GALAXY RESOURCES LIMITED

Mines and Money Asia

April 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

Mt Cattlin Operations – Australia

En route to Sal de Vida lithium project – Argentina

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 (2017.03.31)

Share price	**A$0.455**
52 week high / low	A$0.26 / A$0.695
Number of shares (undiluted)[1,2]	1,976m
Market Capitalisation	**A$898.9m**
Cash[3] (31-Dec-16)	A$70.3m
Debt (31-Dec-16)	A$40.2m
Net debt (31-Dec-16)	A$30.1m
Enterprise Value	**A$868.8m**

Source: IRESS

Notes:

1 *Excludes 25.8m 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 24.8m share appreciation rights and 13.9m exchangeable and special voting shares*

3 *Includes cash reserve from debt facility*

4 *Cash adjusted for the A$61m placement completed in February 2017*

Broker research coverage

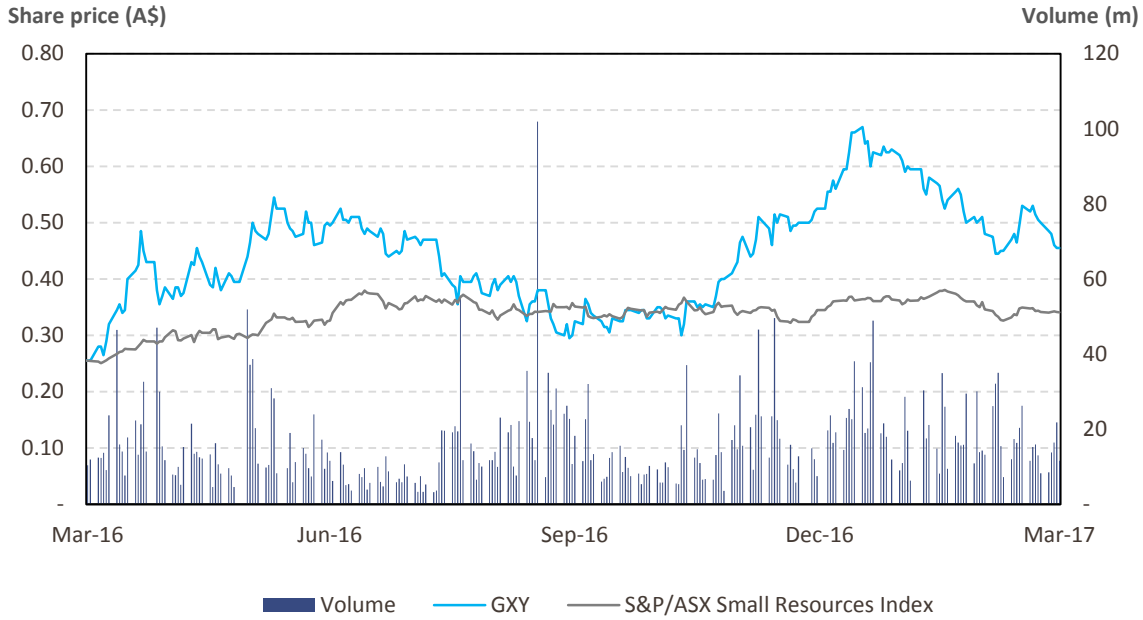
CANACCORD
Reg Spencer (Sydney)

Baillieu Holst
Warren Edney (Melbourne)

BELL POTTER
Peter Arden (Melbourne)

Hartleys
Trent Barnett (Perth)

Share price performance (1 year)

