

14 April 2011

## ANNUAL GENERAL MEETING CHANGES

**Galaxy Resources Limited (ASX: GXY, Galaxy)** has withdrawn the Notice of Annual General Meeting lodged with the ASX on 7 April 2011.

Further to the announcement dated 14 April 2011 in respect to the finalisation of the \$120 million capital raising. Please see attached a revised Notice of Annual General Meeting seeking shareholder approval/ratification for the placement.

Please note new time and venue for the Annual General Meeting:

Friday 13 May 2011 at 10 am (AWST)  
Parmelia Hilton  
First Floor, 14 Mill Street  
PERTH WA 6000

-ENDS-

For more information, please contact:

### Corporate

Iggy Tan  
Managing Director  
Galaxy Resources Limited  
Tel (office): 08 9215 1700  
Email: [ir@galaxylithium.com](mailto:ir@galaxylithium.com)

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### **Caution Regarding Forward Looking Statements**

Statements regarding Galaxy's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any 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.

### **Not for release in the United States**

This announcement has been prepared for publication in Australia and may not be released in the U.S. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement 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. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.

## About Galaxy (ASX: GXY)

Galaxy Resources is an international S&P / ASX 300 Index company which plans to become one of the world's leading producers of lithium compounds – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

Galaxy wholly-owns and operates the Mt. Cattlin mine, which is currently producing spodumene concentrate. Galaxy's Jiangsu lithium carbonate plant, once completed, will have a design capacity of 17,000 tpa of lithium carbonate, which Galaxy expects would make it one of the largest plants in China converting hard rock lithium mineral concentrates into lithium compounds and chemicals.

Lithium compounds such as lithium carbonate are forecast to be in high future demand due to advances in long life batteries and sophisticated electronics including mobile phones and computers.

Galaxy Resources has positioned itself to meet this lithium future by not only mining the lithium, but also by downstream processing to supply lithium carbonate to the expanding Asian market.

**GALAXY RESOURCES LIMITED (ABN: 11 071 976 442) incorporating Galaxy Lithium Australia Limited, Galaxy Lithium International Limited, Galaxy Lithium (Jiangsu) Limited, Galaxy Lithium Holdings BV, Galaxy Lithium (Canada) Inc and Galaxy Lithium (US) Inc.**



**Galaxy Resources Limited**

**ABN 11 071 976 442**

**("Galaxy" or "Company")**

**Notice of Annual General Meeting, Explanatory Statement  
and Proxy Form**

**Annual General Meeting to be held  
at 10.00am (AWST) on Friday 13 May 2011  
at the Parmelia Hilton, First Floor, 14 Mill Street, Perth, WA, 6000**

This Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in its entirety. If shareholders have any questions in relation to the matters in this Document, please contact the Company Secretary, Mr Andrew Meloncelli on + 61 8 9215 1700 or [ir@galaxylithium.com](mailto:ir@galaxylithium.com), your accountant, solicitor or other professional adviser.



## **CORPORATE DIRECTORY**

### **Directors**

C L Readhead (Non-Executive Chairman and Director)  
I K S Tan (Managing Director)  
A P Tse (Executive Director)  
C B F Whitfield (Executive Director)  
Y Zheng (Non-Executive Director)  
X Ren (Non-Executive Director)  
R J Wanless (Non-Executive Director)  
S Wu (Non-Executive Director)  
I J Polovineo (Independent Non-Executive Director)  
K C Kwan (Independent Non-Executive Director)  
D M Spratt (Independent Non-Executive Director)

### **Company Secretaries**

A L Meloncelli  
E W Y Wong (Hong Kong)

### **Registered office and principal place of business**

Level 2, 16 Ord Street  
West Perth Western Australia 6005  
Australia  
Phone: + 61 8 9215 1700  
Fax: + 61 8 9215 1799  
Emails: [reception@galaxylithium.com](mailto:reception@galaxylithium.com) (General Enquiries)  
[ir@galaxylithium.com](mailto:ir@galaxylithium.com) (Investor Relations and Media Enquiries)  
Website: [www.galaxylithium.com](http://www.galaxylithium.com)

### **Share registry**

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
Perth Western Australia 6000  
Australia  
Phone: 1300 557 010 (within Australia)  
Phone: + 61 3 9415 5000 (outside Australia)  
Fax: + 61 8 9323 2033  
Website: [www.computershare.com](http://www.computershare.com)

### **Auditor of the Company**

KPMG Chartered Accountants  
235 St Georges Terrace  
Perth Western Australia 6000  
Australia  
Phone: + 61 8 9263 7171  
Fax: + 61 8 9263 7129

### **Australian Business Number**

11 071 976 442

### **Stock Exchange Listing**

ASX: GXY

## **NOTICE OF ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held at 10.00am (AWST) on Friday 13 May 2011 at the Parmelia Hilton, First Floor, 14 Mill Street, Perth, WA, 6000.

### **Ordinary business**

#### **Financial Statements and Reports – 1 January 2010 to 31 December 2010**

To receive and consider the Annual Financial Report, together with the directors' and Auditor's Reports for the year ended 31 December 2010.

