GALAXY RESOURCES LIMITED

Investor Presentation
February 2017
ASX: GXY
Company Highlights

- One of the premier global lithium opportunities with existing production and a world class asset development pipeline.

- **Operations restarted at Mt Cattlin with expanded capacity** to generate substantial, 100%-owned cash flows in 2017, positioning Galaxy as a major global supplier of high quality lithium.

- Diversified project portfolio with **hard rock and brine based lithium assets** across Australia, Argentina and Canada.

- **Revised DFS at flagship Sal de Vida Project in Argentina** supports low cost, long life project with robust economics; development team confirmed.

- **James Bay is a top quality development asset**, providing a valuable option for Galaxy to supply North American and European markets.

- Highly credentialed Management and Board with a strong network of downstream and end-user customers in the global lithium markets.

- Robust lithium macro trends with **surging demand from lithium ion battery applications** and a lagged supply-side response.
Corporate Snapshot

A leading global lithium business with prominent institutional shareholders, and one of the strongest performing S&P/ASX 200 companies in CY2016

Financial Information (2017.02.03)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price</td>
<td>A$0.595</td>
</tr>
<tr>
<td>52 week high / low</td>
<td>A$0.135 / A$0.695</td>
</tr>
<tr>
<td>Number of shares (undiluted)</td>
<td>1,858m</td>
</tr>
<tr>
<td>Market Capitalisation</td>
<td>A$1,105.2m</td>
</tr>
<tr>
<td>Cash (31-Dec-16)</td>
<td>A$9.3m</td>
</tr>
<tr>
<td>Debt (31-Dec-16)</td>
<td>A$44.7m</td>
</tr>
<tr>
<td>Net debt (31-Dec-16)</td>
<td>A$35.4m</td>
</tr>
<tr>
<td>Enterprise Value</td>
<td>A$1,140.6m</td>
</tr>
</tbody>
</table>

Source: IRESS

Notes:
1 Excludes 27.3m unlisted options on issue at various vesting and expiry dates with exercise prices between A$0.047 and A$1.16 and 25m unlisted warrants with various expiry dates and exercise prices of between A$0.3436 and A$0.415
2 Excludes 22.9m share appreciation rights and 13.9m exchangeable and special voting shares includes cash reserve from debt facility

Broker research coverage

**CANACCORD**
Reg Spencer (Sydney)

**Baillieu Holst**
Warren Edney (Melbourne)

**BELL POTTER**
Peter Arden (Melbourne)

**Hartleys**
Trent Barnett (Perth)

Share Price Performance (1 year)

Top Shareholders (2016.12.31)

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board and Management</td>
<td>5.5%</td>
</tr>
<tr>
<td>Top 20 shareholders</td>
<td>33.8%</td>
</tr>
</tbody>
</table>
With a portfolio of both hard rock and brine based lithium assets, Galaxy is also well networked with key customers in the Asian lithium market.

**James Bay, Quebec, Canada – Hard Rock**
- 100% owned
- Lithium hard rock development
- 23Mt at 1.2% Li₂O
- Exploration and development program planned to commence in Q1 2017

**Sal de Vida, Salta & Catamarca, Argentina – Brine**
- 100% owned
- Lithium and potash brine project, 1.1Mt LCE, 4.2Mt KCl
- Formal revision of DFS completed in Q3 2016
- Development Team Leaders confirmed, site works planned to commence in 1Q 2017 and offtake discussions ongoing

**Mt Cattlin, WA, Australia – Hard Rock**
- 100% owned
- 16Mt at 1.08% Li₂O and 5.7Mlbs Ta₂O₅
- Throughput capacity expanded to 1.6Mtpa
- Production of recommissioned / expanded operation recommenced in 4Q CY2016
- CY2017 planned production of 160kt of spodumene

**Lithium value-adding production heavily concentrated in Asia**
- 88% of global capacity based in Asia
- China produces >50% of global lithium cathodes
- Galaxy is uniquely positioned with existing relationships with lithium converters, material manufacturers and battery end users

**LiB Manufacturing Capacity (2015, MWh)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Capacity (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>39,010</td>
</tr>
<tr>
<td>Korea</td>
<td>16,059</td>
</tr>
<tr>
<td>Japan</td>
<td>11,978</td>
</tr>
<tr>
<td>U.S.</td>
<td>4,970</td>
</tr>
<tr>
<td>Rest of World</td>
<td>2,440</td>
</tr>
<tr>
<td>EU</td>
<td>1,798</td>
</tr>
</tbody>
</table>

**Current and future capacity dominated by North-East Asia**

Source: CEMAC 2015
China is currently the major producer and consumer of lithium chemicals with a focus on lithium-ion battery applications (c. 70% of total output).

