



Galaxy Resources Limited

Annual General Meeting

Managing Director's Presentation



...meeting a lithium future

HIGHLIGHTS OF 2011



- ◆ Safety Performance – No lost injuries in 4 years
- ◆ Built two significant projects – Mt Cattlin & Jiangsu
- ◆ In that time others are just finishing feasibility studies
- ◆ Raised A\$120m and reduced debt levels
- ◆ Replaced CDB debt with CCB, ABC, ICBC
- ◆ Mt Cattlin ramp up in final stages
- ◆ Jiangsu first product
- ◆ Off take framework arrangements in place
- ◆ Merger with Lithium One

SAFETY & ENVIRONMENTAL



- ✦ Excellent safety performance
- ✦ No lost injuries in 4 years
- ✦ Mining and processing at Mt Cattlin
- ✦ 2 million construction manhours at Jiangsu
- ✦ Environmental performance good

MT CATTLIN



- ◆ No lost time incidents
- ◆ Ramp up in 2011
- ◆ Produced 63,853 t spodumene 2011
- ◆ Achieved above design output 2nd half March
- ◆ Three shipments of spodumene
- ◆ Tantalum shipments to Global Advanced Metals
- ◆ Resource upgrade by 14%
- ◆ Fourth shipment to paying customer this week
- ◆ First significant revenue input for Mt Cattlin

JIANGSU



- ◆ No lost time incidents
- ◆ 2 million construction manhours
- ◆ Mechanical completion achieved in early Dec 11
- ◆ Hot commissioning completed end Mar 12
- ◆ Plant opening 7 Mar 12
- ◆ First product in early Apr 12
- ◆ Continuous and stable operation
- ◆ First sale shipment this week
- ◆ Grade of 99.5% LC achieved

LITHIUM MARKET



- ◆ 10-15% growth – 140,000 LCE tpa
- ◆ Interruption in supply – FMC Lithium
- ◆ SQM recently indicated its capacity utilization had improved
- ◆ Rockwood Lithium announced a 22% price increase
- ◆ Last increase of 20% in prices in June 2011
- ◆ Suggests relatively tight supply and demand

MERGER WITH LITHIUM ONE



- ✦ Announced the merger with Lithium One - 30 Mar 12
- ✦ Offer values at C\$1.55 per share, or C\$112 million on an undiluted basis
- ✦ 27% premium to Lithium One's 30 day VWAP (15 Mar)
- ✦ Ratio of 1.96 GXY shares to 1 L1 share
- ✦ Raised A\$33 million:
 - ✦ Strengthen balance sheet
 - ✦ Merger and capital raising costs
 - ✦ Working capital
 - ✦ Accelerate Sal de Vida
- ✦ Both shareholder meetings on 18 Jun 12

SHAREHOLDERS



◆ M & G Investments (UK)	19.5%
◆ Vanguard (USA)	11.2%
◆ Creat Resources (PRC)	10.4%
◆ Fengli Group (PRC)	5.9%
◆ Blackrock (UK)	1.0%

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



Calciner 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





Laboratory testwork in progress



Laboratory building in background



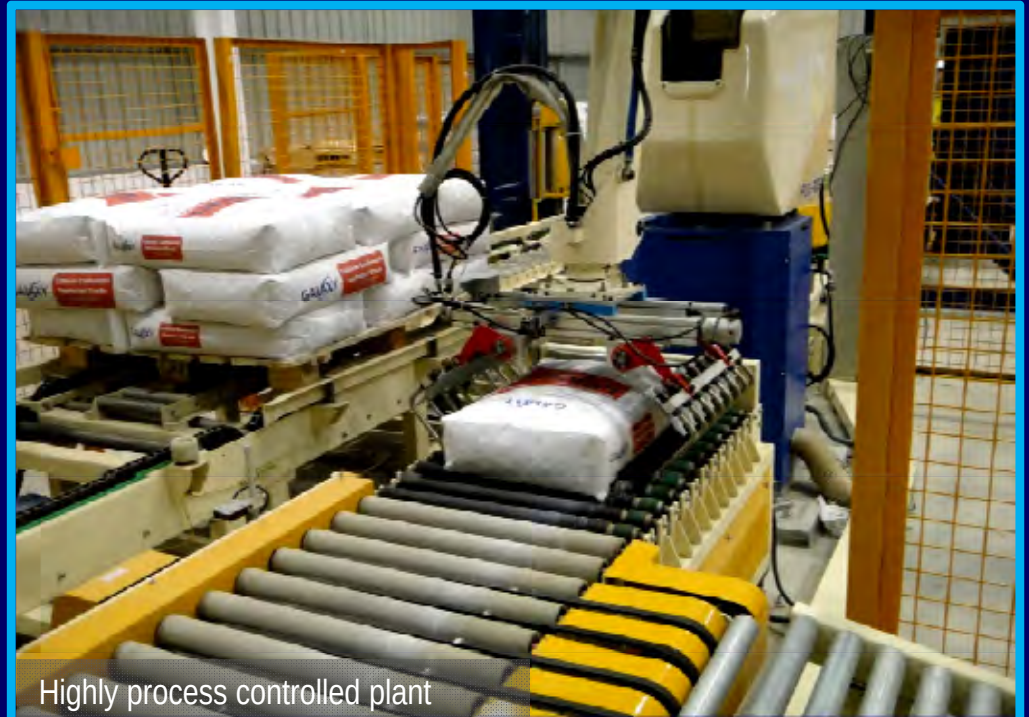
Packaging building



Microniser unit



Whole plant controlled from central control centre



Highly process controlled plant



Full automatic bagging machine



Automated packing plant

China's largest and most sophisticated lithium carbonate producer





First sale product being loaded



Dispatch documentation checks



Marketing and sales team



First truck leaves the Jiangsu site

Merger with Lithium One to form a Lithium Company of Global Significance

MERGER RATIONALE

- ✦ Galaxy to boost its global lithium resource base
- ✦ Become a major lithium company of global significance
- ✦ L1 to get upside from joining a current lithium producer
- ✦ GXY to get upside from Sal de Vida (SV)– “best undeveloped brine deposit”
- ✦ Both will drive the long term value of the company
- ✦ Combined resource 1.2 mt LCE hard rock & 7.2 mt LCE brine projects
- ✦ Target production of 42,000 tpa of LCE when SV is brought on line

BENEFITS FOR GXY SHAREHOLDERS

- ✦ Enhance scale and diversification
- ✦ Exposure to world's best undeveloped brine project
- ✦ Low cost brine with potash potential
- ✦ Consolidate ownership of James Bay
- ