



Press Release- #09-31

TSX-V: GAX

December 31, 2009

GALAHAD ANNOUNCES PRIVATE PLACEMENT

Ottawa, ON - Galahad Metals Inc (TSX-V - GAX) is pleased to announce that the Company has arranged a non-brokered private placement of 2,000,000 flow-through units ("FT Units") to the MineralFields Group at a price of \$0.11 per FT Unit for total gross proceeds of \$220,000. Each FT Unit will consist of one flow-through common share and one-half non-flow through common share purchase warrant ("Warrant"). Each Warrant will entitle the holder thereof to acquire one common share of the Company for a period of two years at a price of \$0.20 per share exercisable until December 30, 2011.

The Company will pay a cash finder's fee to First Canadian Securities® equal to 5% (\$11,000) of the gross proceeds received by the Company from the sale of 2,000,000 FT Units under the offering. In addition, the Company will issue 200,000 non-flow-through finder's options, entitling the holder thereof to acquire one NFT Unit for a period of two years at a price of \$0.11 and ½ of one warrant per NFT Unit at the same terms as stated above.

Proceeds will be used for drilling costs on the Company's Montrose project in Northern Ontario.

All securities issued in connection with this financing will be subject to a four month hold period.

"We are very pleased to be commencing this relationship with MineralFields Group", said Robin Dow. "This is an important milestone in the growth of Galahad Metals and we look forward to working with MineralFields Group as we develop our Montrose Gold Property."

About MineralFields, Pathway and First Canadian Securities ®

MineralFields Group (a division of Pathway Asset Management), based in Toronto and Vancouver, is a mining fund with significant assets under administration that offers its tax-advantaged super flow-through limited partnerships to investors throughout Canada as well as hard-dollar resource limited partnerships to investors throughout the world. Pathway Asset Management also specializes in the manufacturing and distribution of structured products and mutual funds (including the Pathway Multi Series Funds Inc. corporate-class mutual fund series). Information about MineralFields Group is available at www.mineralfields.com. First Canadian Securities ® is active in leading resource financings (both flow-through and hard dollar PIPE financings) on competitive, effective and service-friendly terms, and offers investment banking, mergers and acquisitions, and mining industry consulting, services to resource companies. MineralFields and Pathway have financed several hundred mining and oil and gas exploration companies to date through First Canadian Securities ®.

For further information, please go to www.galahadmetals.com or contact:

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"The statements in this Press Release may contain forward looking statements that involve a number of risks and uncertainties. Actual events or results could differ materially from the Company's expectations and projections. The TSX Venture Exchange has not approved or disapproved of the information contained in this Press Release."