**2015 Demand for Lithium Chemicals (kt LCE)**

- **70kt** (Total)
- **53kt**
- **18kt**
- **21kt**

**2015 Supply of Lithium Chemicals (kt LCE)**

- **70kt** (Total)
- **35kt**
- **57kt**

Source: Public announcements, customs data and company estimates

- Incremental supply pipeline projects estimated at only c. 70-80kt funded to date (Mt Cattlin, Mt Marion, La Negra, Kwinana)
- Supply response expected to be slow as development pipeline is undercapitalised and projects have the potential for delays and budget overruns
- Therefore supply and demand balance expected to remain tight until at least 2020, encouraging a robust pricing environment

**Lithium Carbonate Demand Forecasts (kt LCE)**

- **Total 162kt**
- **2015 Demand for Lithium Chemicals**
- **2015 Supply of Lithium Chemicals**

**Broker consensus of incremental annual LCE demand of c. 130kt by 2020**

Source: Broker consensus
EV Uptake Driving Growth in Demand

Total government target stock of 17.8m EVs by 2020 across 14 countries, supported by subsidies and significant investment in charging infrastructure

Announced 2020 EV Stock Targets (m)

<table>
<thead>
<tr>
<th>Country</th>
<th>Target (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>5.0 – 7.0</td>
</tr>
<tr>
<td>China</td>
<td>5.0</td>
</tr>
<tr>
<td>France</td>
<td>2.0</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.6</td>
</tr>
<tr>
<td>United States</td>
<td>1.2</td>
</tr>
<tr>
<td>Japan</td>
<td>1.0</td>
</tr>
<tr>
<td>Germany</td>
<td>1.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.3</td>
</tr>
<tr>
<td>Spain</td>
<td>0.2</td>
</tr>
<tr>
<td>South Korea</td>
<td>0.2</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.2</td>
</tr>
<tr>
<td>Denmark</td>
<td>0.2</td>
</tr>
<tr>
<td>Austria</td>
<td>0.2</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Compared with 2015 global EV stock of 1.2m

Lithium Requirement to meet Increased Stock Targets

<table>
<thead>
<tr>
<th></th>
<th>Scenario 1</th>
<th>Scenario 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 global EV stock (millions vehicles)</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>2020 global EV stock (millions vehicles)</td>
<td>17.8</td>
<td>17.8</td>
</tr>
<tr>
<td>Increase in EV global stock (millions vehicles)</td>
<td>16.6</td>
<td>16.6</td>
</tr>
<tr>
<td>Average LCE requirement (kg per EV)</td>
<td>24¹</td>
<td>32²</td>
</tr>
<tr>
<td>Additional LCE demand (kt)</td>
<td>398</td>
<td>531</td>
</tr>
</tbody>
</table>

Notes:
1. Assumed average size of lithium ion battery of 30kWh and LCE demand per EV of 0.8kg/kWh
2. Assumed average size of lithium ion battery of 40kWh and LCE demand per EV of 0.8kg/kWh

Stated Government Clean Energy Policies

- 5m EV deployment target including 4.3m cars, 0.3m taxis, 0.2m buses and 0.2m special vehicles
- Aiming for carbon neutrality by 2050
- Deploy 7 million charging outlets over the national territory by 2030
- Initiative to make a leading market for electric mobility, with 1 million EVs on the street by 2020
- Target of 10% for all vehicles on Irish roads to be electric by 2020
- Deploy 2 million standard chargers and 5,000 fast chargers across the country by 2020
- Deploy 1,400 countrywide publicly accessible fast chargers, with the aim of making all parts of the country accessible with an electric vehicle
- EVs enjoy federal tax credits capped at US$7,500
- Federal funding programme that contributed to 36,500 publicly accessible charging outlets in place in 2015


Source: Media releases
Galaxy is well positioned to meet expected demand deficit with near term production from Mt Cattlin, cashflow to support development for Sal de Vida

Demand strong, but investment lagging to provide adequate supply response to maintain balance

- Overall lithium sector has been undercapitalised to date, in terms of required funding to build out new planned capacity to meet demand
  - Since September 2015, c. A$562m of equity capital has been raised globally by lithium explorers and developers
  - This compares to a total capital expenditure requirement of c. A$2.3bn for the lithium development projects listed below
  - Coupled with potential delays in development and production ramp up, expect to experience tight supply and continued robust pricing outlook
  - If including Albemarle’s La Negara Project (20kt expected production in late 2017, at capacity 2019), Mt Cattlin and Mt Marion, only 67kt LCE new capacity has been funded and completed to date to support expected 120-150kt LCE incremental annual demand by 2020

- Galaxy’s market capitalisation coupled with significant cash flows from Mt Cattlin will de-risk Sal de Vida development relative to smaller peers