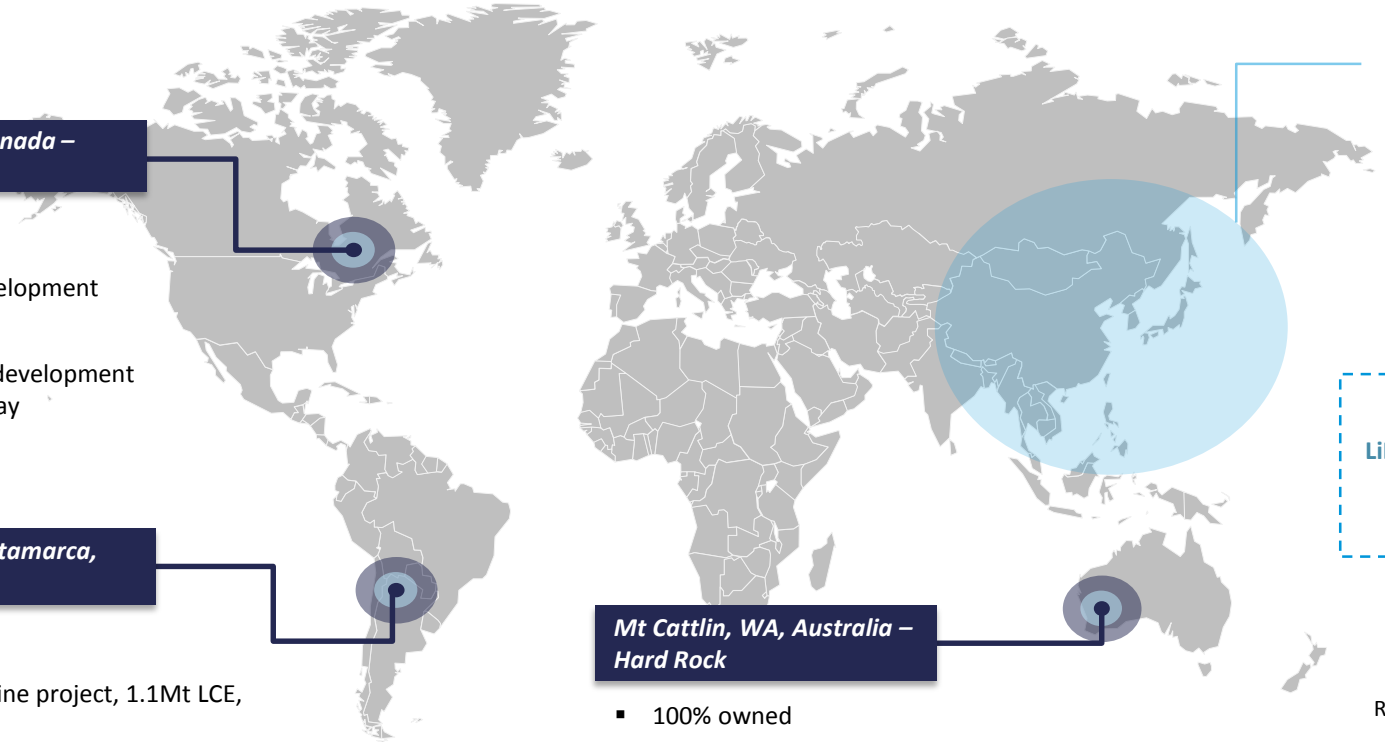


Top Shareholders (2016.12.31)

	%
Board and Management	5.5%
Top 20 shareholders	33.8%

Diverse Asset Portfolio

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% Li_2O
- New exploration and development program, DFS underway

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

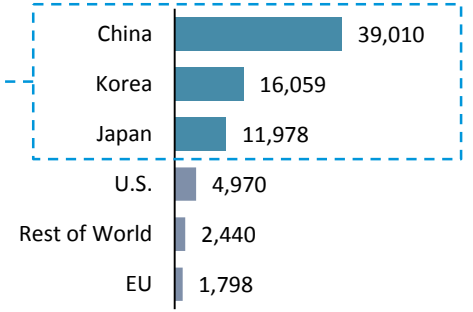
Mt Cattlin, WA, Australia – Hard Rock

- 100% owned
- 16Mt at 1.08% Li_2O and 5.7Mlbs Ta_2O_5
- 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)