**1. Adoption of Remuneration Report**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution** in accordance with section 250R (2) of the Corporations Act:

***"That the Remuneration Report in the 31 December 2010 Annual Report of the Company be adopted."***

**2. Re-Election of Craig Readhead as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***"That Craig Readhead, who retires by rotation in accordance with rule 10.3 of the constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."***

**3. Election of Ivo Polovineo as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***"That Ivo Polovineo, having been appointed by the directors as an additional director of the Company on 20 July 2010 in accordance with rule 10.7 of the constitution of the Company, and being eligible, offers himself for election, is hereby elected as a director of the Company."***

**4. Election of K C Kwan as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***"That K C Kwan, having been appointed by the directors as an additional director of the Company on 13 October 2010 in accordance with rule 10.7 of the constitution of the Company, and being eligible, offers himself for election, is hereby elected as a director of the Company."***

**5. Election of Xiaojian Ren as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***"That Xiaojian Ren, having been appointed by the directors as an additional director of the Company on 13 October 2010 in accordance with rule 10.7 of the constitution of the Company, and being eligible, offers himself for election, is hereby elected as a director of the Company."***

**6. Election of Anthony Tse as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***"That Anthony Tse, having been appointed by the directors as an additional director of the Company on 13 October 2010 in accordance with rule 10.7 of the constitution of the Company, and being eligible, offers himself for election, is hereby elected as a director of the Company."***

**7. Election of Charles Whitfield as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***“That Charles Whitfield, having been appointed by the directors as an additional director of the Company on 13 October 2010 in accordance with rule 10.7 of the constitution of the Company, and being eligible, offers himself for election, is hereby elected as a director of the Company.”***

**8. Election of Michael Spratt as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***“That Michael Spratt, having been appointed by the directors as an additional director of the Company on 11 February 2011 in accordance with rule 10.7 of the constitution of the Company, and being eligible, offers himself for election, is hereby elected as a director of the Company.”***

**9. Election of Shaoqing Wu as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

***“That Shaoqing Wu, having been appointed by the directors as an additional director of the Company on 24 February 2011 in accordance with rule 10.7 of the constitution of the Company, and being eligible, offers himself for election, is hereby elected as a director of the Company.”***

**10. Ratification and approval of share issue**

To consider and, if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:

***“That for the purposes of Listing Rule 7.1, Listing Rule 7.4, and for all other purposes shareholders approve the following separate resolutions:***

- (a) the ratification of the issue and allotment of 31,000,000 fully paid ordinary shares in the capital of the Company at A\$1.10 per fully paid ordinary share;***
- (b) approval of the issue and allotment of up to 78,090,909 fully paid ordinary shares in the capital of the Company at A\$1.10 per fully paid ordinary share; and***
- (c) approval of the issue and allotment of up to a further 87,909,091 fully paid ordinary shares in the capital of the Company,***

***in each case on terms as described in the Explanatory Statement.”***

On 22 December 2010, at a general meeting of the Company, shareholders passed a resolution (resolution 4) to approve an offer of up to 197 million fully paid ordinary shares, to be made in conjunction with the Company listing on the Hong Kong Stock Exchange.

As announced to the ASX on 14 March 2011, the proposed listing in Hong Kong was postponed until further notice due to unfavourable financial market conditions. The previous shareholder approval to undertake the proposed issue of shares in conjunction with the Hong Kong listing will expire on 22 April 2011.

The purpose of these resolutions is for shareholders to ratify or approve the issue and allotment of up to 197 million fully paid ordinary shares.

The net proceeds of the issues will be used by the Company for either one or more of the following purposes: corporate acquisitions (placement, takeover, and/or scheme of arrangement or similar) of lithium related business/companies; to assess and, subject to the outcome of that assessment, commence the development and construction of a lithium-ion battery plant at Zhangjiagang; for ramp-up of operations at Mt Cattlin and Jiangsu; and to repay its US\$105 million senior loan facility.

Please refer to the voting exclusion statement for this resolution in the Explanatory Statement.

**11. Approval of the issue of performance options to directors**

To consider and, if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:

- (a) ***“That shareholders approve the issue of 1,000,000 performance options to Michael Spratt (or his nominee), for the purposes and on the terms set out in the Explanatory Statement.”***
- (b) ***“That shareholders approve the issue of 1,000,000 performance options to Shaoqing Wu (or his nominee), for the purposes and on the terms set out in the Explanatory Statement.”***

The purpose of these resolutions is for shareholders to approve the grant of performance options to the Company's directors which will provide long term performance incentives to the directors to extract and create full company and shareholder value in the medium to long term. Further background and information on this resolution is set out in the Explanatory Statement.

Please refer to the voting exclusion statements for these resolutions in the Explanatory Statement.

**By order of the board**



**A L Meloncelli  
Company Secretary  
Galaxy Resources Limited  
11 April 2011**

## **Important Information for Shareholders**

### **Explanatory Statement**

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

### **Voting exclusion statements**

The ASX Listing Rules require voting exclusion statements in respect of resolutions 10 to 11 respectively.

### **Voting thresholds**

Resolutions 1 to 11 are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders present (in person, by proxy or representative) and entitled to vote on the resolution.

