

The logo features the word "GALAXY" in a bold, white, sans-serif font. A blue, stylized orbital ring or swoosh is positioned behind the letters "A", "L", and "A", curving around them.

Galaxy Resources Limited

Company Presentation

Iggy Tan

Managing Director

The background of the slide is a large, high-angle photograph of an industrial facility at night. The facility is brightly lit with numerous yellow and white lights. It features a complex network of conveyor belts, large storage piles of material in the foreground, and various industrial structures and tanks in the background. The sky is dark with some stars visible.

...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

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Robert Spiers who is a full time employee of Hellman & Schofield Pty Ltd and who is a Member of the Australian Institute of Geoscientists. Mr. Spiers 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 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Spiers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Ore Reserves is based on information compiled by Mr. Roselt Croeser who is a full time employee of Croeser Pty Ltd. Mr. Croeser 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 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Croeser consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report 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 the Company and who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Tornatora 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 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Tornatora consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

James Bay Competent Person

The mineral resources are reported in accordance with National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Resource evaluation work was completed by Mr. Sébastien Bernier, P.Geo (OGQ#1034, APGO#1847) an independent Qualified Person as defined by NI 43-101.

LITHIUM POWER



INVESTMENT OVERVIEW

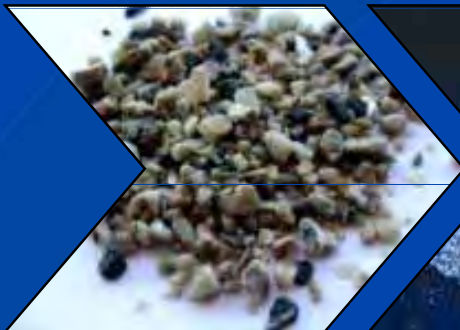


- ✦ Lithium Pure Play
- ✦ Downstream Integration – Value Add
- ✦ Resource, Chemical, Battery
- ✦ Operating mine and ore resources – Australia / Canada
- ✦ Lithium Carbonate chemical facility in China
- ✦ Lithium battery project in China

