GALAXY RESOURCES LIMITED

ASX Small to Mid Cap Conference

Hong Kong & Singapore

By Charles Whitfield
Executive Director

meeting a lithium future

The following presentation represents Galaxy's management's best judgment at the time of presentation. The contents include forward looking statements prepared on the basis of assumptions which may prove to be incorrect. This presentation should not be relied upon as recommendation or forecast by Galaxy Resources Limited. No representation or warranty is made as to accuracy, completeness or reliability of the information

Competent Persons

Information that relates to Mineral Resources in this report is based on information compiled by Mr. Robert Spiers who is a full time employee of Hellman & Schofield Pty Ltd. Information that relates to Exploration Results including exploration data and geological interpretations is based on information compiled by Mr Philip Tornatora who is a full time employee of Galaxy. Mr Spiers and Mr Tornatora are Members of the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the 2004 JORC Code. Mr. Spiers and Mr Tornatora consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Information in this report that relates to Mineral Ore Reserves is based on information compiled by Mr. Glenn Williamson who is a full time employee of Mining Resources Pty Ltd. Mr. Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code. Mr. Williamson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

LITHIUM POWER

meeting a lithium future

Lighter
Longer Life
Energy Density
Environment
US$11b → US$43b ('20)

Source: Galaxy Resources Ltd

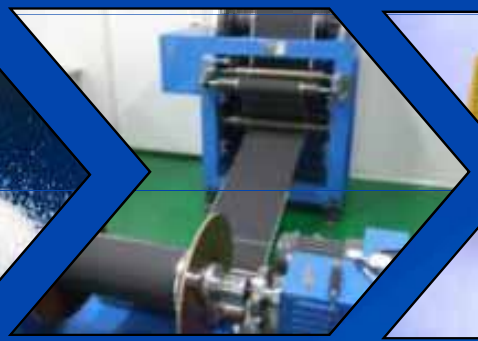
INVESTMENT OVERVIEW

meeting a lithium future

- Unique Strategy – Vertical Integration
- Lithium Pure Play
- Operating mine and ore reserves, (36mt ore reserves – Australia / Canada)
- Large scale processing facility (17,000 tpa LC - China)
- World class lithium battery production facility
- Projects de-risked by “Off-take” agreements

INTEGRATION & VALUE ADD

GALAXY
meeting a lithium future

Spodumene Production	Lithium Carbonate Production	Lithium Cathode Production	Lithium Battery Production
			
$1	$3	$44	$500

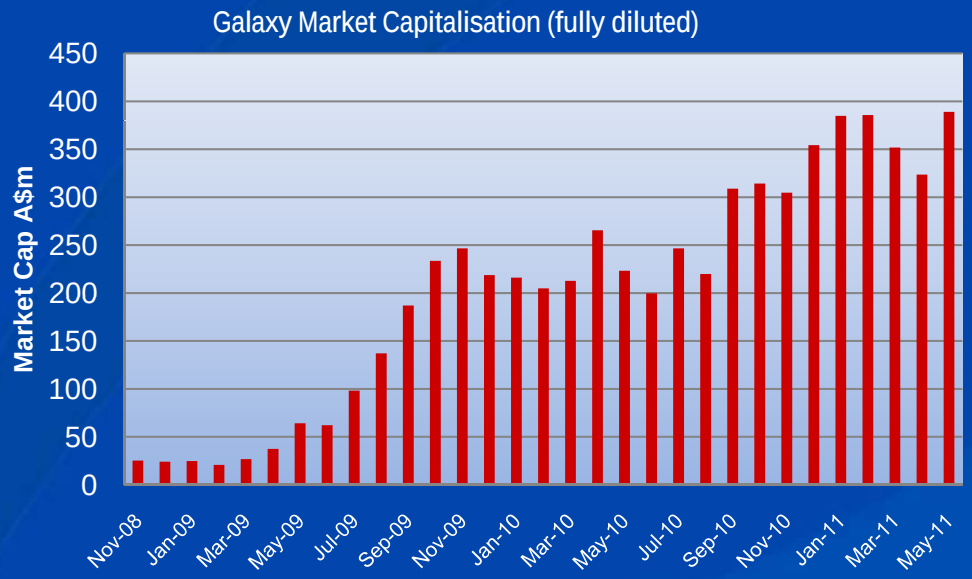
Revenue per Li unit

Source: Galaxy Resources Limited

CORPORATE STRUCTURE

meeting a lithium future

- Registered in Australia and listed on ASX
- Member of the S&P/ASX300 company
- Cash position – A$185million
- Board & Mge - 11% shares + options



Capital Structure	
Shares on issue	323 m
Options on issue	51.7m
Share price (as of 16 May 11)	A$1.02
Undiluted market capitalization	A$330m
Diluted market capitalization	A$382m