### **Proxies**

All shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a shareholder. Shareholders holding two or more shares can appoint either one or two proxies. If two proxies are appointed, the appointing shareholder can specify what proportion of their votes they want each proxy to exercise.

### **Lodgement of proxy forms and online proxy instructions**

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either return the proxy form to:

- the Company, PO Box 1136, West Perth, Western Australia 6872 Australia or by hand at Level 2, 16 Ord Street, West Perth, Western Australia 6005 or facsimile number +61 8 9215 1799 or [ir@galaxylithium.com](mailto:ir@galaxylithium.com); or
- the Company's share registry, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 Australia or facsimile number 1800 783 447 (international +61 3 9473 2555).

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

Alternatively, you may register your proxy instructions electronically at the Share Registry's website [www.investorvote.com.au](http://www.investorvote.com.au).

To be effective, a completed proxy form or online proxy instructions must be received by no later than **10.00am (AWST) on Wednesday 11 May 2011**, being not less than 48 hours prior to the commencement of the meeting.

### **Custodians and nominees**

For Intermediary Online subscribers only, (custodians) please submit your voting intentions on [www.intermediaryonline.com](http://www.intermediaryonline.com).

### **Corporate representatives**

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

### **Voting entitlements**

The board has determined that, for the purpose of voting at the meeting, shareholders are those persons who are the registered holders of the Company's shares at **4.00pm (AWST) on Wednesday 11 May 2011**.

## **Explanatory Statement**

This Explanatory Statement has been prepared for shareholders to provide information about the items of business to be considered at the Annual General Meeting to be held at 10.00am (AWST) on Friday 13 May 2011.

### **Financial Statements and Reports**

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 31 December 2010 will be laid before the meeting. There is no requirement for shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the statutory audit and the preparation and content of the Auditor's report.

In addition to taking questions at the meeting, written questions may be submitted to the Managing Director about the management of the Company, or to the Company's auditor about one or more of the following issues:

- a) the preparation and content of the Auditor's Report;
- b) the conduct of the audit;
- c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

All of the resolutions to be voted on are ordinary resolutions. Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution.

### **Resolution 1 – Adoption of Remuneration Report**

Pursuant to section 250R(2) of the Corporations Act 2001 (Cth) ("Corporations Act"), the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 31 December 2010 (the "Remuneration Report"). The Remuneration Report is a distinct section of the annual directors' report (the "Directors' Report") which deals with the remuneration of directors and executives of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 31 December 2010 Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each director and executive officer named in the Remuneration Report for the financial year ended 31 December 2010.

The directors recommend that shareholders vote in favour of the adoption of the Remuneration Report. However, as previously stated, the vote on the adoption of this resolution is advisory only and does not bind the Company. The board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chair of the Meeting will provide shareholders with reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

### **Resolution 2 – Re-election of Craig Readhead as a Director**

The board presently consists of eleven (11) directors: Mr C L Readhead, Mr I KS Tan (also the Company's Managing Director), Mr R J Wanless, Mr K C Kwan, Dr Y Zheng, Mr I J Polovineo, Mr X Ren, Mr A P Tse, Mr C B F Whitfield, Mr D M Spratt and Mr S Wu.

In accordance with the Company's constitution rule 10.3, the directors of the Company shall be elected and shall retire in rotation, with one third of the directors (excluding the Managing Director and rounded down to the nearest whole number) subject to election at each annual general meeting of shareholders held to elect directors.

Based on the foregoing, Mr Readhead must retire from office as of the Meeting.

However, being eligible, Mr Readhead offers himself for re-election. Mr Readhead has been a director of the Company since 27 April 1999. Mr Readhead last retired from office at the Company's 2009 annual general meeting and was re-elected as a director at that meeting.

## **Craig Readhead – Non Executive Chairman**

Mr Readhead holds the degrees of Bachelor of Law and Bachelor of Jurisprudence from the University of Western Australia. He has spent the last 28 years practicing in the resources law area and was a partner of a major Perth Law firm before forming his own practice 11 years ago. He is now a partner of the law firm Allion Legal.

Mr Readhead has had a significant role in the development of a number of mining projects within Australia, Africa and South East Asia. Mr Readhead is a director of a number of listed and unlisted companies.

**The directors recommend that shareholders vote in favour of the election of Mr Readhead.**

## **Resolutions 3 to 9 – Election of Ivo Polovineo, K C Kwan, Xiaojian Ren, Anthony Tse, Charles Whitfield, Michael Spratt and Shaoping Wu as directors**

Rule 10.7 of the Company's constitution provides that the directors of the Company may, at any time, appoint any person to the board of directors, either to fill a casual vacancy or as an addition to the existing board of directors. Any director appointed under this rule holds office until the conclusion of the next annual general meeting but is eligible for election at that meeting. Each of Mr Polovineo, Mr Kwan, Mr Ren, Mr Tse, Mr Whitfield, Mr Spratt and Mr Wu (collectively, the "Additional Directors") were appointed by the then sitting directors of the Company pursuant rule 10.7 of the Company's constitution and must now seek election at this Annual General Meeting.

### **Ivo Polovineo – Independent Non Executive Director**

Mr Polovineo was previously Chief Financial Officer and Company Secretary for Sino Gold Mining Limited, formerly an ASX 100 company.