INTEGRATION & VALUE ADD

GALAXY

Spodumene
Production



\$1

GALAXY

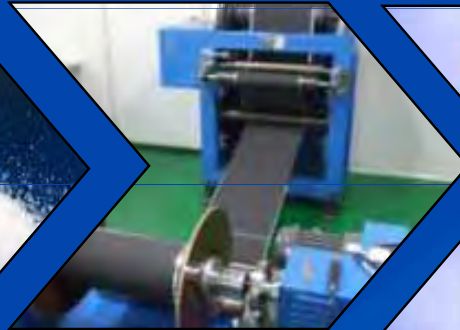
Lithium Carbonate
Production



\$3

GALAXY

Lithium Cathode
Production



\$44

GALAXY

Lithium Battery
Production

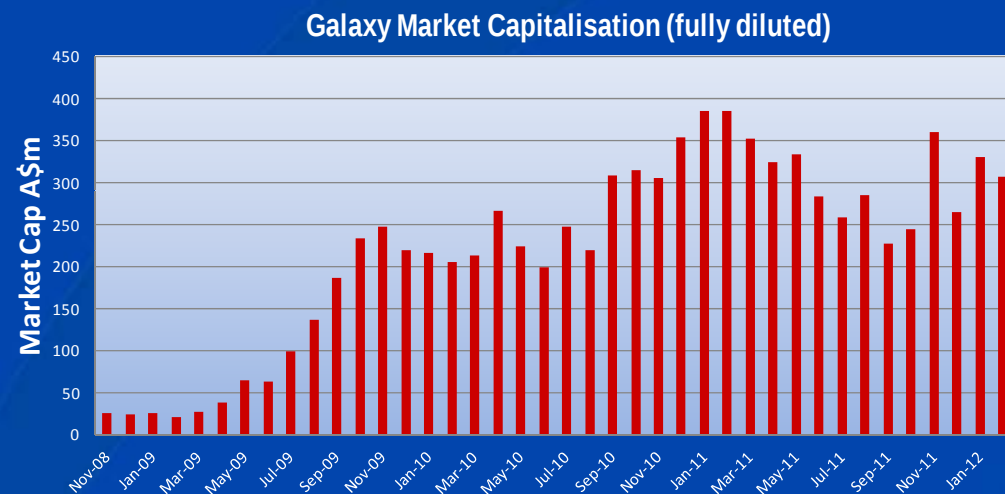


\$500

Revenue per Li unit

CORPORATE STRUCTURE

- Registered in Australia and listed on ASX
- Member of the S&P/ASX300 company



Capital Structure

Shares on issue	323 m
Options on issue	52 m
Share price (as of 3 Mar 12)	A\$0.84

Undiluted market capitalization **A\$270m**

Diluted market capitalization **A\$375m**

Substantial Shareholders

Creat Resources	11.0%
M & G Group	9.0%
Fengli Group	7.0%

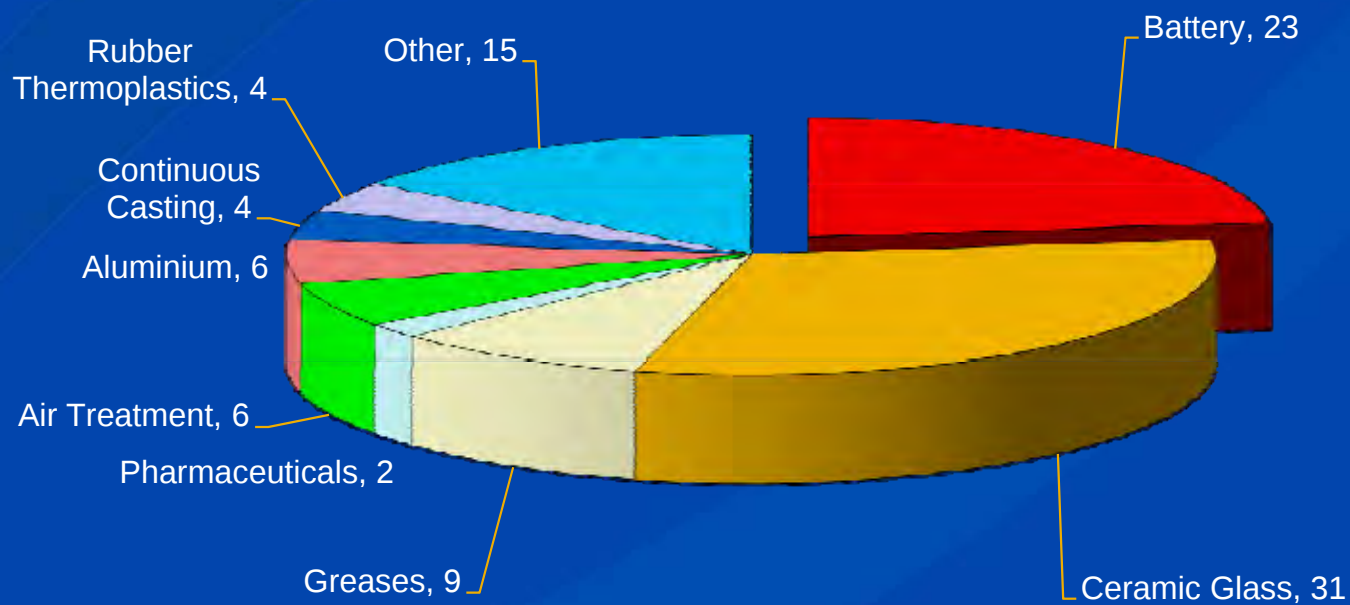
Substantial Investor

Li Shu Fu (Geely Motors)	A\$30m
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INDUSTRY OVERVIEW

LITHIUM CONSUMPTION – BY END USE

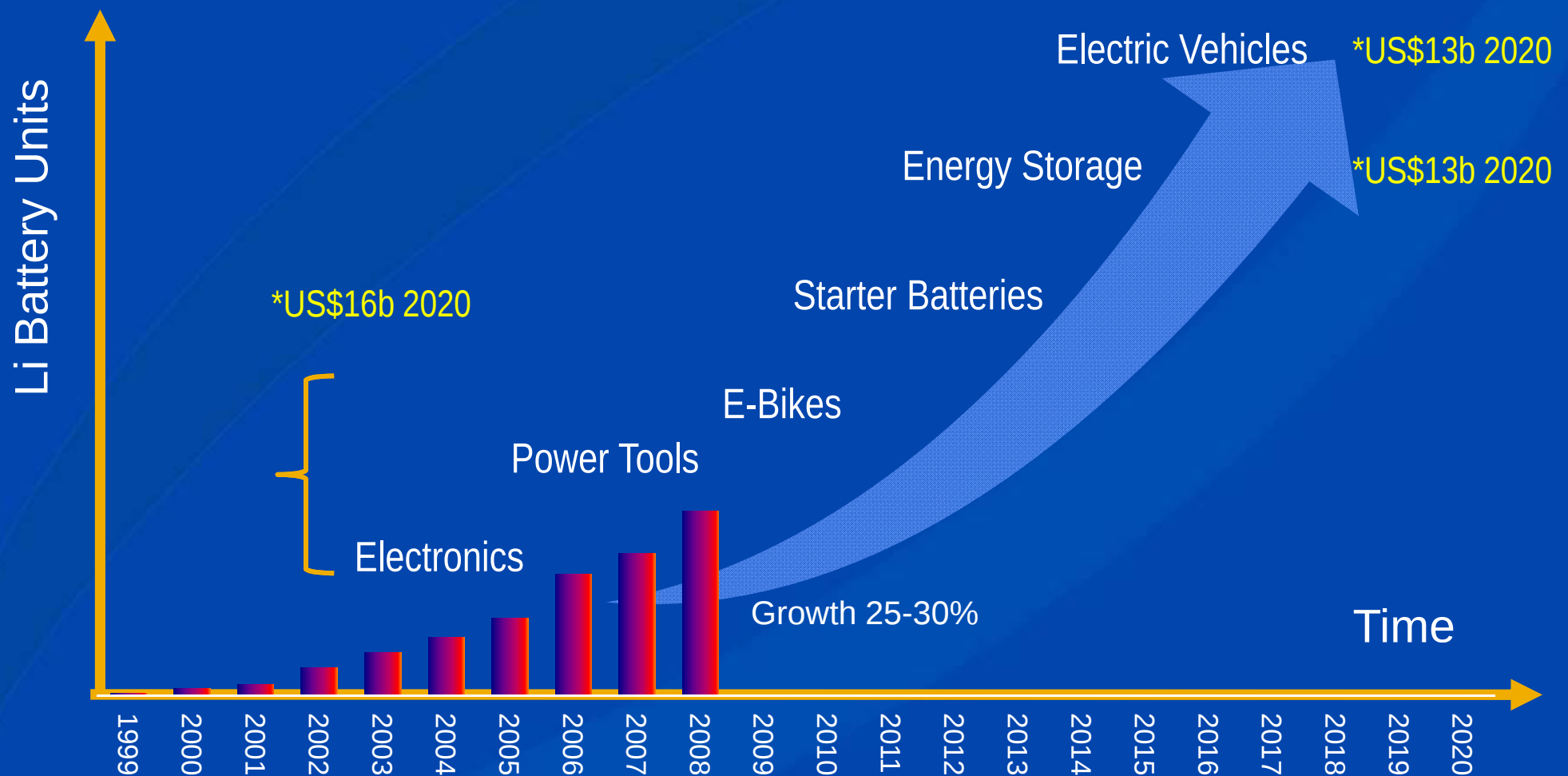
Estimated Consumption of Lithium by end use 2011
(est. 130,000 tons LCE) up 10%