Substantial Shareholders	
Creat Resources	11.0%
Fengli Group	7.0%

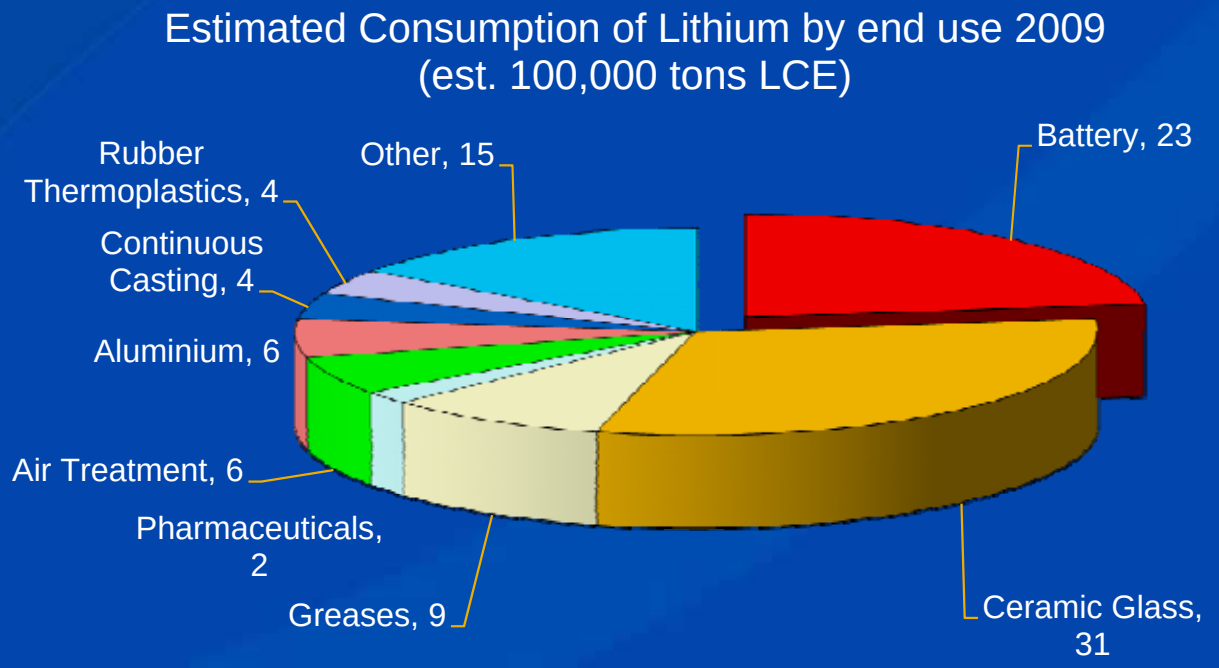
meeting a lithium future

INDUSTRY OVERVIEW

LITHIUM CONSUMPTION – BY END USE

meeting a lithium future

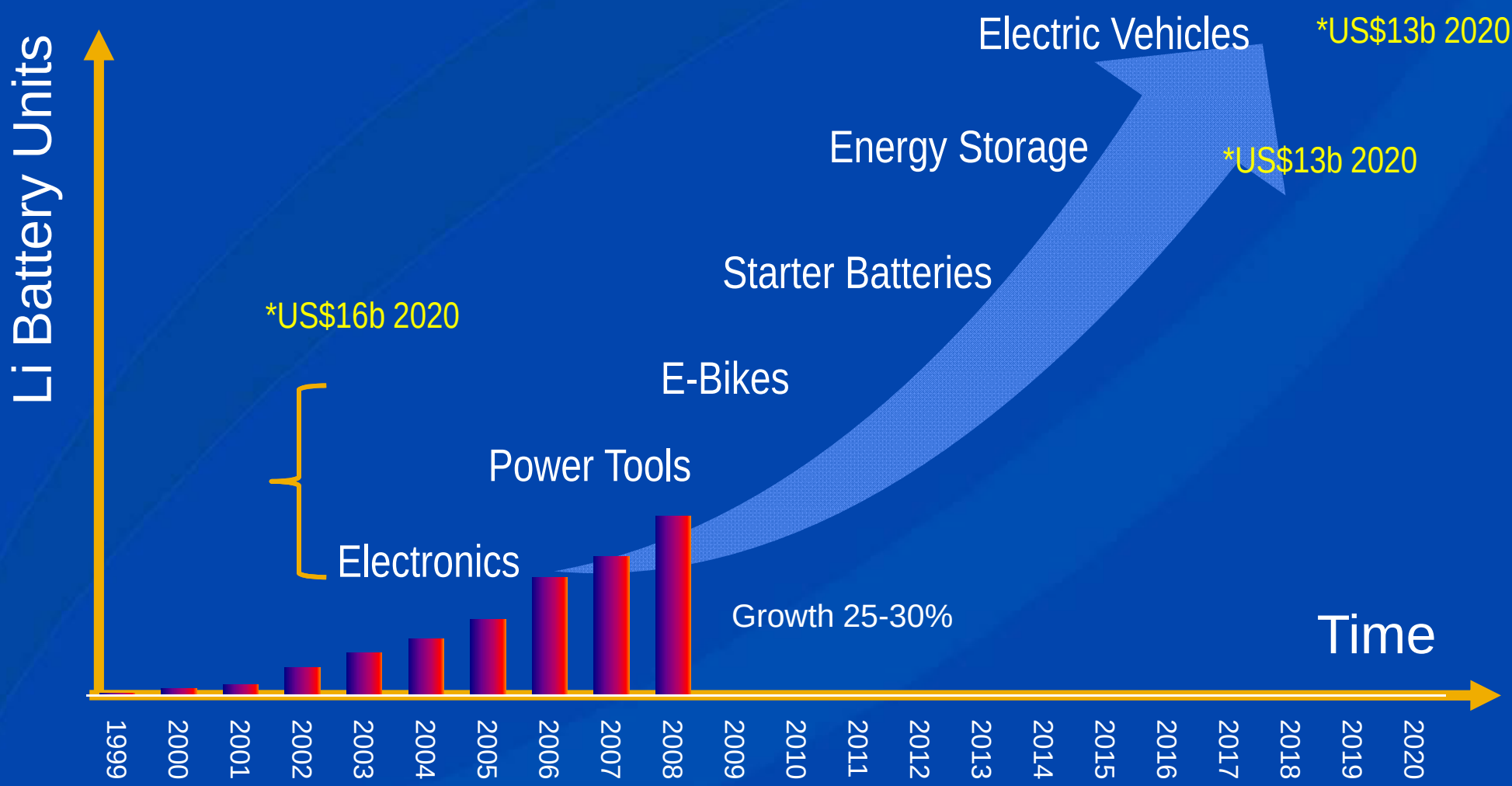
- Lithium has a wide variety of end uses
- Lithium batteries are the growth segment
- Only segment where demand grew in 2009