Current and future capacity dominated by North-East Asia

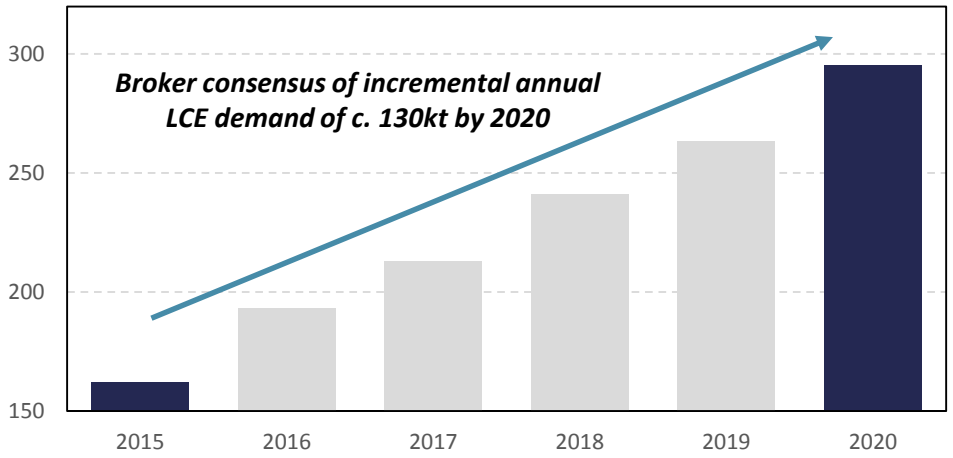
Source: CEMAC 2015

Lithium Supply & Demand Balance

Significant further supply side expansion required to meet continued rapid growth in demand from battery and energy storage applications

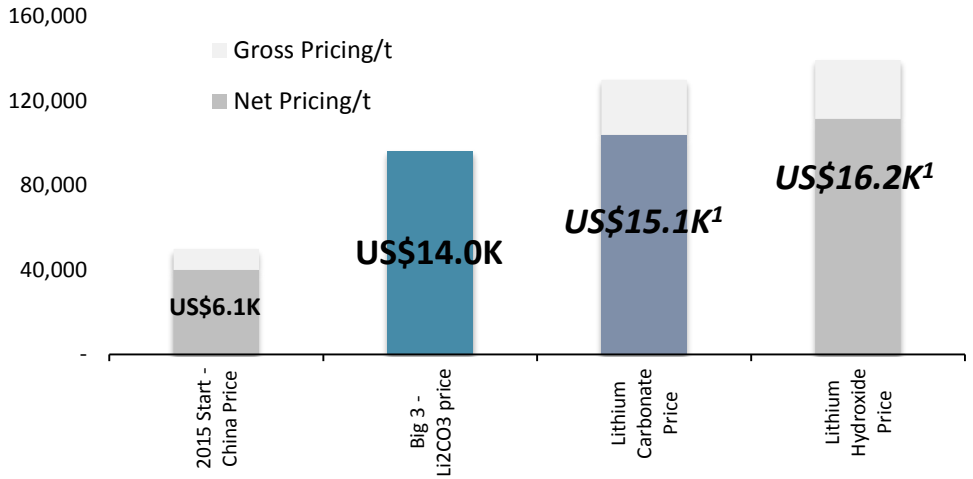
- Continued strength in lithium carbonate and lithium hydroxide prices is a clear indication that demand growth is sufficiently strong to cater for increased supply output
- Mt Cattlin, Mt Marion, La Negra 2 and Tianqi Kwinana are the only new supply pipeline projects that are fully funded to date to support expected 120-150kt LCE incremental annual demand by 2020
  - Further 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 outlook**

Lithium Carbonate Demand (kt LCE)



Source: Broker consensus

Lithium Carbonate Price Comparison (RMB/t)



Notes:
1. BG Li_2CO_3 and LiOH prices are current as at March 2017

Lithium Supply Outlook Remains Tight

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 currently failing to provide adequate supply response