### Development projects pipeline contributing to incremental supply

<table>
<thead>
<tr>
<th>Project</th>
<th>Ownership</th>
<th>Type</th>
<th>Development stage</th>
<th>Targeted first production</th>
<th>Nameplate prod. cap. (kt LCE)</th>
<th>Capex (A$m)(^2)</th>
<th>Market cap (A$m)(^2,3)</th>
<th>Capex/market cap (x)(^2)</th>
<th>Existing production/cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mt Cattlin</td>
<td>Galaxy (100%)</td>
<td>Hard rock</td>
<td>Commissioning</td>
<td>4Q 2016</td>
<td>20</td>
<td>Funded</td>
<td>1,105</td>
<td>N/A</td>
<td>✓</td>
</tr>
<tr>
<td>Mt Marion</td>
<td>Neometals (14%)</td>
<td>Hard rock</td>
<td>Commissioning</td>
<td>4Q 2016</td>
<td>27</td>
<td>Funded</td>
<td>222</td>
<td>N/A</td>
<td>✓</td>
</tr>
<tr>
<td>La Negra 2</td>
<td>Albemarle (100%)</td>
<td>Brine</td>
<td>Evaporating brine</td>
<td>Q4 2017</td>
<td>20</td>
<td>Funded</td>
<td>13,660</td>
<td>N/A</td>
<td>✓</td>
</tr>
<tr>
<td>Pilangoora</td>
<td>Altura (100%)</td>
<td>Hard rock</td>
<td>DFS released</td>
<td>4Q 2017</td>
<td>36</td>
<td>140(^4)</td>
<td>274</td>
<td>0.51</td>
<td>✗</td>
</tr>
<tr>
<td>Pilangoora</td>
<td>Pilbara Minerals (100%)</td>
<td>Hard rock</td>
<td>DFS released</td>
<td>1Q 2018</td>
<td>44</td>
<td>214</td>
<td>683</td>
<td>0.31</td>
<td>✗</td>
</tr>
<tr>
<td>Whabouchi</td>
<td>Nemaska (100%)</td>
<td>Hard rock</td>
<td>DFS released</td>
<td>3Q 2018</td>
<td>28</td>
<td>549</td>
<td>452</td>
<td>1.21</td>
<td>✗</td>
</tr>
<tr>
<td>Sal de Vida</td>
<td>Galaxy (100%)</td>
<td>Brine</td>
<td>Team confirmed, site works commencing</td>
<td>2H 2019</td>
<td>25</td>
<td>501</td>
<td>1,105</td>
<td>0.45</td>
<td>✓</td>
</tr>
<tr>
<td>Cauchari-Olaroz</td>
<td>Lithium Americas (50%)</td>
<td>Brine</td>
<td>Stage 1 funded</td>
<td>2019</td>
<td>50</td>
<td>900(^5,6)</td>
<td>288</td>
<td>1.56</td>
<td>✗</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,304</td>
<td></td>
</tr>
</tbody>
</table>

Source: Company disclosure, IRESS
Notes:
1. Excludes A$85m ORE placement in Jan 2016 as ORE production considered in existing output; 2. Assumed AUD:USD = 0.75, AUD:CAD = 1.00; 3. Market cap as at close 3 February 2017; 4. Includes sustaining capital of A$7.64m and does not include a contingency assumption; 5. As per guidance from SQM for expanded 2 stage project; 6. A$381m of capex to be funded through a US$174m investment agreement (debt and equity) with Ganfeng and a US$112m investment agreement (debt and equity) with Bangchak Petroleum; 7. Capex adjusted for project ownership

Galaxy Resources Limited (ASX:GXY)
The China Market For Lithium

**Significant tightening of available supply of lithium carbonate – continued rapid growth in demand from battery and energy storage segments**

- China continues policy push in renewable energy – expansion of generation capacity, electrification of transportation, and the like
  - **Recording breaking year in 2016 with China producing 517k new energy vehicles**, made up of 417k pure electric vehicles (64% growth YoY) and 99k hybrids (16% growth YoY)
  - Total passenger vehicles produced of 344k (electric/hybrid – 263k/81k, YoY growth of 73%/30%); total commercial vehicles produced of 172k (electric/hybrid – 154k/18k, YoY growth 50%/23%)
- Over 70% of LCE production in China is reliant on spodumene supply from Talison, limited availability of feedstock from domestic production and imports from South America
  - Tianqi and Albemarle (co-owners of Talison) have expressed that no spodumene will be made available for third parties
  - Mt Cattlin is the only new independent supplier of spodumene (Mt Marion offtake 100% secured by Ganfeng) to other lithium converters in China; offtake signed for 120kt volume in 2017, at US$830/t for 5.5% grade product, representing a 38.3% increase over 2016 pricing

**Estimated Growth in China New Energy Vehicle Sales**

![Graph showing CAGR (2015 – 2020) = 28%]

**Lithium Carbonate Price Comparison (RMB/t)**

- **2015 Start - China Price**
- **Big 3 - Co. A (Est. 2016 FY Price)**
- **Big 3 - Co. B (2016 Q2 Price)**
- **BG Li2CO3 price**
- **BG LiOH price**


**Notes:**

1. BG Li₂CO₃ and LiOH prices are current as at November 2016
China is becoming the global leader in the electrification of transport lithium battery demand across multiple segments

- Chinese demand will dwarf the increased demand from new lithium battery gigafactories
- The future of electric vehicles will be driven by adoption across a number of industries and applications including:
  - Light personnel transportation: two-wheel motorbikes, scooters, three-wheel hybrid vehicles, light EVs (Smart-size electric cars)
  - Heavy transportation applications: including public trains and buses
  - Logistics industry: high torque requirement areas including forklifts, scissor lifts, transport buggies
- China is at the forefront of the electric vehicle revolution:
  - Targeting 5 million electric vehicles by 2020
  - Aiming for up to 50% of government fleet vehicles to be new energy vehicles
  - Push for green technology, targeting 4.8 million charging stations and city transportation fleets of 200,000 electric buses
  - Continued conversion of 200m+ population of electric bikes to switch over from lead acid to lithium batteries
**ASX Lithium Landscape**