Source: Roskill

GROWTH IN OTHER AREAS BEFORE EVs

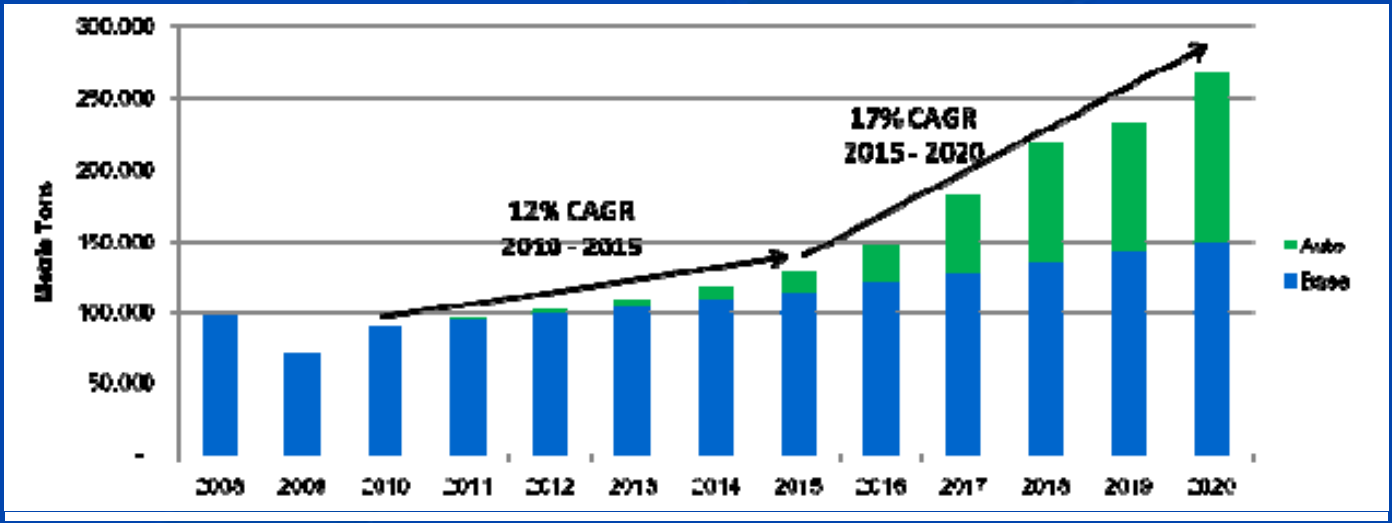
GALAXY
meeting a lithium future



Source: *Amadee

GLOBAL LITHIUM FORECAST

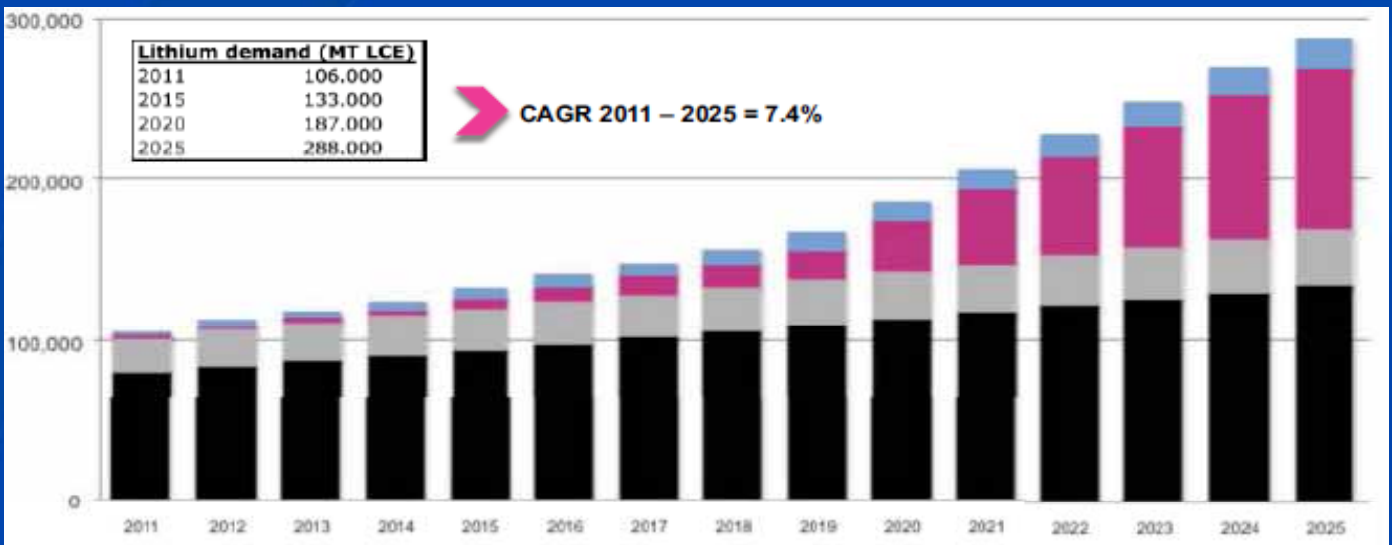
meeting a lithium future



FMC Corp Forecast

World Lithium Supply Conference 2011
Toronto

2-3 times Demand Increase by 2020



SignomBox Forecast

World Lithium Supply Conference 2011
Toronto

DEMAND AT PRE GFC LEVELS

meeting a lithium future

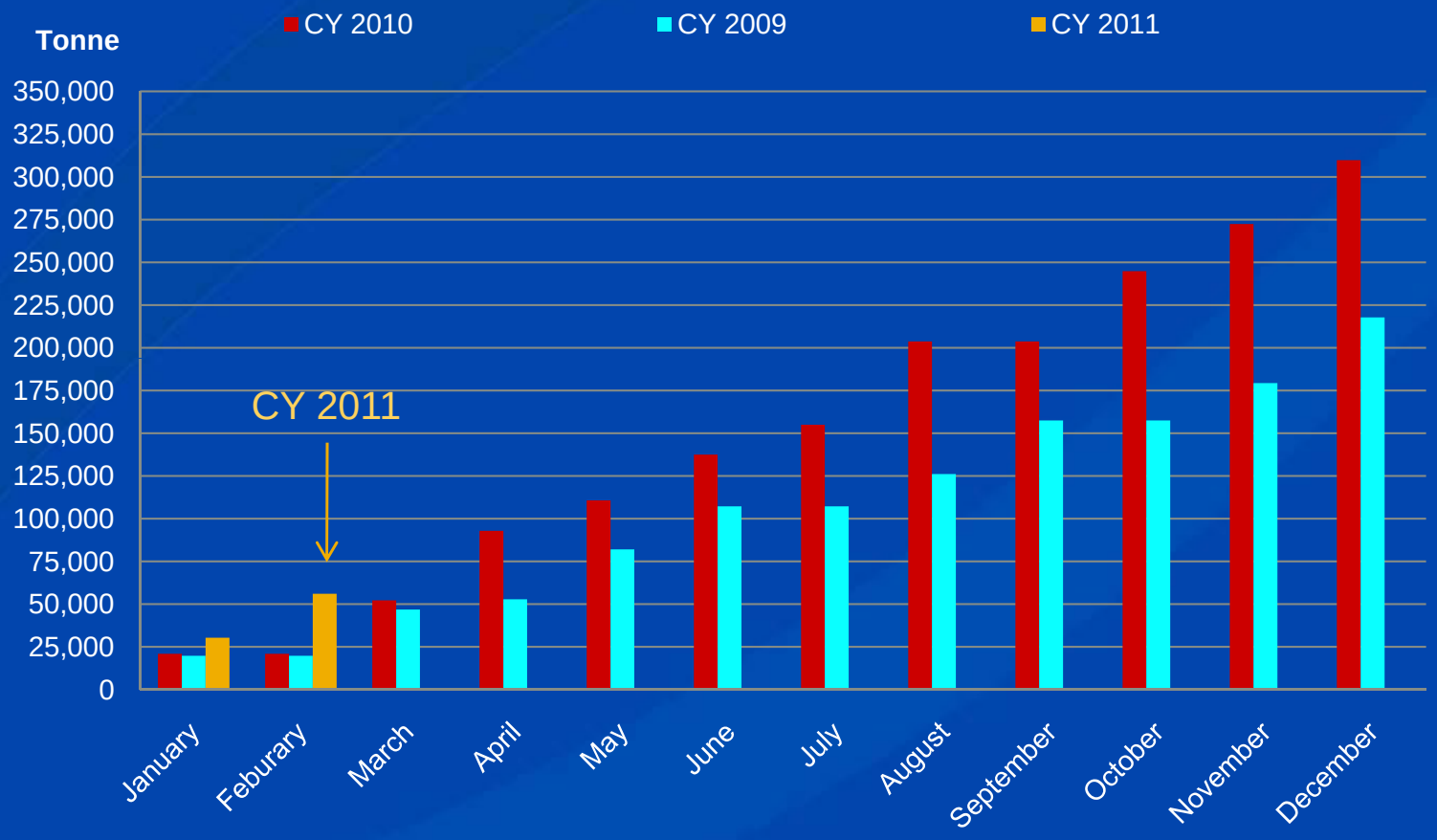
- SQM: 2010 Revenue up by 24% - Volume up by 52% to 32,400t