GROWTH IN OTHER AREAS BEFORE EVs



meeting a lithium future



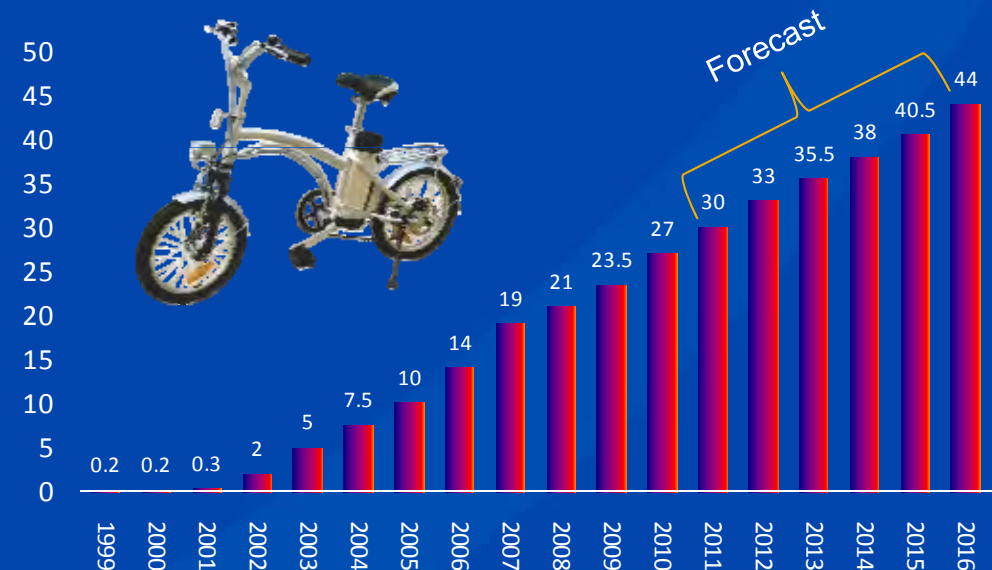
FOCUS ON THE E-BIKE MARKET



meeting a lithium future

- ✦ China produces 27 m E-Bikes pa
- ✦ 97% - heavy lead acid batteries
- ✦ PRC weight restrictions
- ✦ 1,000 lead plants shutdown
- ✦ Mass conversion to Li Batteries

