and all holes are vertical therefore intercept widths approximate true thickness.

Assay results of samples from drill holes GX480 to GX530; except GX481 are awaited.

-ENDS-

For more information:

Michael Fotios
Managing Director
Tel: +(618) 6241 1888
Mob: 0419 995 503

For media enquiries:

Paul Downie / Katherine Knox
Porter Novelli
Tel: +(618) 9386 1233
Email: kknox@wa.porternovelli.com.au

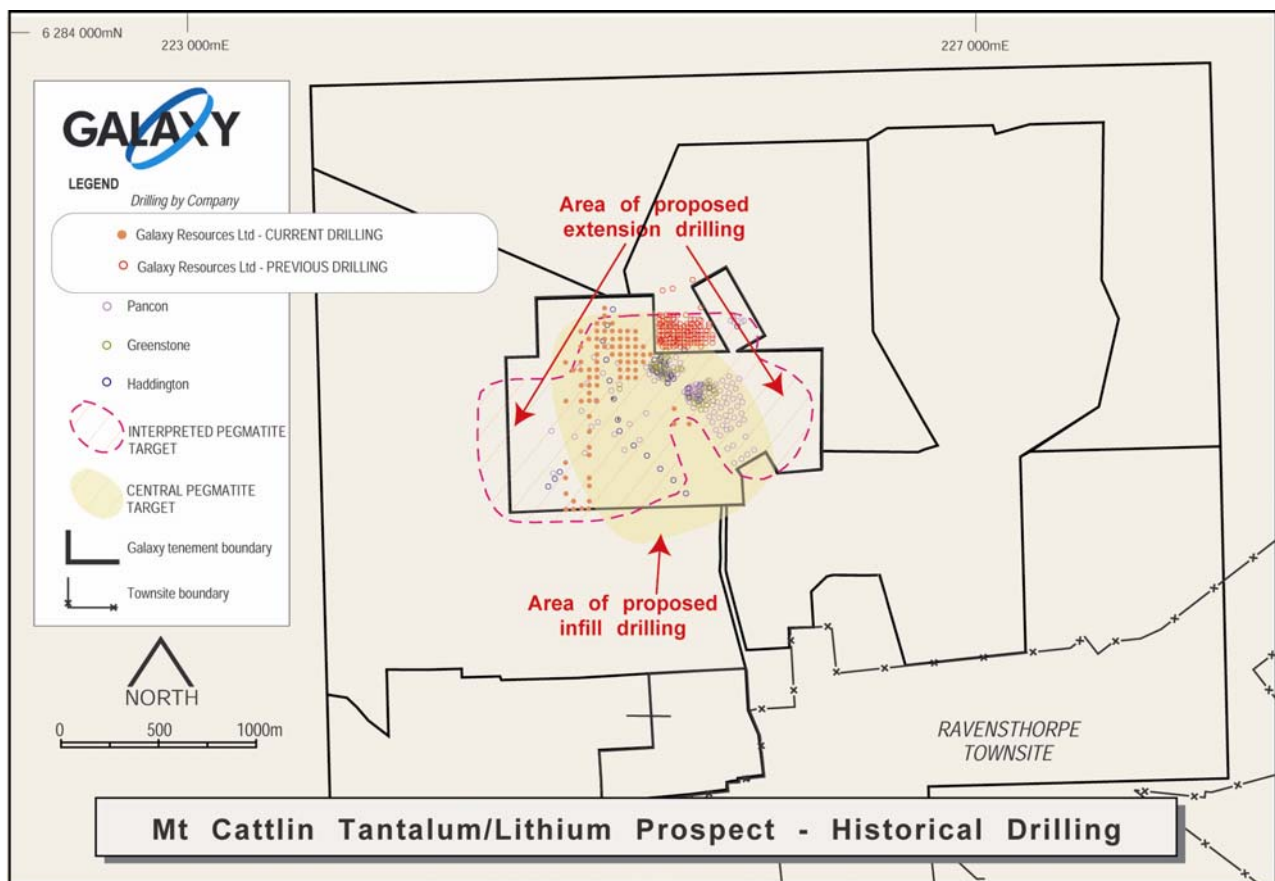
Table 1: Significant Intercepts – Mt Cattlin