- FMC Lithium: Revenue up by 10% and earnings by 16%
- Chemetall: Net sales up by 16% and EBITDA up by 20.4%
- Talison: Revenue (H2 2010) up by 33% - Volume by 32% and EBITDA by 26%.
  - Average lithium concentrate price up by 14%

- PRICE INCREASE ANNOUNCEMENTS:
  - FMC – Sept 2010, LiOH price up by 10%, LiCl and Butyllithium by 8%
  - Chemetall - Oct 2010, Organolithium products up by 8%
  - 15% price increase of lithium bromide by FMC

SPODUMENE DEMAND

meeting a lithium future

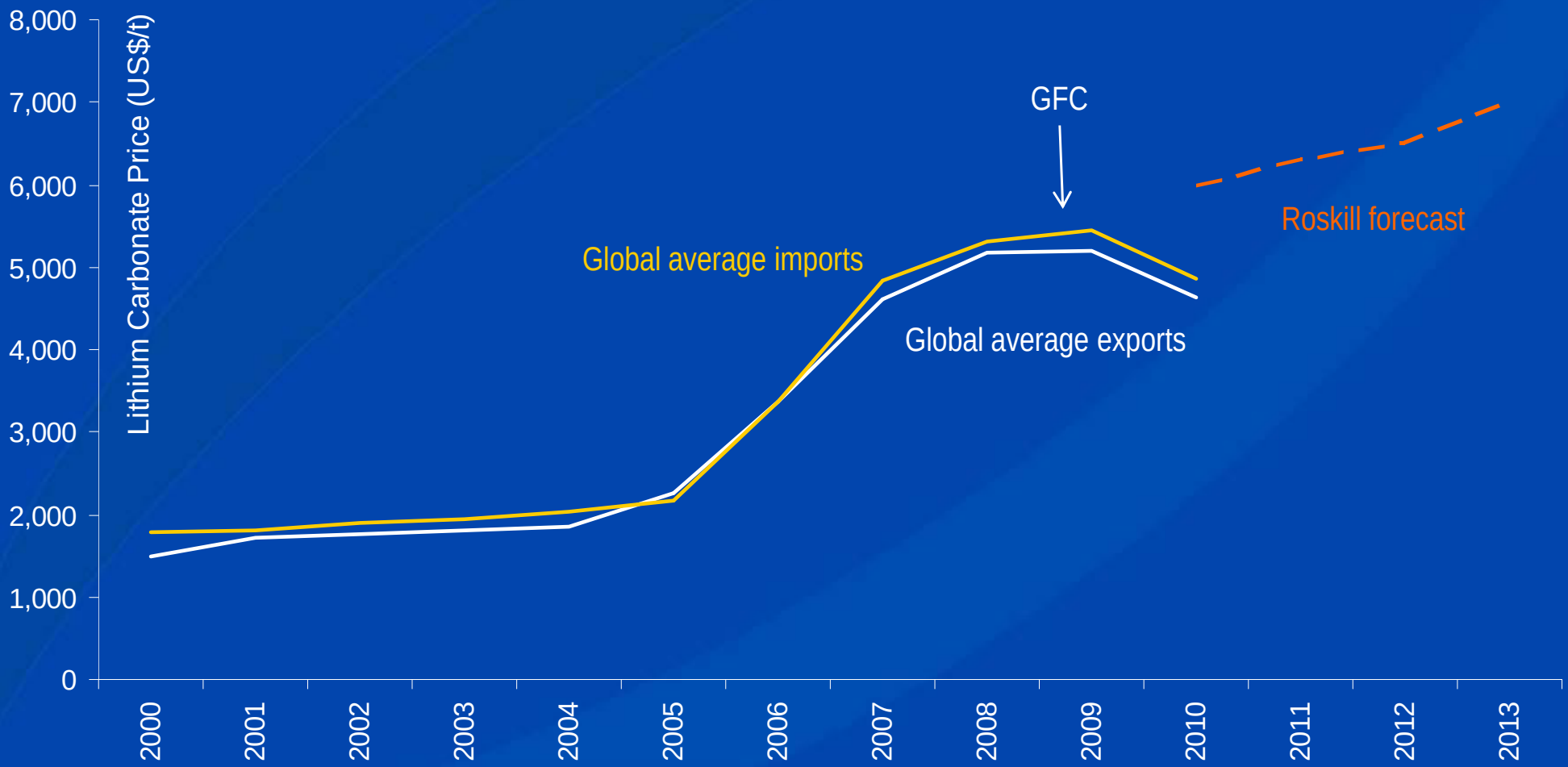
Bunbury Port Spodumene Export Quantity Monthly