**Restarting production and favourable valuation positions** Galaxy as the premier, high quality lithium production opportunity on the ASX

**Market capitalisation of ASX-listed lithium peers (A$m)**

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Capitalisation (A$m)</th>
<th>Lithium Project Type</th>
<th>2017 Production (tonnes of LCE$^1$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galaxy Resources (GXY:ASX)</td>
<td>1,105</td>
<td>Hard rock</td>
<td>20,000</td>
</tr>
<tr>
<td>Orocobre (ORE:ASX)</td>
<td>848</td>
<td>Brine</td>
<td>11,700</td>
</tr>
<tr>
<td>Pilbara Minerals (PLS:ASX)</td>
<td>683</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Altura Mining (AJM:ASX)</td>
<td>274</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neometals (NMT:ASX)</td>
<td>222</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kidman Resources (KDR:ASX)</td>
<td>156</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** IRESS, company disclosure

**Notes:**
1. Net 2017 production adjusted based on current attributable project ownership and assumes nameplate production
Mt Cattlin – Overview

Mining and processing operations have come online in a robust pricing and demand environment for lithium

- Mt Cattlin is a spodumene (lithium concentrate) and tantalum mining operation, located in Ravensthorpe, Western Australia
  - 100% owned by Galaxy
- Only new independent producer and supplier of lithium concentrate in the market globally, since the recent large and sustained increases in lithium prices
- Improved flow sheet design and upgraded process equipment driving substantial efficiency gains and higher product quality
  - Expanded throughput capacity of 1.6Mtpa
  - Low mica content (<5% of total concentrate mass)
  - Targeting initial 50%+ recovery
- Significant expected cash flows to Galaxy from Mt Cattlin with initial offtake prepayments (US$13.5m) received
  - Maiden shipment completed in January 2017
  - 2017 production guidance c. 160kt spodumene
  - High margin operation with current operating costs
  - Cash flows will be utilising A$214m in unused tax losses
  - Further revenue upside from tantalite production
Significant underlying cash flow generation from Mt Cattlin to assist in continued project expansion and development

- Project metrics substantially enhanced due to continued improvement in lithium economics
  - Increased project revenues and improved production margins as a result of robust lithium pricing environment
  - Overall cost of mining operations also reduced now due to industry trends and improved flow sheet design
  - Rising demand for lithium
- Major Chinese customers established for spodumene offtake which is the preferred feedstock for lithium converters
  - 45,000 tonnes sold in 2016 at US$600/t
  - US$13.5m upfront prepayment received for 2016 volumes
  - Signed binding agreements for the sale of 120,000 tonnes of lithium concentrate at US$830/t (FOB, 5.5% Li2O)
  - Customers will pay an additional US$15/t for every 0.1% improvement in grade of Li2O delivered, resulting in an agreed price of up to US$905/t for 6% lithium concentrate
- Independent spodumene producer – production is not controlled by a downstream lithium converter or trader

### Mt Cattlin mining operations

![Mt Cattlin mining operations](image)

### Resource and production capacity

<table>
<thead>
<tr>
<th>Resource category</th>
<th>Tonnes</th>
<th>Li₂O %</th>
<th>Ta₂O₅ ppm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>2,540,000</td>
<td>1.20</td>
<td>152</td>
</tr>
<tr>
<td>Indicated</td>
<td>9,534,000</td>
<td>1.06</td>
<td>170</td>
</tr>
<tr>
<td>Inferred</td>
<td>4,343,000</td>
<td>1.07</td>
<td>132</td>
</tr>
<tr>
<td>Total</td>
<td>16,416,000</td>
<td>1.08</td>
<td>157</td>
</tr>
</tbody>
</table>

Production capacity: 1.6Mtpa

Source: General Mining Announcement (2015.08.04)

Note:
1. Galaxy understands that all material assumptions underpinning the production target and financial information set out in the General Mining announcement released continue to apply and have not materially changed
Mt Cattlin – Operational Ramp-Up

Production of upgraded 1.6Mtpa facility recommenced, maiden shipment complete and operational focus now shifting to production ramp-up

- Mining and processing operations restarted by General Mining at the end of 1Q 2016
- Upgrade and expansion of processing facility
- Commissioning of expanded Mt Cattlin facility
- Recomencement of spodumene production in 4Q 2016
- 2017 spodumene volumes of 120kt sold at US$830/t (FOB, 5.5% Li$_2$O, pricing of US$905/t at 6.0% Li$_2$O)
- First shipment from Esperance Port
- Second shipment expected in second half of February 2017
- Ongoing offtake negotiations for additional 2017 production
- Production ramp-up to meet targeted run-rate of 160kt
- Optimisation studies to improve recoveries above the initial 50% targets

Mt Cattlin mining operational ramp-up

Fig. 1: Recomencement of mining operations following engagement of Piacentini & Sons as mining contractor
Fig. 2: Lithium Concentrate loading into holder of NY Trader 1 prior to maiden shipment from Esperance Port
Fig. 3: Mt Cattlin operations
Sal de Vida – Overview

One of the world’s largest and highest quality undeveloped brine deposits with significant expansion potential