E Bikes Sales in Asia till 2016



PRESSURE ON LEAD BATTERIES



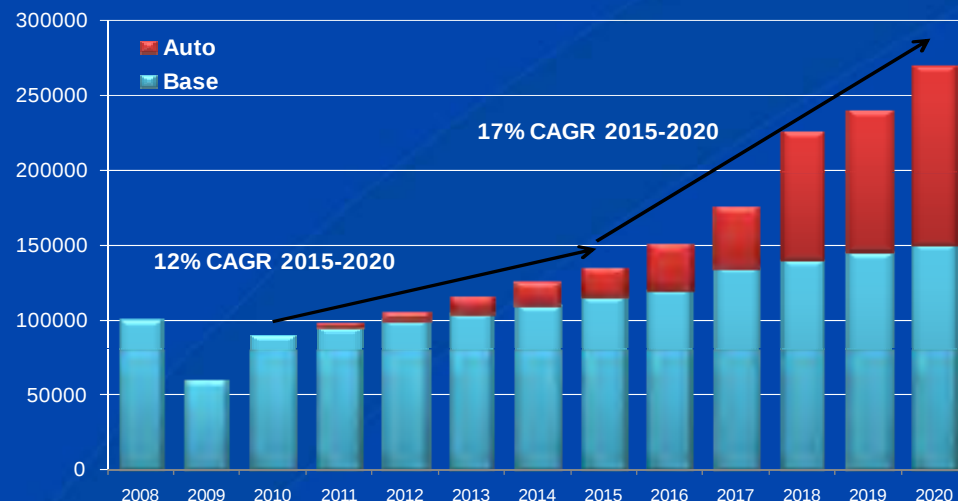
CHINADAILY
Lead-acid battery targeted in clean-up campaign
(Xinhua)
Updated: 2011-02-18 22:03



CHINA MACRO STRATEGY

- ✦ China – Less reliance on oil based transport system
- ✦ Twelve 5 Year Plan – Low Carbon Economy
- ✦ 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 – 1.6 MW of wind power installed every hour

GLOBAL LITHIUM FORECAST



FMC Corp Forecast

World Lithium Supply Conference 2011
Toronto

2-3 times Demand
Increase by 2020



Signom Box Forecast

World Lithium Supply Conference 2011
Toronto

06/16/2011

...the  **Lithium** company

Chemetall lithium division announces global price increases

Chemetall lithium division is announcing price increases of up to 20 percent for its lithium salts, including lithium carbonate, lithium hydroxide, lithium chloride, and increases on lithium metal battery grade, effective July 1.

FMC Lithium Announces Global Price Increases

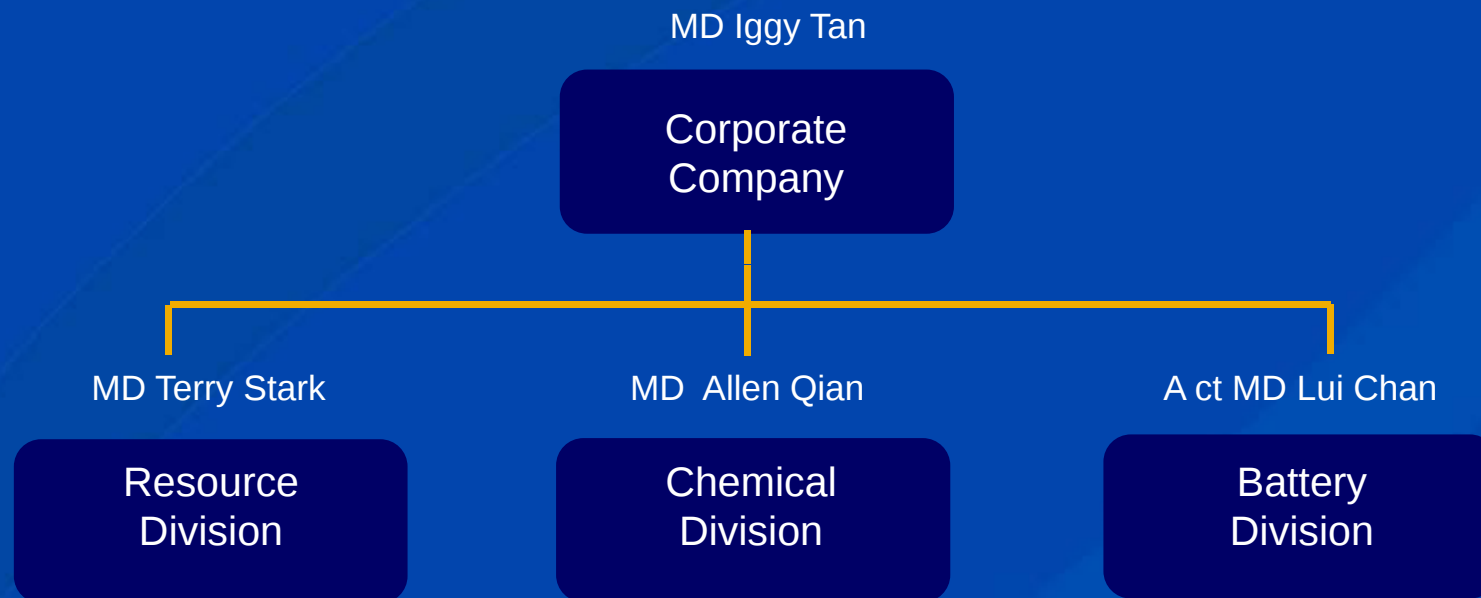
CHARLOTTE, N.C., June 23, 2011 – FMC Lithium announced today that effective July 1, 2011, or as contracts permit, it will increase prices 20 percent for lithium carbonate and between 15 and 25 percent, depending on product grade, for a range of lithium products, including lithium hydroxide, lithium chloride, specialty lithium salts and lithium battery metal.