Source: Bunbury Port Authority

ROSKILL PRICE FORECAST

meeting a lithium future

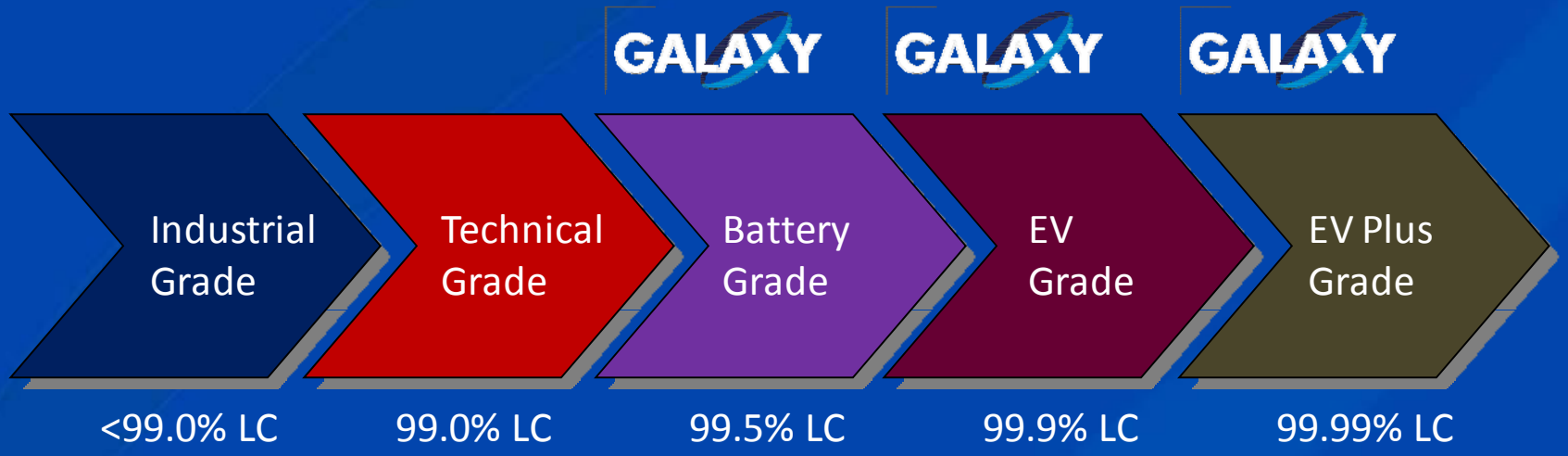


All figures – Real terms

Source: Global Trade Information Services, Roskill

MARKET SEGMENTATION

meeting a lithium future



FOCUS ON THE E-BIKE MARKET

GALAXY
meeting a lithium future

- China to remain as major driver
- 98% are heavy lead acid batteries
- China CAGR 8.2% till 2016
- Year 2016 output - 44 m bikes pa
- PRC weight restrictions
- Mass conversion to Li Batteries

E Bikes Sales in Asia till 2016

CHINA MACRO STRATEGY

meeting a lithium future

- China – Less reliance on oil based transport system
- Twelve 5 Year Plan – Low Carbon Economy
- 0.5m EVs by 2015, 5m Evs by 2020 (13.6 mil vehicles pa)
- 50% ownership of EVs & Hybrids by 2030
- Beijing Initiatives will drive EV demand

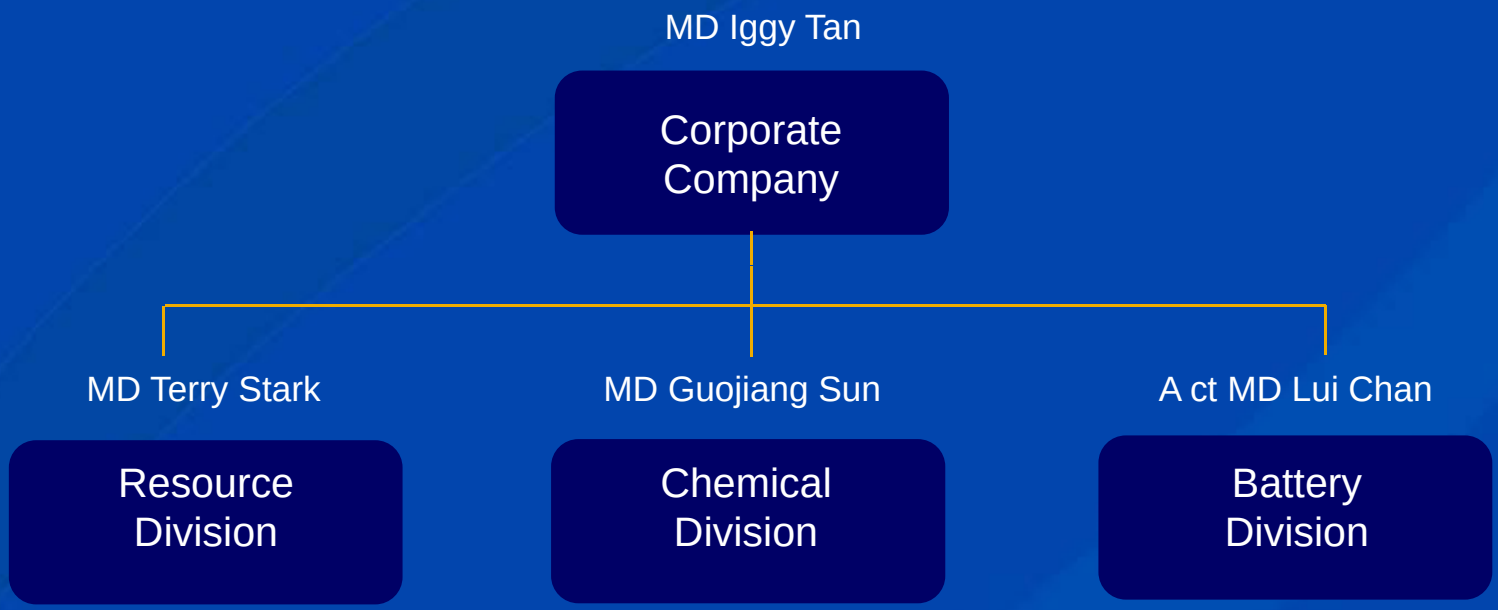
- “Mass energy storage” key to China’s strategy
- China targeting 20% from renewable source by 2020
- China - 1 MW of wind power installed every hour