- A premier lithium and potash brine development project
  - 100% owned by Galaxy and fully permitted
  - Located between Salta and Catamarca Province in Argentina, in an area that is known as the ‘Lithium Triangle’

- Lithium triangle home to >60% of global annual lithium production
  - Sal de Vida located on the same salar as FMC’s Fenix operations

- Revised DFS reaffirms the technical superiority of Sal de Vida and potential for a highly profitable operation
  - Estimated post-tax NPV_{8\%\ real} of US$1.4bn
  - Potential to generate average annual revenues of US$354m
  - Potential to generate average operating cash flow of US$273m pre-tax (US$182m post-tax)

- Large mineral reserves to support annual production of 25ktpa of battery grade lithium carbonate and 95ktpa of potash

- Brine projects have the advantages of lower operational costs and greater ability to expand production facilities

- Discussions underway with offtakers and potential strategic partners

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Sal de Vida reserve estimates

<table>
<thead>
<tr>
<th>Reserve category</th>
<th>Time period</th>
<th>Tonnes Li total mass</th>
<th>Tonnes Li(_2)CO(_3) equivalent</th>
<th>Tonnes KCl total mass</th>
<th>Tonnes KCl equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>1-6</td>
<td>34,000</td>
<td>181,000</td>
<td>332,000</td>
<td>633,000</td>
</tr>
<tr>
<td>Probable</td>
<td>7-40</td>
<td>180,000</td>
<td>958,000</td>
<td>1,869,000</td>
<td>3,564,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40 years</strong></td>
<td><strong>214,000</strong></td>
<td><strong>1,139,000</strong></td>
<td><strong>2,201,000</strong></td>
<td><strong>4,197,000</strong></td>
</tr>
</tbody>
</table>

Source: Revised Sal de Vida DFS – August 2016. Assumes 500mg/L Li cut off
Galaxy Resources Limited (ASX:GXY)

Sal de Vida – Development Update

Development Team made up of highly credentialed industry consultants with a proven ability to develop lithium brine projects within the lithium triangle

Galaxy Confirms Development Team Leaders

- Significant technical and geographical expertise with 200 years of combined industry experience
- Significant experience with the leading global lithium producers, including SQM, FMC and Rockwood
- Team members cover the multiple disciplines required to advance the project to the next stage – engineering and construction, process and operations, and hydrogeology

Planned Development Activity

- Site works planned to commence in mid February 2017:
  - Production wells: Drilling two 150m deep production wells to feed brine to an initial set of 45ha test evaporation ponds
  - Demo plant program: Relocating and upgrading existing pilot facilities, establishing demo plant program to test industrial processing assumptions, serve as a training platform and produce commercial samples of lithium products to facilitate advanced qualification procedures with potential customers

<table>
<thead>
<tr>
<th>Process and operations</th>
<th>Engineering and construction</th>
<th>Hydro geology and brine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Vijay Mehta (P.Chem, PhD)</td>
<td>Over 40 years of experience working for numerous lithium and specialty chemical companies, including 26 years at FMC as head of Product and Process Development, producing a whole range of lithium products (e.g. $\text{Li}_2\text{CO}_3$, $\text{LiOH}$ and $\text{Li}_3\text{O}_4\text{P}$)</td>
<td>Mr Rodolfo Garcia (P.Geo, PhD)</td>
</tr>
<tr>
<td>Mr Marcelo Bravo Veas (P.Eng)</td>
<td>16 years of experience, with 12 years at SQM’s Salar de Atacama as Chief of Process Engineering, overseeing evaporation ponds construction and operation, as well as providing process engineering advisory to several listed companies</td>
<td>28 years of experience studying and modelling geology and hydrogeology of numerous projects in the region. Mr. Garcia also assisted in the development of several brine projects, including FMC’s West Hombre Muerto, Lithium America’s Cauchari, Orocobre’s Olaroz, and Enirgi’s Rincon</td>
</tr>
<tr>
<td>Mr Daniel Chavez Diaz (P.Eng)</td>
<td>25 years of experience in lithium brine operations, including Plant Manager, Managing Director at FMC’s operations in the Salar del Hombre Muerto, as well as President of Minera de Altiplano, the FMC subsidiary in Argentina</td>
<td>Mr Mario Portillo (P.Eng)</td>
</tr>
<tr>
<td>Mr Pedro Pavlovic Zuvic (P.Eng)</td>
<td>Over 40 years of experience as a process expert in lithium and potassium extraction, working for a number of global lithium majors, including Rockwood, SQM and FMC. Formerly Managing Director of CORFO’s mixed salt program, developing the lithium and potassium resources at the Salar de Atacama</td>
<td>40 years of experience building large scale industrial projects for Technit as a Project Engineering Manager – Technit was the lead construction and engineering consultant for FMC’s lithium carbonate plant at Salar del Hombre Muerto and their lithium chloride plant at General Guemes in Salta</td>
</tr>
</tbody>
</table>

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Revised DFS confirms low cost, long life and economically robust operation, with substantially improved economics compared to original study