**TALISON LITHIUM CONCLUDES FIRST SALES
CONTRACTS FOR 2012 WITH 15% PRICE INCREASE**

GALAXY'S BUSINESS

RESOURCE, CHEMICAL, BATTERY

BUSINESS DIVISIONS



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

RESOURCE DIVISION



MT CATTLIN MINE

- ◆ Mt Cattlin commenced late 2010
- ◆ Record construction of <11 months
- ◆ Project on time and on budget (A\$80m)
- ◆ Ramp up continues
- ◆ Produced 63,853 t spodumene in 2011
- ◆ Three shipments during the year
- ◆ Sales of Ta concentrate







Conveyor 1

Process Water

Fine Ore Bin

Waste Bin

Control Room

DMS Plant

Laboratory

Final Product Stockpile

JAMES BAY SPODUMENE JV

- ✦ Building our lithium footprint
- ✦ Joint venture with Lithium One Inc
- ✦ Own 20% with farm in to 70%
- ✦ Resource of 22 mt @ 1.28% Li₂O *
- ✦ Similar coarse grained pegmatite ore type to Mt Cattlin
- ✦ Similar design plans and DFS

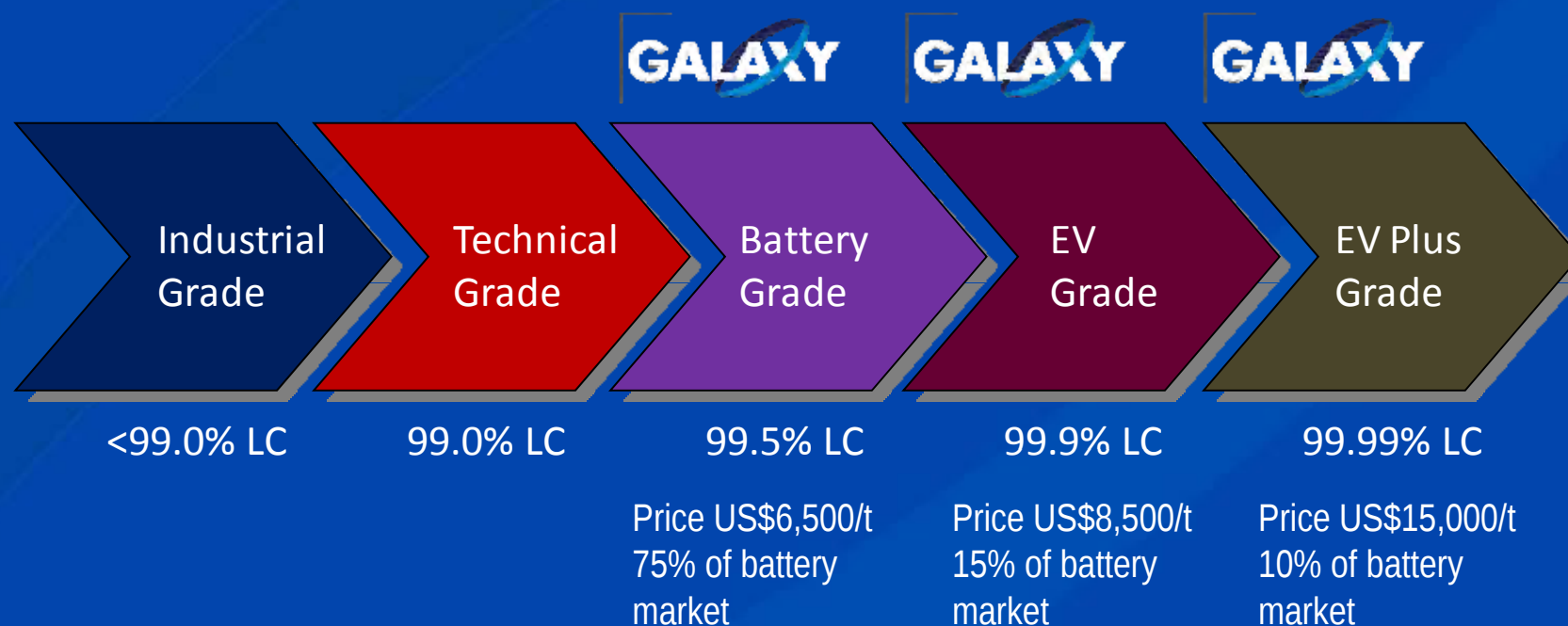


Resource	Tonnes	Li ₂ O %
Indicated	11,750,000	1.30%
Inferred	10,470,000	1.20%
TOTAL	22,220,000	1.28%



CHEMICAL DIVISION

MARKET SEGMENTATION



TOTAL LITHIUM INDUSTRY – CHINA 2011



JIANGSU PLANT IS STRATEGICALLY LOCATED



- ✦ Zhangjiagang Free Trade Zone
- ✦ Galaxy owns 100%
- ✦ 120 top foreign companies
- ✦ Chemical Industrial Park
- ✦ Adjacent to a wharf
- ✦ Supply of sulfuric acid and soda ash
- ✦ Close to markets