- Lithium sector undercapitalised to date, estimated only A$640m[1] raised in last 18 months to fund pipeline supply projects
  - This compares to a total capital expenditure requirement of c. A$2.3bn for the next nearest lithium development projects below
  - With potential delays in development and production ramp up, expect to experience tight supply and continued robust pricing outlook
- Galaxy's market capitalisation, operational expertise and existing cash flows will de-risk its project development plans relative to smaller peers
  - Significant lithium production expertise (hard rock and brine) from Mt Cattlin operations and experienced Sal de Vida Development Team
  - Proven ability to attract project funding (debt and equity), supplemented by significant free cash flow generation from production at Mt Cattlin

Development projects pipeline contributing to incremental supply

Project	Ownership	Type	Development Stage	Targeted First Production*	Nameplate Prod. Cap. (kt LCE)	Capex (A$m)[2]	Market Cap (A$m)[2,3]	Capex/ Market cap (x)[7]	Access To Existing Cash Flow
Mt Cattlin	**Galaxy (100%)**	**Hard rock**	**Ramp-up**	**Producing**	**20**	**Funded**	**899**	**N/A**	✓
Mt Marion	Neometals (14%)	Hard rock	Ramp-up	Producing	50	Funded	172	N/A	✓
La Negra 2	Albemarle (100%)	Brine	Evaporating brine	Q4 2017	20	Funded	15,302	N/A	✓
Pilgangoora	Altura (100%)	Hard rock	DFS released	4Q 2017	36	140[4]	231	0.61	✗
Pilgangoora	Pilbara Minerals (100%)	Hard rock	DFS released	1Q 2018	44	214	543	0.39	✗
Whabouchi	Nemaska (100%)	Hard rock	DFS released	3Q 2018	28	549	407	1.35	✗
Sal de Vida	**Galaxy (100%)**	**Brine**	**Team confirmed, site works commencing**	**2H 2019**	**25**	**501**	**899**	**0.56**	✓
Cauchari-Olaroz	Lithium Americas (50%)	Brine	Stage 1 partially funded	2019	50	900[5,6]	310	1.89	✗
Total						**2,304**			

Source: Company disclosure, IRESS

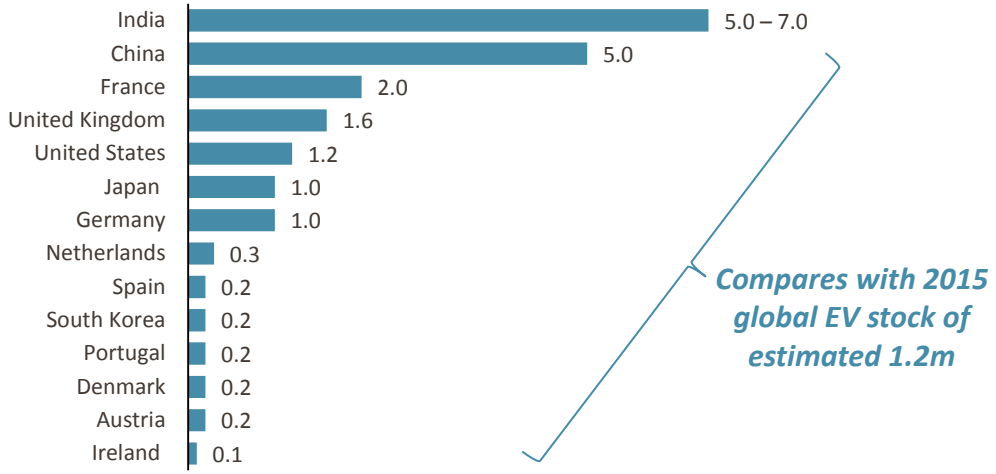
Notes:

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 31 March 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 *Subject to financing being put in place

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)