Mr Polovineo was with Sino Gold for 12 years forming part of the executive team that built the company from a market capitalisation of A\$100m. In December 2009 Sino Gold was acquired by Eldorado Gold Corporation for approximately \$2.4 billion. Mr Polovineo is highly familiar with the cultural requirements for an Australian company doing business in China. Mr Polovineo is a Professional Member of National Institute of Accountants (PNA) with more than 30 years experience as a CFO and Company Secretary including over 20 years in the resources sector.

### **K C Kwan – Independent Non Executive Director**

Mr Kwan is an experienced director in Hong Kong. Mr Kwan is a qualified Chartered Accountant and has been a member of the Hong Kong Institute of Certified Public Accountants since 1982. He completed the Stanford Executive Program in 1992. Mr Kwan was previously the President and Chief Operating Officer for the Asia Pacific Region of Merrill Lynch & Co. Mr Kwan is currently non-executive director of China Properties Group Ltd, JF Household Furnishings Ltd, Hutchison Harbour Ring Ltd, Soundwill Holdings Ltd, Win Hanverky Holdings Ltd, SPG Land (Holdings) Ltd and Sunlight REIT. He was previously an independent non-executive director of Hutchison Telecommunications International Ltd, TS Telecom Technologies Ltd and Yaohan International Holdings Ltd.

### **Xiaojian Ren – Non Executive Director**

Mr Ren has extensive finance experience and is the co-founder, Director and President of Creat Group Ltd. He was previously Chief Executive Officer of Creat Resources Holdings Limited and is currently non executive director. Mr Ren's previous directorships include Beijing Keruicheng Mining Investment Co Ltd and Yantai North Andre Juice Co. He has significant experience in establishing and operating businesses in the Peoples Republic of China.

### **Anthony Tse – Executive Director**

Mr Tse is a Hong Kong resident and was previously the Chief Executive Officer of CSN Corporation, a home shopping television channel in China. Prior to this, he worked in strategy, development and M&A roles at the TOM Group for more than eight years. During his time with the TOM Group, he served as Director of Corporate Development, Deputy General Manager of Online Operations and also President of China Entertainment Television, a joint venture with Time Warner. Prior to joining the TOM Group, Mr Tse spent more than five years at News Corporation's STAR TV.

### **Charles Whitfield – Executive Director**

Mr Whitfield is the Principal Investment Officer of Drumrock Capital, an investment firm providing capital and advisory services to start-up and early round companies. He was formerly a Managing Director with Citigroup where he held the position of head of the corporate equity solutions group (Asia Pacific). Prior to this, he worked for Deutsche Bank where he was head of the strategic equity transactions group (Asia Pacific) from 2000. Mr Whitfield received his Masters in Business Administration (majoring in Finance and Strategy) from Columbia Business School (New York) in 1998 and his Bachelor of Economics from The University of Exeter (U.K.) in 1992.

## **Michael Spratt – Independent Non Executive Director**

Mr Spratt has 48 years of experience in the base metals, mining, processing, smelting and construction sectors. He was previously the Managing Director of Thailand's Thaisarco Limited, which is one of the world's largest tin smelters and is currently the Chairman of Kasbah Resources Limited (ASX: KAS). Other past positions include Chief Operating Officer of Minproc Limited and Executive Vice President and Operations Director of Kaiser Engineers Pty Ltd.

Mr Spratt is a qualified metallurgist with extensive experience managing a range of operations in a variety of environments and geographies including Australia, Asia, and Africa.

## **Shaoqing Wu – Non Executive Director**

Mr Wu was appointed as Non-executive Director on February 24, 2011. He has 17 years' experience in the steel raw materials trading and processing, overseas shipping and port logistics industries. Mr. Wu has been employed by Fengli Group since July 1993. He was a vice general manager of Jiangsu Yongheng Furnace Material Industrial Co., Ltd., a subsidiary of Fengli Group, from July 1993 to October 1997 and was responsible for the sales of raw steel scrap and boiler materials. He was vice general manager of Jiangsu Fengli International Trade Co., Ltd, a subsidiary of Fengli Group, from October 1997 to April 2004 and was responsible for the export and re-export of raw steel scrap and metal scrap.

Mr. Wu was then vice general manager of Fengli Group from April 2004 to January 2011 and was responsible for the international trade businesses and general management of VIP customers. Mr. Wu was appointed as the general manager of Fengli Group in January 2011 and is responsible for all the senior management and daily activities of Fengli Group.

Mr. Wu has been chairman of Good Credit International Trade Co., Ltd. since June 23, 2010. Mr. Wu received his Bachelor of Civil Engineering from Shazhou Vocational Institute of Technology in 1992.

**The directors recommend that shareholders vote in favour of the election of each of the Additional Directors.**

## **Resolution 10 – Ratification and approval of share issue**

### **Prior Approval**

On 22 December 2010, at a general meeting of the Company, shareholders passed a resolution (resolution 4) to approve an offer of 197 million fully paid ordinary shares to be made in conjunction with the Company listing on the Hong Kong Stock Exchange.

As announced to the ASX on 14 March 2011, the proposed listing in Hong Kong was postponed until further notice due to unfavourable financial market conditions.