Hole ID	North	East	Depth (m)	From (m)	To (m)	Interval (m)	Ta ₂ O ₅ (ppm)	Li ₂ O (%)	Spodumene (%)
GX 450	628 2499	22 4919	42	24	39	15	278	1.75	25.8
GX 451	628 2498	22 4880	46	33	44	11	176	0.77	11.3
GX 452	628 2580	22 4798	39	29	36	7	713	0.88	12.9
GX 453	628 2620	22 4798	37	27	35	8	69	0.45	6.5
GX 454	628 2620	22 4841	47	35	45	10	288	2.11	31.1
GX 455	628 2540	22 4881	53	43	49	6	152	0.46	6.7
GX 456	628 2580	22 4841	54	35	44	9	426	1.32	19.4
GX 457	628 2539	22 4841	48	38	45	7	115	0.55	8.0
GX 458	628 2500	22 4841	43	31	38	7	216	0.87	12.9
GX 459	628 2460	22 4882	42	25	37	12	358	0.53	7.8
GX 460	628 2461	22 4841	34	20	32	12	235	1.95	28.6
GX 461	628 2420	22 4841	42	26	40	14	229	1.57	23.1
GX 462	628 2461	22 4802	37	27	35	8	336	1.68	24.7
GX 463	628 2420	22 4802	32	25	29	4	229	1.19	17.5
GX 464	628 2380	22 4842	46	21	27	6	146	1.4	20.6
GX 465	628 2379	22 4802	28	21	26	5	166	1.59	23.4
GX 466	628 2540	22 4801	40	31	39	8	226	2	29.4
GX 467	628 2501	22 4801	42	32	41	9	349	1.57	23.2
GX 469	628 2621	22 4761	30	16	24	8	133	1.24	18.2
GX 470	628 2582	22 4761	22	14	19	5	467	1.38	20.4
GX 471	628 2540	22 4761	38	27	34	7	265	1.69	24.8
GX 472	628 2500	22 4762	32	23	31	8	122	2.08	30.5
GX 473	628 2462	22 4761	35	25	33	8	107	1.87	27.4
GX 474	628 2421	22 4761	57	28	32	4	550	0.55	8.03
				45	56	11	99	1.62	23.8
GX 476	628 2660	22 4721	23	18	20	2	134	1.01	14.85
GX 477	628 2620	22 4721	19	11	17	6	122	2.07	30.5
GX 478	628 2580	22 4722	18	6	9	3	248	0.59	8.6
GX 479	628 2540	22 4721	60	18	24	6	535	1.80	26.5

Note: Coordinates are GDA 94. All holes vertical. Spodumene content assumes 6.8% contained Li₂O in Mt Cattlin Spodumene. Intersections are calculated using a lower cut of 3% Spodumene and/or 100 ppm Ta₂O₅ from 1 metre riffle split samples of RC percussion chips. Analysis by SGS Australia Pty Ltd using XRF for Ta (converted to Ta₂O₅) and AAS for Li (converted to Li₂O).

Drill hole GX 475 was abandoned after a drill bit failed prior to reaching the target and will be redrilled.

Figure 1:



About Galaxy (ASX: GXY)

Galaxy is a diversified exploration company with interests in five targeted projects in Western Australia covering a range of commodities including lithium, tantalum, base metals (copper-zinc-nickel), gold, iron ore, rare earths and uranium. The projects, with the exception of two joint ventures at Ravensthorpe, are owned 100% and were acquired prior to the recent IPO.

Galaxy listed on the ASX on 5 February 2007 at a premium of 70%. The company raised \$3 million through the issue of 15 million shares at the offer price of \$0.20. Funds raised through the offer will be used to progress the company's existing exploration programs and will initially focus on an infill drilling program and a feasibility study at the Cattlin Creek tantalum and lithium prospect.

The Company's tantalum and lithium deposit, located at Cattlin Creek, was significantly enhanced by the acquisition of M74/12, from the administrators of Sons of Gwalia Ltd, in November 2006 and is the centre piece of Galaxy's 185km² ground holding within the Ravensthorpe Greenstone Belt.

Galaxy also has a second joint venture with Pioneer Nickel Limited (ASX: PIO) in the Ravensthorpe Aerodrome Project. Through the joint venture Galaxy has offered Pioneer Nickel the option to earn a 75% interest in the project. Detailed aeromagnetic and VTEM surveys will be completed during March followed by detailed evaluation including soil geochemistry and RC drill testing of targets.

In addition to the Ravensthorpe package, the Company holds a 100% interest in four projects at various stages of exploration including:

- | | |
|----------------|---|
| • Ponton | Uranium, rare earths and base metals |
| • Shoemaker | Base metals, gold, iron ore and uranium |
| • Connolly | Base metals |
| • Boxwood Hill | Base metals |

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr. Michael Fotios who is Managing Director of the Company and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Fotios 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. Fotios consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.