Source: International Energy Agency – Global EV Outlook 2016

Lithium requirement to meet increased stock targets

	Scenario 1	Scenario 2
2015 global EV stock (millions vehicles)	1.2	1.2
2020 global EV stock (millions vehicles)	17.8	17.8
Increase in EV global stock (millions vehicles)	16.6	16.6
Average LCE requirement (kg per EV)	24[1]	32[2]
Additional LCE demand (kt)	***398***	***531***

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

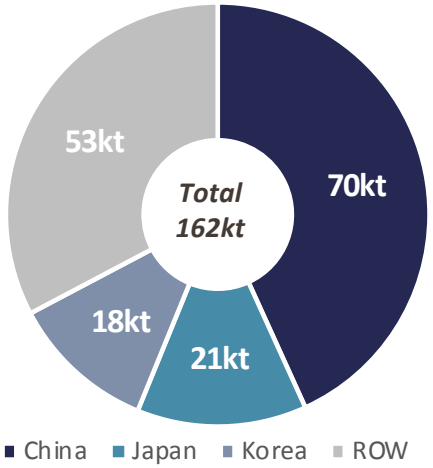
Source: Media releases

The China Market For Lithium

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

- China continues policy push in renewable energy – expansion of generation capacity, electrification of transportation, and the like
  - **Record 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%)
- Historically 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

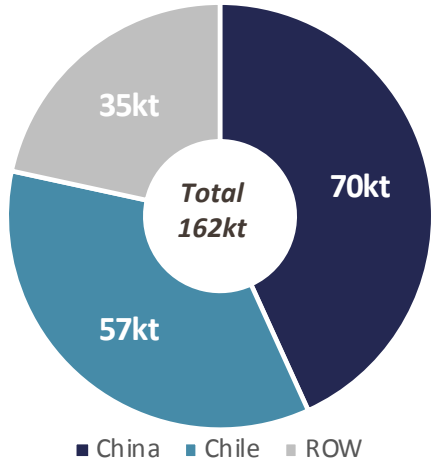
2015 demand for lithium chemicals (kt LCE)



c. 40% of global output ends in battery applications

c. 70% of Chinese output ends in battery applications

2015 supply of lithium chemicals (kt LCE)



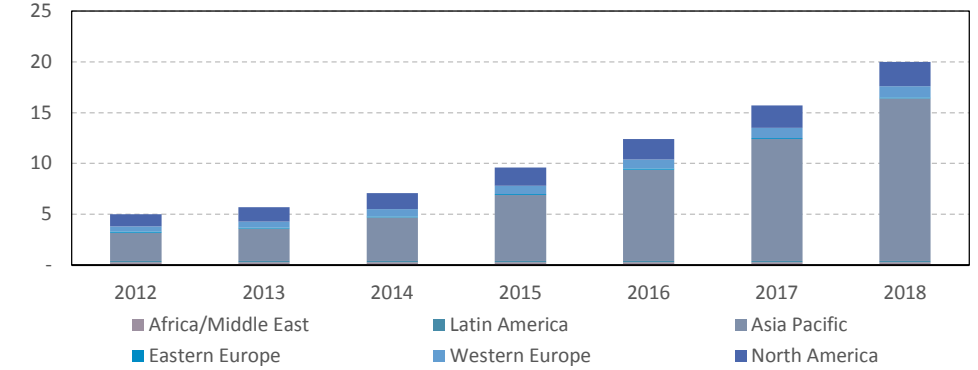
Source: Public announcements, customs data and company estimates

Electrification Of China's Transport Sector

China is becoming the global leader in the electrification of transport lithium battery demand across multiple segments