meeting a lithium future

GALAXY'S BUSINESS

RESOURCE, CHEMICAL, BATTERY

BUSINESS DIVISIONS



Wesfarmer's style business structure allows Galaxy to manage diverse business units

meeting a lithium future

RESOURCE DIVISION

SECURING FUTURE SUPPLY

MT CATTLIN MINE

meeting a lithium future

- Significant lithium ore reserve
  - Resource of 18 mt at 1.08% Li_2O
  - Expected mine life of 18 years at 1 mtpa
- 137,000 tpa spodumene grading 6% Li_2O

- Record construction to production <11 months
- Construction - On time and on budget (A$80m)
- First shipment 6,500 t on 26 March 2011
- Second shipment in July 2011
- First Tantalite concentrate sale on 16 march 2011

- Ramp up slower initially - now on track at 75% of design output


Run of Mine Pad
Crusher
Maintenance Building
Power Generation
Primary Screening
DMS Plant
Water Treatment
Tailings Treatment
Laboratory


Conveyor 1
Fine Ore Bin
Process Water
Waste Bin
Control Room
DMS Plant
Laboratory

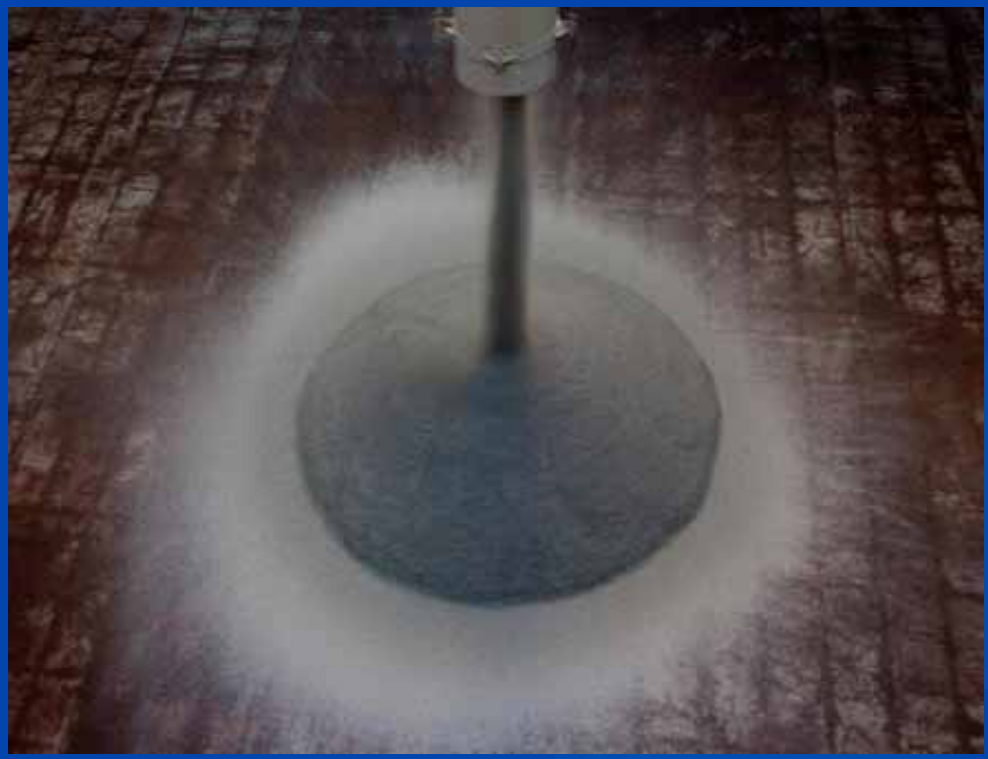
Open pit mining

Feeder to primary crusher

Mt Cattlin control room`

Heavy media plant and spodumene stockpile area

Wet plant




GIACCI


GIACCI
44
LONG VEHICLE

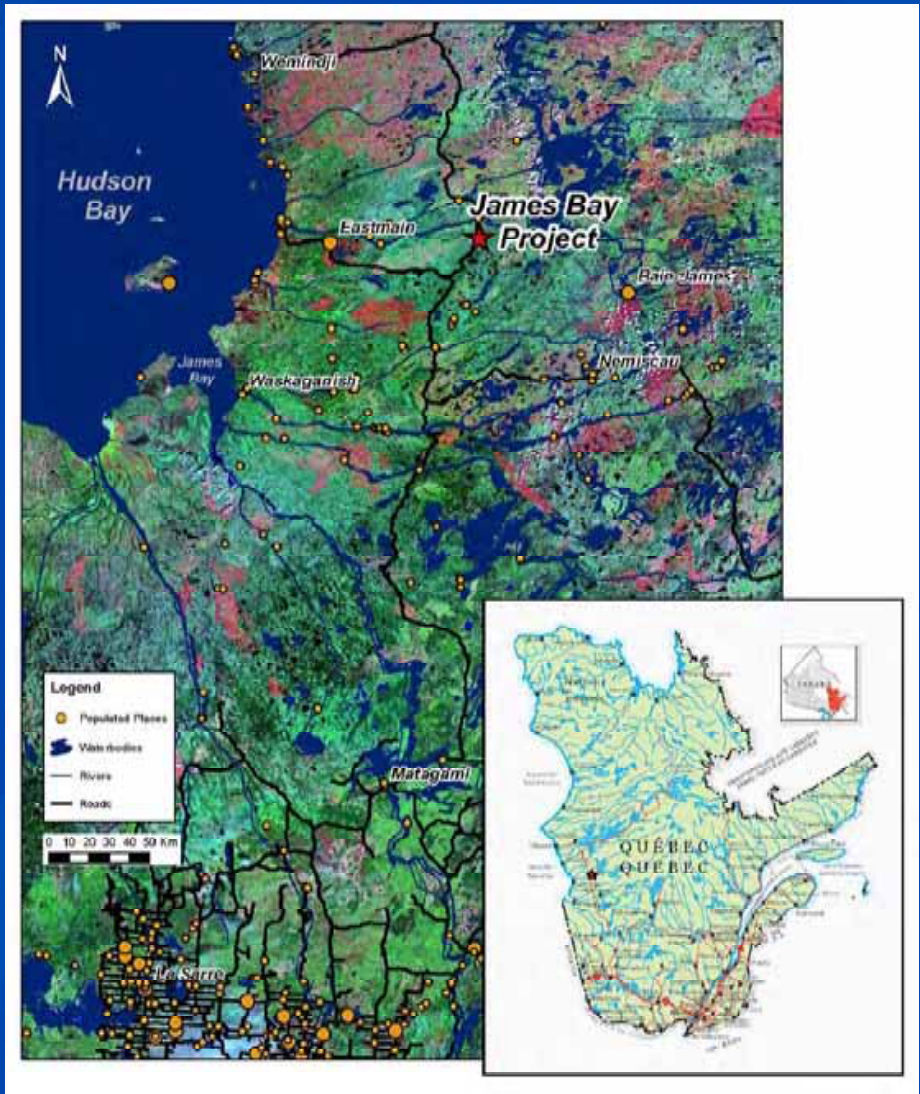
meeting a lithium future

OTHER LITHIUM RESOURCE

JAMES BAY ACQUISITION

GALAXY
meeting a lithium future