JIANGSU LITHIUM CARBONATE PLANT



- ◆ Focus lithium-ion battery industry
- ◆ Continuous production technology
- ◆ Highly process controlled
- ◆ Capital cost of US\$100 m
- ◆ Capability - 99.9% purity and above
- ◆ Mechanical completion achieved in early Dec 2011
- ◆ Cold commissioning 2 months
- ◆ Hot commissioning
- ◆ Plant opening 7 March 2012
- ◆ First product in first quarter 2012

World's largest battery grade lithium carbonate at 17,000 tpa





Ore unloaded at Jiangsu



Area 10 – Ore stockpile area



Senior management team on site



Ore feed conveyor to kiln

China's largest and most sophisticated lithium carbonate producer

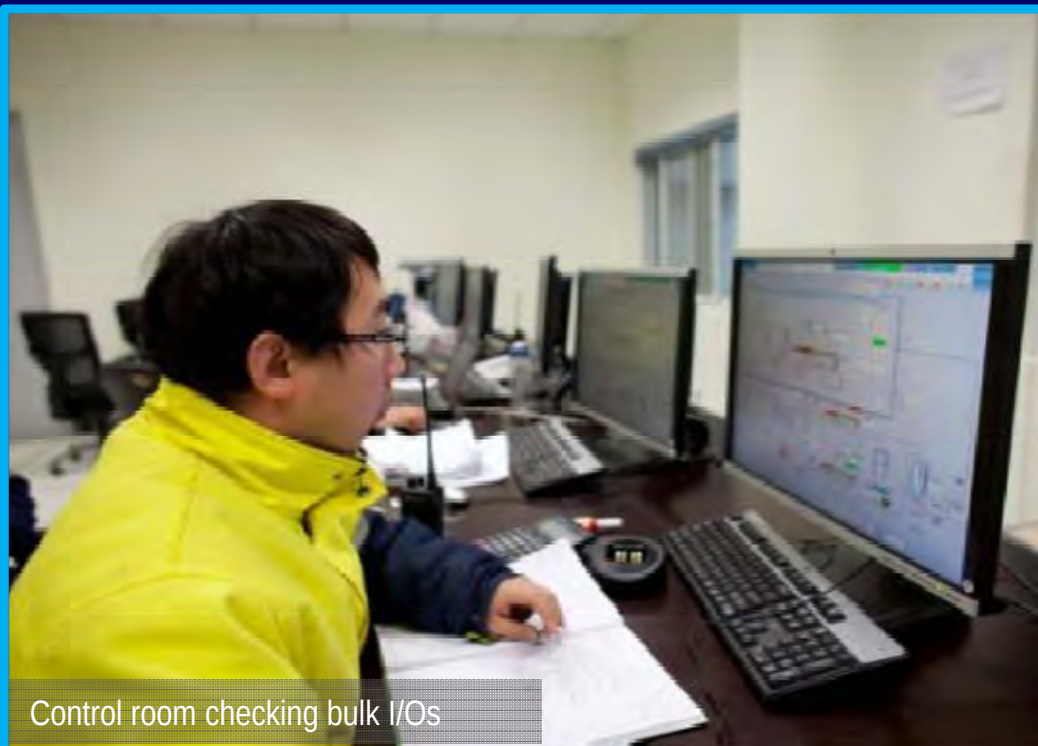




Calcliner kiln



Galaxy operators cold commissioning



Control room checking bulk I/Os



Pipework and slag filter building



Purification plant



Lithium carbonate production plant



Commissioning in lithium carbonate production plant



Sodium sulphate plant



Lithium carbonate centrifuge



Site laboratory in full operation



Product storage bins



Microniser and packaging building



Laboratory testwork in progress



Laboratory building in background



Packaging building



Microniser unit



Whole plant controlled from central control centre



Highly process controlled plant



Full automatic bagging machine



Automated packing plant

CHINA PRODUCT DISTRIBUTION



OFFTAKE FRAMEWORK AGREEMENTS

- ◆ Offtake framework agreements for 17,000 tpa
- ◆ Mitsubishi - exclusive distributor in Japan (5,000 tpa)
- ◆ 13 major lithium cathode producers in China (12,000 tpa)
- ◆ Fixed annual volumes
- ◆ Price agreed on a quarterly basis
- ◆ Minimum of 99.5% purity





BATTERY DIVISION

CHINA'S LITHIUM BATTERY INDUSTRY



- ✦ Thousands of small medium factories
- ✦ High labour assembly lines
- ✦ Cheap low quality raw materials
- ✦ Prone to quality inconsistencies
- ✦ High defect rates affecting life of batteries
- ✦ All trying to do their own R&D
- ✦ Cannot compete with Japanese & Korean batteries