The previous shareholder approval to undertake the proposed issue of shares in conjunction with the Hong Kong listing will expire on 22 April 2011 (please refer to the Company's ASX announcement dated 7 February 2011).

As announced to ASX on 14 April 2011, the Company has agreed to issue 109,090,909 fully paid ordinary shares to raise \$120 million (before costs). Of these shares, 31,000,000 will be issued on or about 21 April 2011 to raise \$34.1 million (before costs). The remaining 78,090,909 Shares will, subject to Shareholder approval, be issued on or about 20 May 2011, to raise a further \$85.9 million (before costs).

### **Purpose and Background**

Under Resolution 10 shareholders are asked to approve a number of resolutions relating to the issue of fully paid ordinary shares in the Company. Specifically resolution:

- (a) 10(a) is for shareholders to ratify the issue of 31,000,000 fully paid ordinary shares in the capital of the Company to be undertaken by way of a placement to sophisticated investors announced to ASX on 14 April 2011;
- (b) 10(b) is for shareholders to approve the issue of up to 78,090,909 fully paid ordinary shares in the capital of the Company to be undertaken by way of a placement to sophisticated investors, also announced to ASX on 14 April 2011; and
- (c) 10(c) is for shareholders to approve the issue of up to a further 87,909,091 fully paid ordinary shares in the capital of the Company to be undertaken by way of a placement or pursuant to a prospectus or a combination of these, within 3 months of the date of the meeting.

This issue will take the total number of shares that the Company can issue under this resolution to 197 million, the same number as previously approved by members in the context of the proposed Hong Kong listing (see above).

Shares issued under resolution 10(a) or 10(b) will be listed on the ASX. Shares issued under resolution 10(c) will be listed on the ASX or a comparable overseas stock exchange. The Company is still considering the proposed listing in Hong Kong, but may also consider other options and is seeking the flexibility to do so under this resolution.

The net proceeds of the issues will be used by the Company for either one or more of the following purposes: corporate acquisitions (placement, takeover, and/or scheme of arrangement or similar) of lithium related business/companies; to assess and, subject to the outcome of that assessment, commence the development and construction of a lithium-ion battery plant at Zhangjiagang; for ramp-up of operations at Mt Cattlin and Jiangsu; and to repay its US\$105 million senior loan facility.

## **Regulatory Requirements**

### **Resolution 10(a)**

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

The following information is provided to shareholders for the purpose of ASX Listing Rule 7.5.

#### **Number of securities to be issued**

The Company will issue 31,000,000 fully paid ordinary shares in the capital of the Company.

#### **Date of issue and allotment**

The Company will issue and allot the shares on or about 21 April 2011.

#### **Price of issue**

The issue price will be A\$1.10 per fully paid ordinary share.

#### **Allottees of the shares**

Allottees of the shares are various sophisticated institutional investors determined by the Company, none of which are related parties of the Company.

#### **The terms of the shares**

The shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's shares that are currently on issue.

#### **The intended use of the funds raised**

The net proceeds of the issues will be used by the Company for either one or more of the following purposes: corporate acquisitions (placement, takeover, and/or scheme of arrangement or similar) of lithium related business/companies; to assess and, subject to the outcome of that assessment, commence the development and construction of a lithium-ion battery plant at Zhangjiagang; for ramp-up of operations at Mt Cattlin and Jiangsu; and to repay its US\$105 million senior loan facility.

Any further acquisitions, project development or exploration will be evaluated as they arise, against the company's stated strategic objective of becoming a leading, vertically integrated producer of high quality lithium-related products.

#### **Voting exclusion statement**

For the purposes of ASX Listing Rule 7.5.6, the Company will disregard any votes cast on resolution 10(a) by a person who participated in the issue and any of their associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

### **Resolution 10(b)**

ASX Listing Rule 7.1 provides that a listed company may not, subject to certain exceptions (including shareholder approval), issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue.

The Company now seeks shareholder approval for the issue of up to 78,090,909 fully paid ordinary shares in the capital of the Company.

The following information is provided to shareholders for the purpose of ASX Listing Rule 7.3.

**Maximum number of securities to be issued**

The Company intends to issue up to 78,090,909 fully paid ordinary shares in the capital of the Company.

**Date of issue and allotment**

The Company anticipates that the shares will be issued and allotted on or about 20 May 2011 and in any event no later than three months after the date of the meeting.

**Price of issue**

The issue price will be A\$1.10 per fully paid ordinary share.

**Allottees of the shares**

Allottees of the shares are various sophisticated institutional investors determined by the Company, none of which are related parties of the Company.

**The terms of the shares**

The shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's shares that are currently on issue.

**The intended use of the funds raised**

The issue will be used by the Company for either one or more of the following purposes: corporate acquisitions (placement, takeover, and/or scheme of arrangement or similar) of lithium related business/companies; to assess and, subject to the outcome of that assessment, commence the development and construction of a lithium-ion battery plant at Zhangjiagang; for ramp-up of operations at Mt Cattlin and Jiangsu; and to repay its US\$105 million senior loan facility.

Any further acquisitions, project development or exploration will be evaluated as they arise, against the company's stated strategic objective of becoming a leading, vertically integrated producer of high quality lithium-related products.