- Building our lithium footprint
- Farm–in acquisition of up to 70%
- C$3m to earn 20%
- C$3m expenditure on DFS to earn to 51%
- DFS completion to earn to 70%



JAMES BAY ACQUISITION

- Resource of 22 mt @ 1.28% Li2O
- Similar coarse grained pegmatite ore type to Mt Cattlin
- Similar design plans and DFS

Photo of Trenching sample on the pegmatite orebody

meeting a lithium future

CHEMICAL DIVISION

STRATEGY FOR HIGH QUALITY PRODUCTION

GL LOCATION

GALAXY
meeting a lithium future

JIANGSU PLANT IS STRATEGICALLY LOCATED

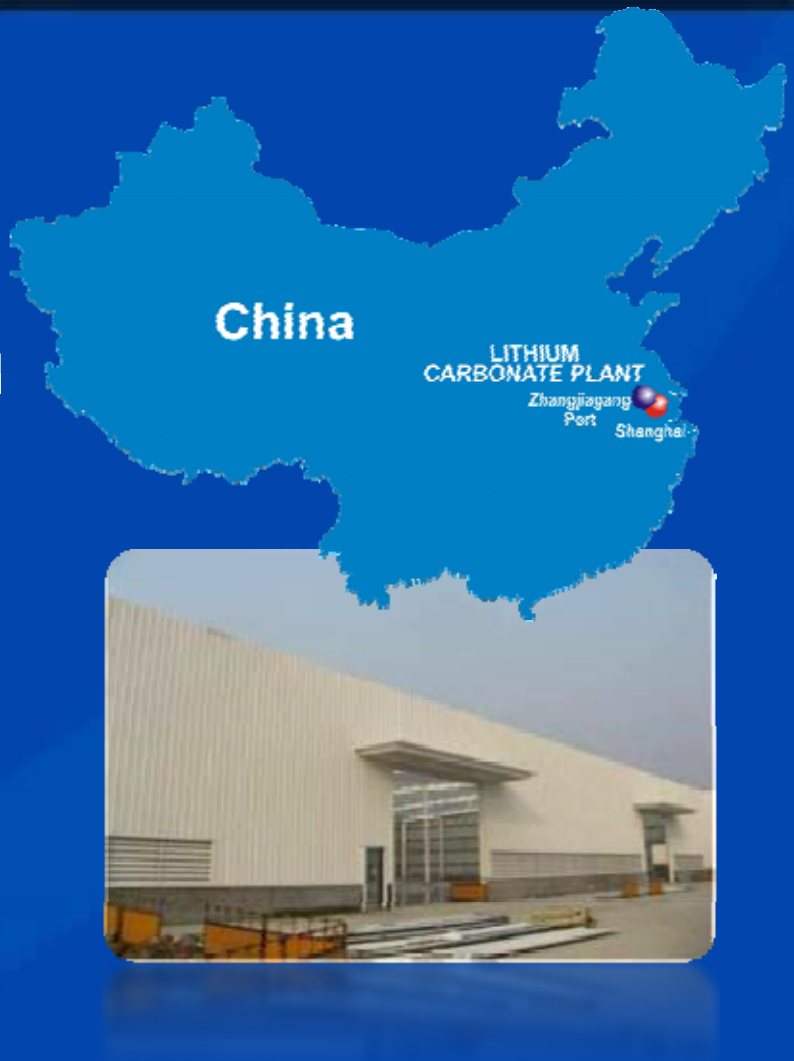
meeting a lithium future

- Jiangsu Plant near the east coast of the PRC
  - Zhangjiagang Free Trade Zone
  - Jiangsu International Chemical Industrial Park
- Adjacent to a wharf, spodumene shipped from Esperance
- Supply of key physical inputs, sulfuric acid and soda ash close by
- Close to potential domestic Chinese customers and export markets

JIANGSU LITHIUM CARBONATE PLANT

meeting a lithium future

- Largest LC processing plant in China
- Currently under construction
- Commissioning expected in 2011
- 17,000 tpa of high quality LC grading 99.5% and above
- Proprietary, continuous production technology
- Capability - 99.9% purity and above
- Focus lithium-ion battery industry
- Sodium sulfate as a by-product