GALAXY'S APPROACH



- ✦ Feasibility study completed
 - ✦ “Turn key” equipment supplied by KUBT (Korea)
 - ✦ Full automation – extremely low reject rates
 - ✦ Suppliers of Samsung and LG Chem
 - ✦ K2 Energy US lithium battery partner
 - ✦ Leap frog R&D
 - ✦ 620,000 battery packs
- ✦ More stable Lithium Iron Phosphate batteries

STATUS OF PROJECT



- ✦ Off-take framework of 80% capacity achieved to date
- ✦ Interest from Chinese banks to fund project
- ✦ Term sheets received by 3 major banks
- ✦ Environmental approval completed
- ✦ Safety approval in progress
- ✦ Land secured
- ✦ Board yet to make final decision
- ✦ May consider a strong JV partner

INTERNATIONAL PARTNERS



Owner
Galaxy Resources
Australia



Technology Partner
K2 Energy Solutions
USA



Turn Key Partner
KOBET Consortium
Korea



EPCM Manager
M+W Group
Germany



Plant Location
Zhangjiagang
China



K2 ENERGY PARTNERSHIP

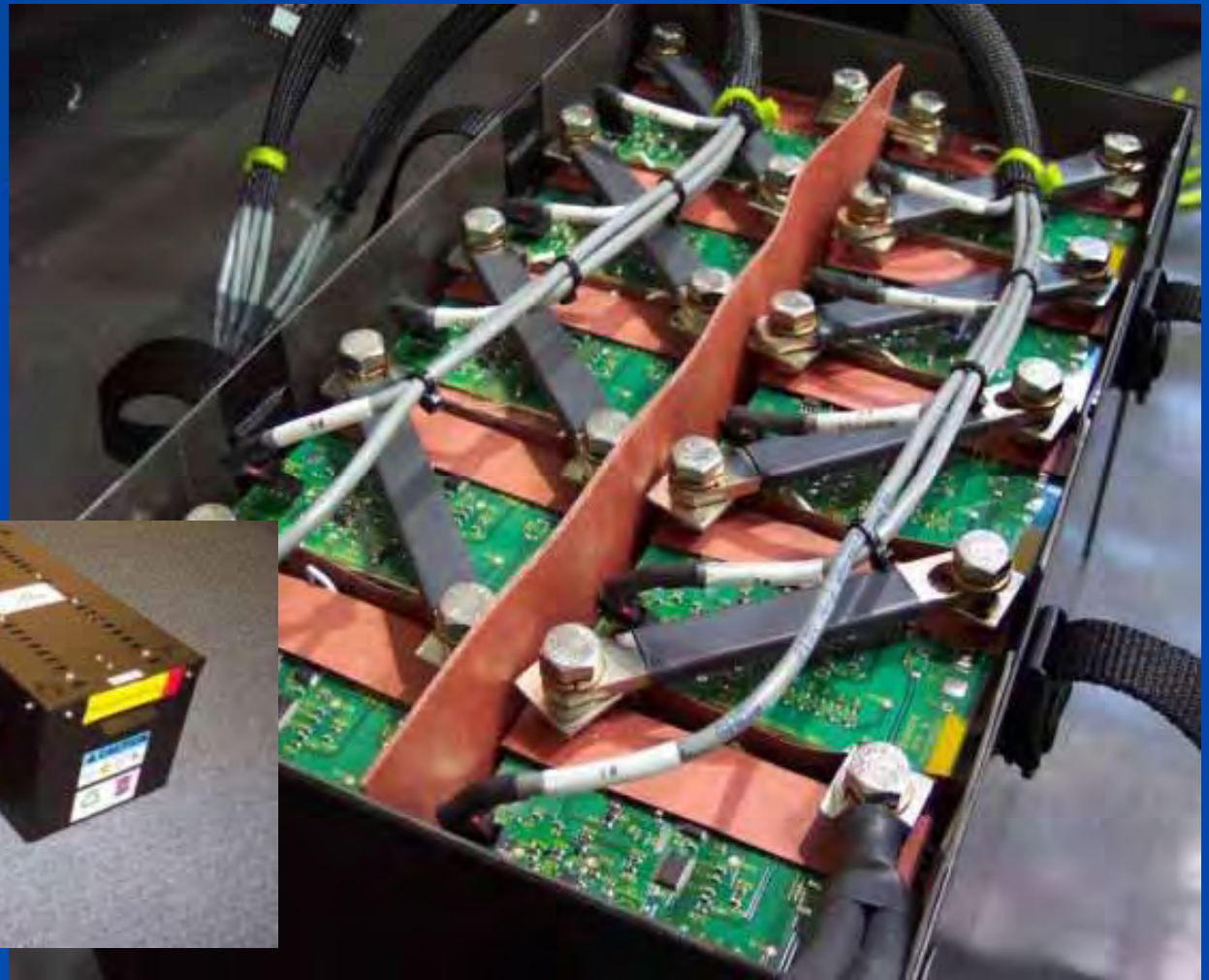
- ✦ Established US lithium battery producer
- ✦ License to use all K2 Energy's technology
- ✦ K2 provides recipe, expertise, commissioning support
- ✦ Highest energy densities of any LFP products on the market
- ✦ Intellectual property