- There were a number of catalysts for revised DFS that have culminated in substantially improved project economics
- Improved lithium carbonate pricing environment
  - Base case price range of US$11,000/t to US$13,911/t, compared to US$5,895/t to US$6,895/t in 2013 DFS
- Recent macro-economic/policy changes in Argentina
  - Elimination of export duties
  - Annual incentive rebate equivalent to 5% of Li$_2$CO$_3$ export revenues due to operating in the Puna region
- Revised operating costs include updated prices and transportation costs for reagents, reduction of manpower and revision of transportation strategies for personnel and product/material onsite and out of the plant
  - Revised operating costs estimated to be US$3,369/t before potash credits and US$2,959/t after credits
- Option to defer capital investment on potash pant and related infrastructure, potential saving of US$34m

**Definitive Feasibility Study Financials Comparison**

<table>
<thead>
<tr>
<th>Item</th>
<th>August 2016$^1$</th>
<th>April 2013$^2$</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium Carbonate Production</td>
<td>25,000tpa</td>
<td>25,000tpa</td>
<td>-</td>
</tr>
<tr>
<td>Potash Production</td>
<td>95,000tpa</td>
<td>95,000tpa</td>
<td>-</td>
</tr>
<tr>
<td>Project Life</td>
<td>&gt; 40 years</td>
<td>&gt; 40 years</td>
<td>-</td>
</tr>
<tr>
<td>Capital Costs$^3$</td>
<td>US$376m</td>
<td>US$369m</td>
<td>+2%</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>US$3,369/t LC</td>
<td>US$2,889/t LC</td>
<td>+17%</td>
</tr>
<tr>
<td>Internal Rate Of Return (post-Tax)</td>
<td>34.6%</td>
<td>19%</td>
<td>+16% (absolute)</td>
</tr>
<tr>
<td>Payback period (post-tax)</td>
<td>2 years 10 months</td>
<td>4 years 7 months</td>
<td>Less 1 year 9 months</td>
</tr>
<tr>
<td>Average Annual Revenues$^4$</td>
<td>US$354m</td>
<td>US$160m</td>
<td>+121%</td>
</tr>
<tr>
<td>NPV$_{8%}$ (post-Tax)</td>
<td>US$1,416m</td>
<td>US$565m</td>
<td>+151%</td>
</tr>
<tr>
<td>NPV$_{10%}$ (post-Tax)</td>
<td>US$1,043m</td>
<td>US$380m</td>
<td>+174%</td>
</tr>
</tbody>
</table>

**NPV$_{8\%}$ (post-tax) @ AUD/USD 0.75**
- A$1,888m
- A$1,391m

**NPV$_{10\%}$ (post-tax) @ AUD/USD 0.75**
- A$753m
- A$506m

**Change (%)**
- +151%
- +174%

Notes:
1. Revised DFS released 22 August 2016
2. Original DFS released 12 April 2013
3. Inclusive of capital costs associated with the potash production facility
4. Pricing scenarios assume the following ranges throughout the life of the project for battery grade lithium carbonate and potash: Li2CO3 – US$11,000 to US$13,911 and KCl US$220 flat
The premier lithium development globally, with a competitive cost position and one of the world’s best brine chemistry and impurity profiles

- Leading brine chemistry that will produce 100% battery quality lithium carbonate
  - Low magnesium (Mg), a low Mg/Li ratio reduces costs and yields higher quality end product
- Very competitive positioning on the lithium producer cost curve, even with no potash credits assumed
  - High potassium yields significant potash credits, reducing operating costs
- Sal de Vida will adopt conventional approach with evaporation ponds and processing
- SQM produces lithium as a by-product and thus some brine costs are charged to potash
- The processing of brine at Sal de Vida, SQM and ALB is similar with some adjustments in processing steps due to different brine composition
  - FMC has a different brine processing technology

Estimate of Sal de Vida operating costs vs. currently producing brine and hard rock projects (US$/kg)

Source: Company estimates

Sal de Vida resource and brine chemistry

<table>
<thead>
<tr>
<th>Resource</th>
<th>7.2Mt LCE (lithium carbonate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28.8Mt KCl (potassium chloride)</td>
</tr>
<tr>
<td>Reserve</td>
<td>1.1Mt LCE</td>
</tr>
<tr>
<td></td>
<td>4.2Mt KCl</td>
</tr>
<tr>
<td>Grade/Chemistry</td>
<td>810mg/l Li</td>
</tr>
<tr>
<td></td>
<td>9,100mg/l K</td>
</tr>
<tr>
<td></td>
<td>11.2 K/Li ratio</td>
</tr>
<tr>
<td></td>
<td>12.1 SO₄/Li ratio</td>
</tr>
<tr>
<td></td>
<td>2.4 Mg/Li ratio</td>
</tr>
</tbody>
</table>

Notes:
1. China Spodumene (low) assumes cash cost of Talison, plus transportation and best China conversion costs

Potassium/lithium ratio provides for potash credits

Low magnesium/lithium ratio yields higher quality end product
The project provides a valuable option for capitalising on long term lithium demand growth, and the potential to supply the North American market.