Artist Impression - Jiangsu Lithium Carbonate Plant

Site Buildings

Processing Building

Conveyor construction to wharf

Calciner construction on site

Installed bulk bagging machine

Installed Micronizer

Processing Building

Administration building

Product warehouse

Kiln shell with girth gear

Process building

Warehouse and pipe rack

Major equipment on site

Maintenance building

CHINA PRODUCT DISTRIBUTION

GALAXY
meeting a lithium future

OFFTAKE FRAMEWORK AGREEMENTS

meeting a lithium future

- To support planned production of 17,000 tpa ,
- A number of offtake framework agreements:
  - Mitsubishi as exclusive distributer in Japan (5,000 tpa)
  - 13 major lithium cathode producers in China for the remaining 12,000 tpa
- Contemplate the sale of fixed annual volumes
- Price agreed on a quarterly basis
- Minimum of 99.5% purity

meeting a lithium future

BATTERY DIVISION

STATE OF THE ART PRODUCTION

POTENTIAL LITHIUM-ION BATTERY PLANT

meeting a lithium future

- Feasibility study completed
  - Full automation
  - “Turn key” equipment supplied by KUBT (Korea)
  - US lithium battery technology
  - Phase 1, 350,000 E-bike battery packs p.a.
  - Two additional phases to total 1.05 mn packs p.a.
- Experienced management team on board
- Commenced securing battery off-take

PROJECT STATISTICS

meeting a lithium future

Statistic	Phase 1
Number of Battery Packs pa	350, 000
Battery Pack Capacity	36V, 10Ah
Cathode Base Material	LFP
Anode Base Material	Graphite
Manufacturing Building Area	7,441m^2

Artist Impression of battery plant

Typical KUBT mixers

Typical KUBT mixer

KUBT coating and drying machinery

KUBT rolling and slitting machinery

KUBT rolling and slitting machinery

KUBT separator formation machinery

KUBT separator formation machinery

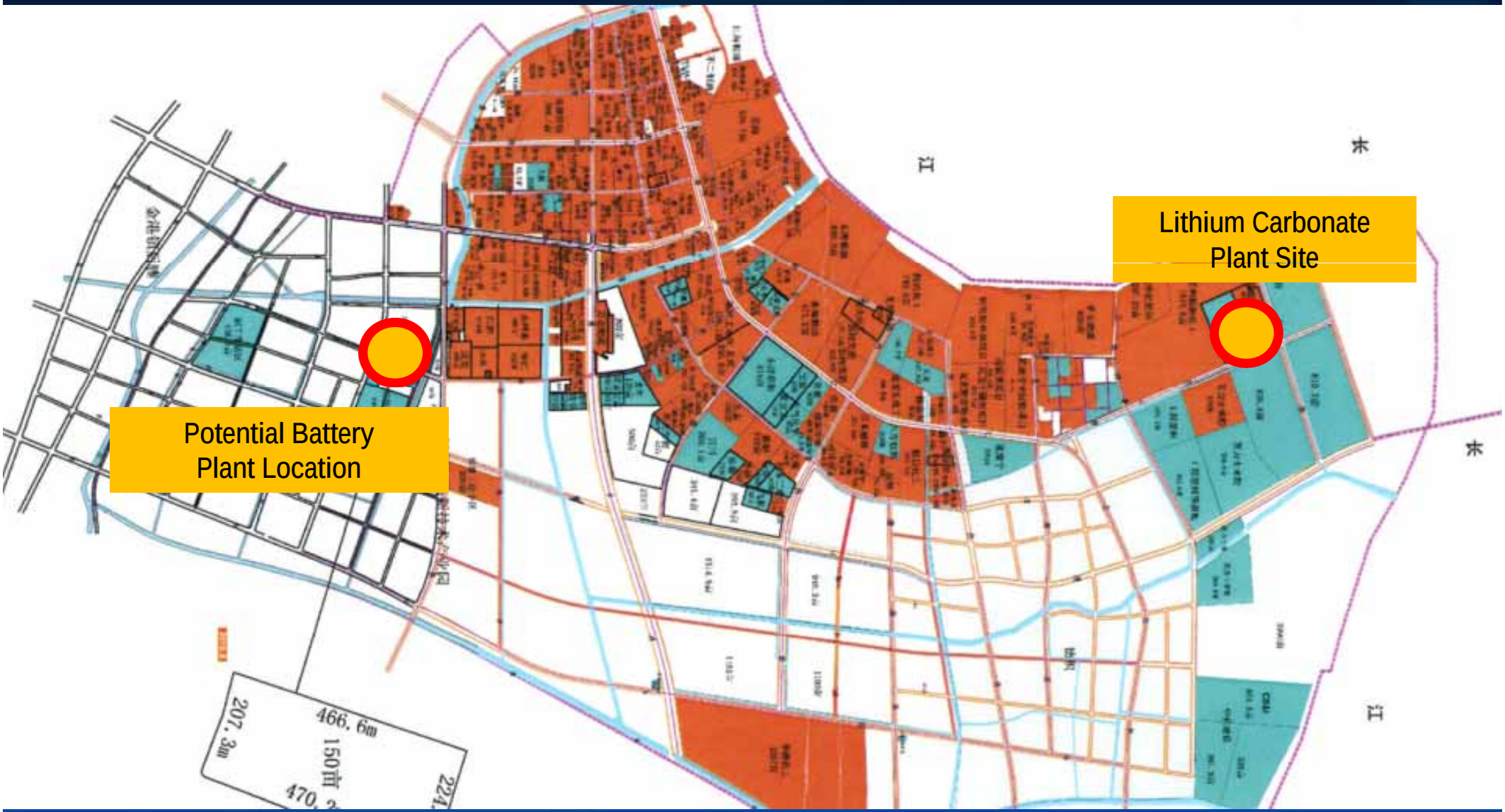
FEASIBILITY STUDY

GALAXY
meeting a lithium future

Capital Costs (*1st Phase)	A$ 134 million
Cumulative Capital Costs (^after 3rd Phase)	A$ 340 million
Revenue pa ^	A$ 201 million
Ave Net Cash (pre tax) pa ^	A$ 101 million
Average cost of a pack	A$ 104
Average price of a pack	A$ 186
Net Present Value NPV (non-geared, real @10%) ^	A$ 459 million
Internal rate of Return IRR%	33%

POTENTIAL LOCATION OF BATTERY PLANT

GALAXY
meeting a lithium future



meeting a lithium future

THANK YOU