Table 1 - Energy Density (Wh/l)

Battery type	K2	Comp 1	Comp 2	Comp 3
18650 E	290		261	213
18650 P	242	220		
26650 P	241	220	223	
26650 EV	297			

EXPERIENCE IN LARGE FORMAT BATTERIES





Typical KUBT mixers



Typical KUBT mixer



KUBT coating and drying machinery



KUBT rolling and slitting machinery



KUBT rolling and slitting machinery

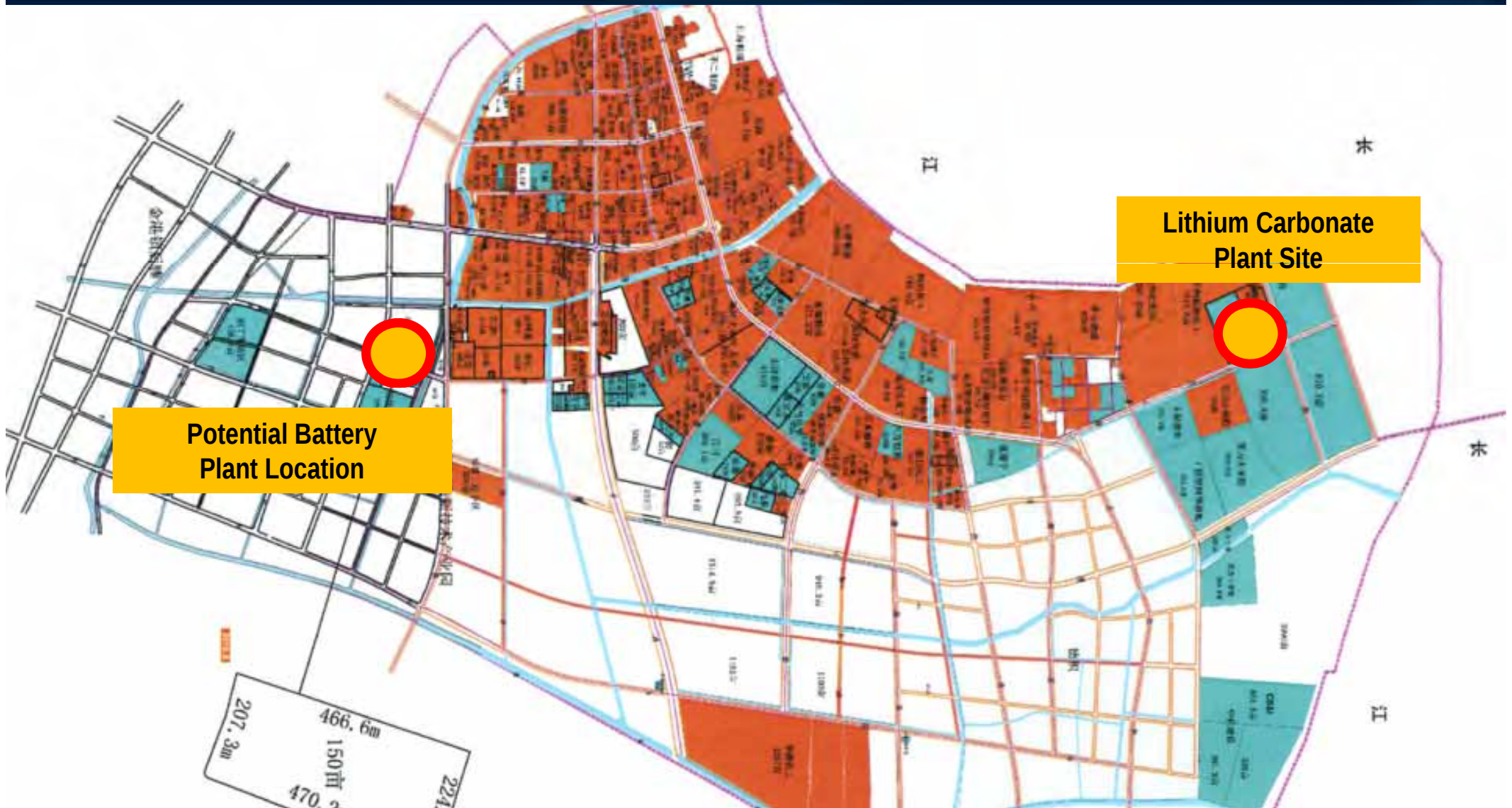


KUBT separator formation machinery



KUBT separator formation machinery

SITE SECURED



UPDATED FEASIBILITY STUDY

Production Rate (packs pa)	620,00
Capital Costs	A\$ 142 million
Revenue pa	A\$142 million
Ave Net Cash (pre tax) pa ^	A\$ 68 million
Net Present Value NPV (non-g geared, real @10%) ^	A\$ 365 million
Internal rate of Return IRR%	43%



**“SECURITY OF SUPPLY
FOR CHINA GROWTH”**