- Lithium pegmatite project located in James Bay, Quebec Province, Canada
  - Strategically located in a mining friendly jurisdiction with a low cost of energy and good infrastructure
- 100% owned by Galaxy
- Total indicated and inferred resources are 22.2Mt at 1.28% Li₂O
- Exploration and development program planned to commence in 1Q 2017
  - Comprehensive diamond drill program to upgrade existing ore resources to reserves, to explore identified pegmatites not previously drilled and to further understand resource geology
- Revised DFS expected to commence shortly
  - DFS work will take advantage of Mt Cattlin experience to draw synergies for engineering and process flow sheet design
  - Upon commencement, ongoing study work expected to be completed in 6 to 9 months

### James Bay resource estimate

<table>
<thead>
<tr>
<th>Resource category</th>
<th>Tonnes</th>
<th>Li₂O %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>11,750,000</td>
<td>1.30</td>
</tr>
<tr>
<td>Inferred</td>
<td>10,470,000</td>
<td>1.20</td>
</tr>
<tr>
<td>Total</td>
<td>22,220,000</td>
<td>1.28</td>
</tr>
</tbody>
</table>

Refer Galaxy Resources Announcement (2012.07.05)
Outlook

Multiple catalysts should support a sustained market re-rating

- **SAL DE VIDA**
  - Offtake and project financing: Development team confirmed, discussions with offtakers and strategic partners
  - Site works commencing, including startup of demo plant program
  - Continuing project financing evaluation and discussions

- **MT CATTLIN**
  - Production & ramp up: Focus on production ramp up and processing optimisation to meet 2017 production guidance of 160kt of lithium concentrate
  - Lithium offtake for 2017 contracts successfully negotiated, strong cash flow and margin expected

- **JAMES BAY**
  - Project development: Exploration and development program, including comprehensive diamond drill program to upgrade existing resource to reserves
  - Revised DFS expected to commence shortly, drawing on Mt Cattlin experience for study acceleration

- **MACRO**
  - Robust lithium demand: Continued strong growth in demand for lithium, led by increase in NEV sales and adoption rates in China, as well as robust growth in other markets
  - Lagged response from supply side of both lithium compounds and concentrate feedstock, increased pricing levels being sustained

- **CORPORATE**
  - Integration of General Mining: General Mining takeover now complete and operations now fully integrated under Galaxy management, consolidates 100% ownership of all projects globally
  - Recent addition to S&P/ASX 200 index
APPENDIX

Lithium Market and Galaxy Board
New Board and Management appointments further strengthen the quality of the leadership team as Galaxy positions itself to be a leading lithium producer

- Galaxy’s Chairman is a respected leader in the global mining industry and a co-founder of First Quantum (TSX: FM)
- Anthony Tse (Managing Director) appointed in 2013, successfully led Galaxy turnaround and restructuring
- Team brings strong financial acumen to Galaxy; meaning that over A$500m of debt restructuring, M&A and financing has been able to be completed by Galaxy within the last 3 years without external advisors
- Importantly, the current management and key employees have successfully developed lithium projects into production and have established customer relationships in key Asian markets
- Recently appointed COO, Mark Pensabene, brings 20+ years of experience and expertise in leading large scale greenfield and brownfield development projects through his former role as General Manger at the prominent engineering firm Monadelphous (ASX: MND)

**Martin Rowley – Independent Non-Executive Chairman**
- Co-founder and Executive Director of First Quantum
- First Quantum is among the largest copper production companies in the world with a market cap of C$4bn
- Non-Executive Chairman of Forsys Metal Corp (TSX: FSY)
- Previously Non-Executive Chairman of Lithium One Inc. (acquired by Galaxy in July 2012)

**Jian-Nan Zhang – Non-Executive Director**
- Deputy General Manager of Fengli Group, a subsidiary of a leading private Chinese industrial group

**Anthony Tse – Managing Director**
- 20+ years corporate experience in high growth industries, including technology, media and resources
- Extensive senior management experience in corporate strategy and development, M&A, capital markets
- Former Director Corporate Development at Hutchison Whampoa’s TOM Group (HKSE:2383), Deputy General Manager of TOM Online (NASDAQ:TOMO), President of CETV and CEO of CSN Corp.

**John Turner – Independent Non-Executive Director**
- Leader of Fasken Martineau’s Global Mining Group, a leading international law and litigation firm that has been ranked #1 globally 8 times since 2005 (including 2016)

**Peter Bacchus – Independent Non-Executive Director**
- Chairman and CEO of Bacchus Capital Advisors, a M&A and merchant banking boutique based in London
- 20+ years’ investment banking experience, as former Head of Investment Banking at Jefferies, Global Head of Metals & Mining at Morgan Stanley and Head of Investment Banking, Industrials and Natural Resources at Citigroup
- Current Non-Executive Director of NordGold (LSE: NORD), and Gold Fields (JSE: GFI)
### Sal de Vida – World Class Chemistry

One of the highest quality lithium brine developments globally, as demonstrated by its leading brine chemistry

- High lithium (Li) content to facilitate large scale production
- High potassium (K) yields significant potash credits, reducing operating costs
- Low magnesium (Mg), a low Mg/Li ratio reduces costs and yields higher quality, impurities are detrimental to being able to achieve grade spec