**Voting exclusion statement**

For the purposes of ASX Listing Rule 7.3.8, the Company will disregard any votes cast on resolution 10(b) by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if resolution 10(b) is passed, and any of their associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

**Resolution 10(c)**

ASX Listing Rule 7.1 provides that a listed company may not, subject to certain exceptions (including shareholder approval), issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue.

The Company now seeks shareholder approval for the issue of up to 87,909,091 fully paid ordinary shares in the capital of the Company. Approval of this resolution will provide the Company with the flexibility to issue further shares as required either by way of placement, a prospectus, scheme of arrangement (or similar) or a combination of these.

The following information is provided to shareholders for the purpose of ASX Listing Rule 7.3.

**Maximum number of securities to be issued**

The Company intends to issue up to 87,909,091 fully paid ordinary shares in the capital of the Company.

**Date of issue and allotment**

The Company will issue and allot the shares no later than three months after the date of the Annual General Meeting.

**Price of issue**

If the issue of shares is undertaken pursuant to a prospectus, the issue price of each share will be the equivalent of a minimum of 80% of the average market price for the Company's shares calculated over the five days on which sales of shares were recorded before the date of the prospectus.

If the issue of shares is undertaken pursuant to a placement, the issue price of each share will be the equivalent of a minimum of 80% of the average market price for the Company's shares calculated over the five days on which sales of shares were recorded before the day on which the issue is made.

#### **Allottees of the shares**

The identities of the potential allottees of the shares are not known at this stage, however, the Directors will seek to place the shares with sophisticated and professional investors who express an intention of being long term shareholders in the company. None of the allottees will be related parties of the Company.

#### **The terms of the shares**

The shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's shares that are currently on issue.

#### **The intended use of the funds raised**

The issue will be used by the Company for either one or more of the following purposes: corporate acquisitions (placement, takeover, and/or scheme of arrangement or similar) of lithium related business/companies; to assess and, subject to the outcome of that assessment, commence the development and construction of a lithium-ion battery plant at Zhangjiagang; for ramp-up of operations at Mt Cattlin and Jiangsu; and to repay its US\$105 million senior loan facility.

Any further acquisitions, project development or exploration will be evaluated as they arise, against the company's stated strategic objective of becoming a leading, vertically integrated producer of high quality lithium-related products.

#### **Voting exclusion statement**

For the purposes of ASX Listing Rule 7.3.8, the Company will disregard any votes cast on resolution 10(c) by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if resolution 10(c) is passed, and any of their associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

**The directors unanimously recommend that shareholders vote in favour of resolutions 10(a), 10(b) and 10(c).**

### **Resolution 11 - Approval of the issue of performance options to directors**

#### **Purpose**

The Company proposes the issue of new performance-based options to Mr Spratt and Mr Wu in order to better align the incentives of the directors and the Company's senior management with the Company's strategic objective of being dual listed on the SEHK and creating Company and shareholder value by moving toward a vertically integrated business model. The directors and senior management have so far been successful at building a company from a market capitalisation of A\$30 million two years ago to approximately A\$300 million.

The key performance hurdles of the performance options are service tenure of 12 months (from 13 October 2010); successful SEHK listing and creating shareholder value measured by the Company's share price increasing to above A\$2.00 per share based on a 10 day VWAP from the last date of satisfaction of the first two performance hurdles.

#### **Regulatory Requirements**

The Company seeks shareholder approval in order to comply with the requirements of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes for the issue of performance options for nil consideration to each of the following directors of the Company (or to that director's nominee). The purpose of the performance options is to align the directors' incentives with the corporate objectives of the Company.

Resolutions 11(a) and (b) propose the issue of performance options for nil consideration within one month of the date of this Annual General Meeting. The full terms and conditions of the performance options are attached as a schedule to this Notice of Annual General Meeting and a summary is set out in the table below.

The exercise price of the performance options is A\$1.16 which was set on the basis of a 20 day volume weighted average price of the Company's shares prior to 1 October 2010, being the date on which the performance options were recommended to the board for approval (subject to shareholder approval).

| Resolution | Director       | Performance options                                                                             | Performance (Vesting) Criteria                                                                                                                                                                                                                                                                              |
|------------|----------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11(a)      | Michael Spratt | 1,000,000 performance options exercisable at A\$1.16, expiring five years from the vesting date | a) Completion of 12 months service as a director from 13 October 2010<br>b) Successful listing of the Company on the SEHK<br>c) The Company's share price being greater than A\$2.00 or SEHK equivalent (based on a 10 day volume weighted average price) from the last date of satisfaction of (a) and (b) |
| 11(b)      | Shaoqing Wu    | 1,000,000 performance options exercisable at A\$1.16, expiring five years from the vesting date | a) Completion of 12 months service as a director from 13 October 2010<br>b) Successful listing of the Company on the SEHK<br>c) The Company's share price being greater than A\$2.00 or SEHK equivalent (based on a 10 day volume weighted average price) from the last date of satisfaction of (a) and (b) |

If some or all of the performance options referred to in resolutions 11(a) and 11(b) are exercised, it is envisaged at this stage that the funds raised will supplement existing cash resources being applied to the development of the Company's projects.

### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The grant of performance options contemplated by resolutions 11(a) and 11(b) constitutes the provision of a financial benefit to related parties under section 229 of the Corporations Act.

A "related party" is widely defined and includes a director of a public company. Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision (none of which apply to resolutions 11(a) and 11(b)); or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of section 219 of the Corporations Act the following information is provided to shareholders to enable them to assess the merits of resolutions 11(a) and 11(b).

#### *Related Parties to whom the resolutions would permit the benefit to be given*

Michael Spratt and Shaoqing Wu who are both directors of the Company.

#### *Nature of the financial benefit*

The proposed financial benefit to be given is the issue of performance options to each of Michael Spratt and Shaoqing Wu as set out in the table above.

#### *Directors' recommendations*

Each of Michael Spratt and Shaoqing Wu decline to make a recommendation to shareholders in relation to resolutions 11(a) and 11(b) respectively because they have a material personal interest in the outcome of resolutions 11(a) and 11(b) respectively.

### ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of performance options to a related party. Approval pursuant to Listing Rule 7.1 is not required in order to grant the performance options as approval is being obtained under ASX Listing Rule 10.11. The grant of performance options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

The following information is provided in compliance with Listing Rule 10.13:

- (a) The maximum number of performance options that may be issued pursuant to resolutions 11(a) and 11(b) is 2,000,000.
- (b) The performance options will be issued as soon as practical following the date of the Annual General Meeting but in any event no later than one month from the date of the Annual General Meeting.
- (c) The option holders are Michael Spratt (or his nominee) and Shaoqing Wu (or his nominee).
- (d) No funds are being raised for the proposed issue of performance options.
- (e) The terms and conditions of the performance options are set out in the table above.

### Valuation of performance options

ASIC regulatory policy requires the Company to place a dollar value on the financial benefit proposed to be received by the Related Party from the Company.

The Binomial Option price calculation method is widely regarded as acceptable as a valuation model where the performance options cannot be readily valued by some other means. In determining the dollar value, the following assumptions were made:

- (a) the market price of shares is A\$1.30 per share;
- (b) the performance options will be exercisable at A\$1.16 each;
- (c) the performance options will be exercisable by the fifth anniversary of vesting;
- (d) price volatility of the shares during the life of the Performance options is expected to be 70%;
- (e) the average current risk free interest rate is 5.17%; and
- (f) the total discount factor of 0%.

Based on the six key assumptions listed above, the valuations per performance option is A\$0.838 per option.

On this basis, the implied value (after applying discount factor) being received by each Related Party in relation to the performance options is as follows:

| Director         | Value (A\$) |
|------------------|-------------|
| D Michael Spratt | 838,000     |
| Shaoqing Wu      | 838,000     |

#### Current relevant interest in shares and options

The table below shows the relevant interest of each of Michael Spratt and Shaoqing Wu in shares and performance options before and after the Resolutions in this Notice of Annual General Meeting are implemented, assuming they are all passed.

| Director       | As at the date of this Notice of General Meeting |         | Following implementation of resolutions 11(a) and (b) |           |
|----------------|--------------------------------------------------|---------|-------------------------------------------------------|-----------|
|                | Shares                                           | Options | Shares                                                | Options   |
| Michael Spratt | 0                                                | 0       | 0                                                     | 1,000,000 |
| Shaoqing Wu    | 0                                                | 0       | 0                                                     | 1,000,000 |

The grant of the performance options to Michael Spratt and Shaoqing Wu will, upon any exercise, be equal to approximately 0.73% of the Company's fully-diluted share capital (based on the number of shares and performance options on issue as at the date of the Notice of Annual General Meeting assuming resolutions 11(a) and (b) are implemented and no other performance options are exercised).

The table below shows the total remuneration of Michael Spratt and Shaoqing Wu (including superannuation), and the total financial benefits to be received by them in the period from 1 January 2011 to date of this Notice of Annual General Meeting (including the implied value to be received by Michael Spratt and Shaoqing Wu as a result of resolutions 11(a) and 11(b), year ended 31 December 2010 and the six months ended 31 December 2009.

| Director         | Description            | Cash Salary and Fees (A\$) | Superannuation (A\$)   | Share Based Payments (A\$) | Total Financial Benefit (A\$) |
|------------------|------------------------|----------------------------|------------------------|----------------------------|-------------------------------|
| D Michael Spratt | Non-Executive Director | a) 10,547<br>b) 0<br>c) 0  | a) 949<br>b) 0<br>c) 0 | a) 838,000<br>b) 0<br>c) 0 | a) 849,496<br>b) 0<br>c) 0    |
| Shaoqing Wu      | Non-Executive Director | a) 8,054<br>b) 0<br>c) 0   | a) 0<br>b) 0<br>c) 0   | a) 838,000<br>b) 0<br>c) 0 | a) 846,054<br>b) 0<br>c) 0    |

Key:

- a) Period 1 January 2011 to 6 April 2011
- b) Period 1 January 2010 to 31 December 2010
- c) Period 1 July 2009 to 31 December 2009

**Trading history**

The highest and lowest closing market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of a draft of this Notice of Annual General Meeting with ASX for approval purposes, and the respective dates of those sales were:

Highest: A\$1.815 on 17 January 2011

Lowest: A\$1.01 on 15 March 2011

The last closing trading price of the shares prior to the date of this Notice of Annual General Meeting was A\$1.37 on 8 April 2011.