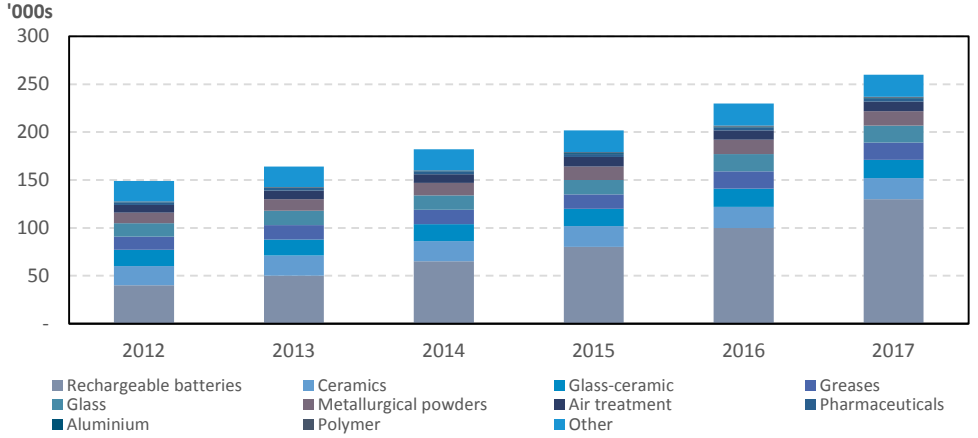
- Chinese demand will dwarf the increased demand from new lithium battery gigafactories
- The **future of electric vehicles will be driven by adoption across a number of industries and applications** including:
  - **Light personnel transportation**: two-wheel motorbikes, scooters, three-wheel hybrid 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

Annual electric drive bus sales by region (000s)



Source: Pike Research

World consumption of lithium by end use (2012 – 2017)



Source: Roskill – Lithium Market Outlook to 2017

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 in 2016
  - Second shipment (c. 14kt) completed on 1 March 2017, with payment received from Mitsubishi
  - 2017 production guidance **c. 160kt spodumene**
  - **High margin operation** with current operating costs
  - **Further revenue upside** from tantalite production

Location

Mt Cattlin operations

Mt Cattlin – Project Economics

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, minimum 5.5% Li2O)
  - ✓ Customers will pay an **additional US$15/t for every 0.1% improvement in grade of Li_2O 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**

Spodumene loaded for shipment from Esperance port

Resource and production capacity[1]

Resource category	Tonnes	Li_2O %	Ta_2O_5 ppm
Measured	2,540,000	1.20	152
Indicated	9,534,000	1.06	170
Inferred	4,343,000	1.07	132
Total	**16,416,000**	**1.08**	**157**
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, second shipment complete and operational focus now shifting to production ramp-up

Restart production and plant expansion

- ☑ 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
- ☑ Recommencement of spodumene production in 4Q 2016

First delivery and 2017 contracting

- ☑ 2017 spodumene volumes of 120kt sold at US$830/t (FOB, 5.5% Li_2O, pricing of US$905/t at 6.0% Li_2O)
- ☑ First shipment in January 2017 from Esperance Port

Operational ramp-up and optimisation studies

- ☑ Second shipment completed on 1 March 2017
- ☑ Plant throughput nameplate of 210tph achieved
- ☐ Production ramp-up to meet targeted run-rate of 160kt
- ☐ Third shipment planned for second half of April 2017
- ☐ Optimisation studies to improve recoveries above the initial 50% targets

Mt Cattlin mining operational ramp-up

Fig. 1: *Recommencement of mining operations following engagement of Piacentini & Sons as mining contractor*

Fig. 2*: Lithium Concentrate loading at Mt Cattlin for transport to the Esperance Port*