<table>
<thead>
<tr>
<th></th>
<th>Sal de Vida</th>
<th>Project A</th>
<th>Project B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resource</strong></td>
<td>7.2Mt LCE (lithium carbonate)</td>
<td>6.4Mt LCE</td>
<td>11.8Mt LCE</td>
</tr>
<tr>
<td></td>
<td>28.8Mt KCl (potassium chloride)</td>
<td>19.9Mt KCl</td>
<td>35.3Mt KCl</td>
</tr>
<tr>
<td><strong>Reserve</strong></td>
<td>1.1Mt LCE</td>
<td>Reserve not disclosed</td>
<td>2.7Mt LCE</td>
</tr>
<tr>
<td></td>
<td>4.2Mt KCl</td>
<td></td>
<td>8.0Mt KCl</td>
</tr>
<tr>
<td><strong>Grade/Chemistry</strong></td>
<td>810mg/l Li</td>
<td>774mg/l Li</td>
<td>666mg/l Li</td>
</tr>
<tr>
<td></td>
<td>9,100mg/l K</td>
<td>6,227mg/l K</td>
<td>5,401mg/l K</td>
</tr>
<tr>
<td></td>
<td>11.2 K/Li ratio</td>
<td>8.0 K/Li ratio</td>
<td>8.1 K/Li ratio</td>
</tr>
<tr>
<td></td>
<td>12.1 SO₄/Li ratio</td>
<td>24.4 SO₄/Li ratio</td>
<td>28.5 SO₄/Li ratio</td>
</tr>
<tr>
<td></td>
<td>2.4 Mg/Li ratio</td>
<td>2.6 Mg/Li ratio</td>
<td>2.4 Mg/Li ratio</td>
</tr>
<tr>
<td><strong>Capacity</strong></td>
<td>25ktpa LC</td>
<td>16.4ktpa LC</td>
<td>20ktpa LC</td>
</tr>
<tr>
<td></td>
<td>95ktpa KCl</td>
<td>10-20ktpa KCl</td>
<td>40ktpa KCl</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>US$369.0m</td>
<td>US$206.7m</td>
<td>US$313.8m</td>
</tr>
<tr>
<td><strong>Capital intensity</strong></td>
<td>US$14,760/t</td>
<td>US$12,603/t</td>
<td>US$15,688/t</td>
</tr>
<tr>
<td><strong>Well fields</strong></td>
<td>20 wells – southwest field</td>
<td>Not stated</td>
<td>21 wells – initial phase</td>
</tr>
<tr>
<td></td>
<td>30 wells – eastern well field</td>
<td></td>
<td>23 wells – phase 2</td>
</tr>
<tr>
<td><strong>Tenements</strong></td>
<td>Owned</td>
<td>Owned</td>
<td>Owned</td>
</tr>
<tr>
<td></td>
<td>No other operations</td>
<td>Mixed with Project B properties</td>
<td>Mixed with lease from Project A</td>
</tr>
<tr>
<td><strong>Jurisdiction</strong></td>
<td>Catamarca/Salta</td>
<td>Jujuy</td>
<td>Jujuy</td>
</tr>
</tbody>
</table>
Disclaimer

This document contains forward looking statements concerning the projects owned by Galaxy. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Galaxy’s beliefs, opinions and estimates of Galaxy as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. 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. Data and amounts shown in this document relating to capital costs, operating costs, potential or estimated cashflow and project timelines are internally generated best estimates only. All such information and data is currently under review as part of Galaxy’s ongoing operational, development and feasibility studies. Accordingly, Galaxy makes no representation as to the accuracy and/or completeness of the figures or data included in the document. Not For Release in US This presentation does not constitute an offer of securities for sale in any jurisdiction, including the United States. Any securities described in this presentation may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended, following the preparation of required documents and completion of required processes to permit such offer or sale.

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F: +61 8 9215 1799
E: info@galaxylithium.com
Competent & Qualified Persons’ Statement

Sal de Vida

The information in this report that relates to the estimation and reporting of the Sal de Vida Project Mineral Resources and Mineral Reserves is extracted from the report entitled “Sal de Vida: Revised Definitive Feasibility Study Confirms Low Cost, Long Life and Economically Robust Operation” created on 22 August 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Mineral Reserves estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

James Bay

The information in this report that relates to Mineral Resources at the James Bay Project is based on work completed by Mr James McCann, who is a Member of a Recognised Overseas Professional Organisation. Mr McCann is a full time employee of McCann Geosciences, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr McCann consents to the inclusion in the report of the matters based on his information in the form and context it appears. This information was prepared and first disclosed under the JORC Code 2004 it has not been updated since to comply with JORC code 2012 on the basis that the information has not materially changed since it was last reported.

Mt Cattlin

The information in this report that relates to the estimation and reporting of the Mt Cattlin Project Mineral Resources and Mineral Reserves is extracted from the report entitled “Mt Cattlin Update: Revised Resource & Reserve Statement” created on 4 August 2015 published by General Mining Limited (ASX: GMM) which is available to view on www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement made by GMM. The Company understands that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Production Targets and Financial Information

Information in relation to the Sal de Vida Revised Definitive Feasibility Study, including production targets and financial information, included in this report is extracted from the report entitled “Sal de Vida: Revised Definitive Feasibility Study Confirms Low Cost, Long Life and Economically Robust Operation” created on 22 August 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement dated 22 August 2016 continue to apply and have not materially changed.