**Voting exclusion statement**

For the purposes of ASX Listing Rule 10.13, the Company will disregard any votes cast on resolutions 11(a) and 11(b) by Michael Spratt and Shaoqing Wu respectively and any of their respective associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

**Mr Spratt and Mr Wu have an interest in resolution 11 and accordingly do not make a recommendation to shareholders. Mr Readhead, Mr Tan, Mr Wanless, Mr Polovineo, Mr Kwan, Dr Zheng, Mr Ren, Mr Tse and Mr Whitfield recommend that shareholders vote in favour for resolutions 11(a) and 11(b).**

## **Schedule**

### **Terms and conditions of options**

#### **Exercise Date**

The options are exercisable wholly or in part at any time before 5.00 pm (AWST) on the fifth anniversary of the vesting date. Options not exercised by that date shall lapse.

#### **Exercise Price**

Each option shall entitle the option holder to acquire one fully paid ordinary share upon payment of the exercise price of A\$1.16.

#### **Consideration**

The options are issued for no consideration.

#### **Vesting Criteria**

Each option will vest on:

- a) completion of 12 months service from 13 October 2010;
- b) the Company successfully listing on the Stock Exchange of Hong Kong Limited; and
- c) the Company's share price being greater than A\$2.00 (or Hong Kong equivalent) based on the 10 day volume weighted average price from the last date of satisfaction of a) and b).

#### **Transfer of Options**

The options are non-transferable.

#### **Notice of Exercise**

Each option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an option received by the Company with payment on full of the exercise price will be deemed to be a notice of the exercise of that option as at the date of receipt.

#### **Quotation of Options and Shares on Exercise**

Application will not be made to Australian Securities Exchange ("ASX") for official quotation of the options. Application will be made to the ASX for official quotation of the shares issued upon exercise of options.

#### **Shares Allotted on Exercise**

Shares allotted pursuant to the exercise of options will be allotted following receipt of all the relevant documents and payments and will rank equally with the issued shares.

#### **Participation Rights or Entitlements**

There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of securities offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six business days after the issue is announced so as to give option holders the opportunity to exercise their options before the date for determining entitlements to participate in any issue.

#### **Reconstruction of Share Capital**

In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder shall be reconstructed in accordance with the ASX Listing Rules.

#### **Bonus Issues**

If, from time to time, before the expiry of the options the Company makes a pro-rata issue of shares to shareholders for no consideration, the number of shares over which an option is exercisable will be increased by the number of shares which the option holder would have received if the option had been exercised before the date for calculating entitlements to the pro-rata issue.

## **Change of Control**

If, in the opinion of the board, a Change of Control Event has occurred, or is likely to occur, the board may declare an Option to be free of any conditions of exercise and options which are so declared may, be exercised at any time and in any number.

A Change of Control Event occurs if a takeover bid is made to acquire all of the issued shares in the Company (or other transaction is initiated which, in the board's opinion, has an effect similar to a full takeover bid for the shares in the Company, including a scheme of arrangement) and the bid has resulted in or (in the opinion of the board) will result in the proponent of the bid acquiring more than 50% of the issued shares in the Company.



Galaxy Resources Limited  
ABN 11 071 976 442

000001 000 GXY  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

**[www.investorvote.com.au](http://www.investorvote.com.au)**



**Cast your proxy vote**



**Access the annual report**



**Review and update your securityholding**

**Your secure access information is:**

**Control Number: 999999**

**SRN/HIN: 1999999999**

**PIN: 99999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 10:00am (AWST) Wednesday 11 May 2011**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Galaxy Resources Limited hereby appoint



the Chairman  
of the Meeting OR



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Galaxy Resources Limited to be held at the Parmelia Hilton, First Floor, 14 Mill Street, Perth, WA 6000 on Friday, 13 May 2011 at 10:00am (AWST) and at any adjournment of that meeting.

### STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

|             |                                             | For                      | Against                  | Abstain                  |             |                                                                            | For                      | Against                  | Abstain                  |
|-------------|---------------------------------------------|--------------------------|--------------------------|--------------------------|-------------|----------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Item 1      | Adoption of Remuneration Report             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Item 11 (a) | Approval of the Issue of Performance Options to Directors - Michael Spratt | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 2      | Re-Election of Craig Readhead as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Item 11 (b) | Approval of the Issue of Performance Options to Directors - Shaoqing Wu    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3      | Election of Ivo Polovineo as a Director     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 4      | Election of K C Kwan as a Director          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 5      | Election of Xiaojian Ren as a Director      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 6      | Election of Anthony Tse as a Director       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 7      | Election of Charles Whitfield as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 8      | Election of Michael Spratt as a Director    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 9      | Election of Shaoqing Wu as a Director       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 10 (a) | Ratification of Share Issue                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 10 (b) | Approval of Share Issue                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |
| Item 10 (c) | Approval of Share Issue                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |             |                                                                            |                          |                          |                          |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

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Computershare +