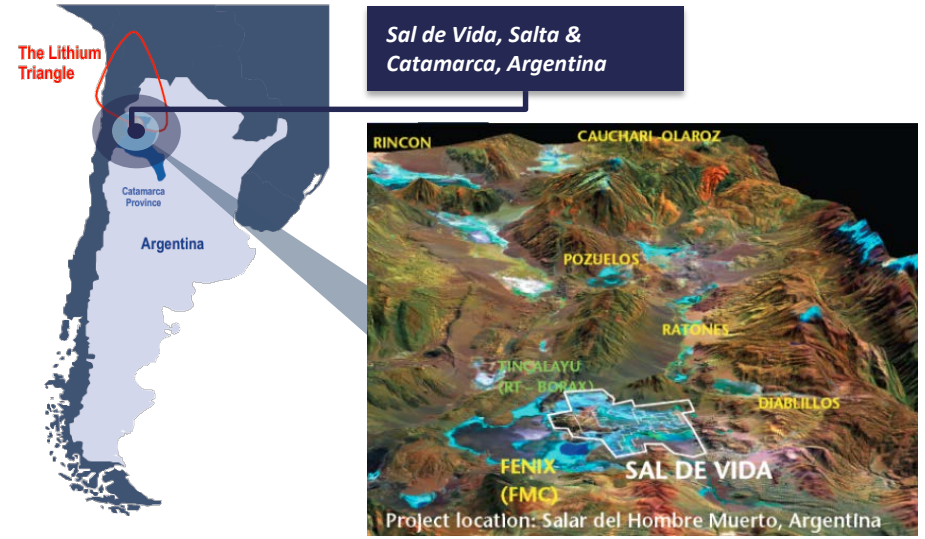
Fig. 3: *Mt Cattlin operations*

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

Location



Sal de Vida reserve estimates

Reserve category	Time period	Tonnes Li total mass	Tonnes equivalent Li_2CO_3	Tonnes K total mass	Tonnes equivalent KCl
Proven	1-6	34,000	181,000	332,000	633,000
Probable	7-40	180,000	958,000	1,869,000	3,564,000
Total	**40 years**	**214,000**	**1,139,000**	**2,201,000**	**4,197,000**

Source: Revised Sal de Vida DFS – August 2016. Assumes 500mg/L Li cut off

Sal de Vida – Development Update

Owner's 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

Process and operations	
Mr Vijay Mehta (P.Chem, PhD)	**Over 40 years of experience** working for a variety of specialty chemicals companies, including 26 years at **FMC as head of Product and Process Development,** producing a number of lithium products (e.g. Li_2CO_3, LiOH and Li_3O_4P)
Mr Marcelo Bravo Veas (P.Eng)	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
Mr Daniel Chavez Diaz (P.Eng)	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
Mr Pedro Pavlovic Zuvic (P.Eng)	**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
Engineering and construction	
Mr Mario Portillo (P.Eng)	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
Hydro geology and brine	
Mr Rodolfo Garcia (P.Geo, PhD)	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**

Sal de Vida – World Class Development

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_2CO_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

Item	August 2016[1]	April 2013[2]	Change (%)
Lithium Carbonate Production	25,000tpa	25,000tpa	-
Potash Production	95,000tpa	95,000tpa	-
Project Life	> 40 years	> 40 years	-
Capital Costs[3]	US$376m	US$369m	+2%
Operating Costs	US$3,369/t LC	US$2,889/t LC	+17%
Internal Rate Of Return (post-Tax)	34.6%	19%	+16% (absolute) +82% (relative)
Payback period (post-tax)	2 years 10 months	4 years 7 months	Less 1 year 9 months
Average Annual Revenues[4]	US$354m	US$160m	+121%
$NPV_{8\% real}$ (post-Tax)	US$1,416m	US$565m	+151%
$NPV_{10\% real}$ (post-Tax)	US$1,043m	US$380m	+174%
$NPV_{8\% real}$ (post tax) @ AUD/USD 0.75	**A$1,888m**	**A$753m**	**+151%**
$NPV_{10\% real}$ (post-tax) @ AUD/USD 0.75	**A$1,391m**	**A$506m**	**+174%**

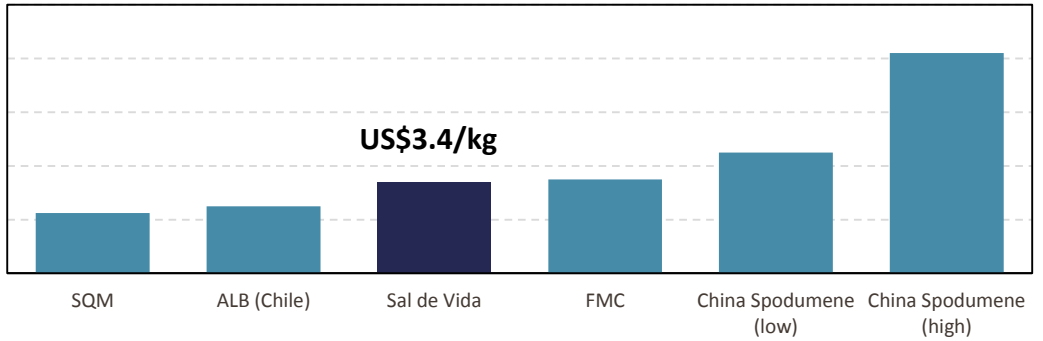
Notes:
1. Original DFS released 12 April 2013
2. Revised DFS released 22 August 2016
3. Inclusive of capital costs associated with the potash production facility
4. Pricing scenarios assume the following ranges throughput the life of the project for battery grade lithium carbonate and potash: Li2CO3 – US$11,000 to US$13,911 and KCl US$220 flat

Sal de Vida – Competitive Cost Position

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 positing 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)[1]



Source: Company estimates

Sal de Vida resource and brine chemistry

Resource	7.2Mt LCE *(lithium carbonate)* 28.8Mt KCl *(potassium chloride)*
Reserve	1.1Mt LCE 4.2Mt KCl
Grade/Chemistry	**810mg/l Li** **9,100mg/l K** **11.2 K/Li ratio** **12.1 SO_4/Li ratio** **2.4 Mg/Li ratio**

Potassium/lithium ratio provides for potash credits

Low magnesium/lithium ratio yields higher quality end product

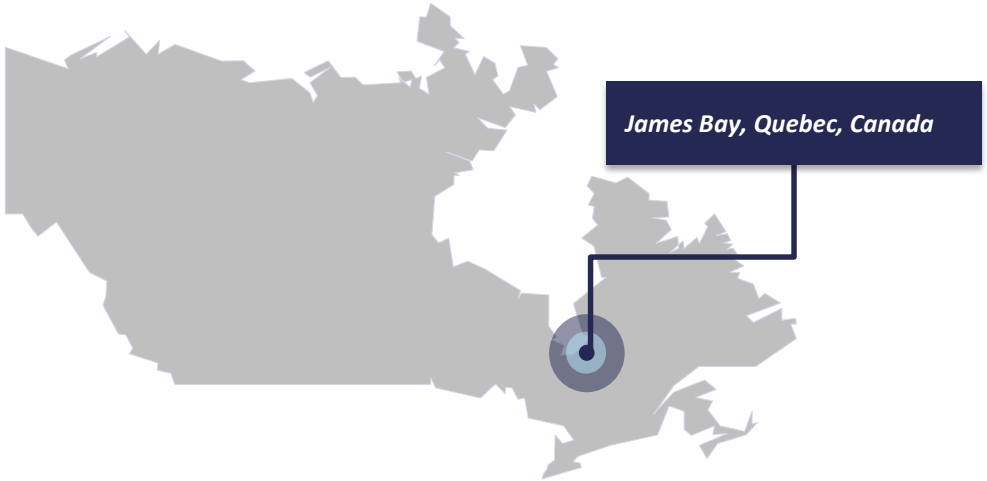
Notes:
1. China Spodumene (low) assumes cash cost of Talison, plus transportation and best China conversion costs

James Bay – Overview

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% Li_2O
- Exploration and development program planned to commence in Q1 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

Location



James Bay resource estimate

Resource category	Tonnes	Li_2O %
Indicated	11,750,000	1.30
Inferred	10,470,000	1.20
Total	**22,220,000**	**1.28**

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 commencement of demo plant program
- Commencing 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 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

Galaxy Board

Board & Management

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, 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

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)

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.

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)

Disclaimer

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Competent & Qualified Persons' Statement

Sal de Vida

The information in this report that relates to 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 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.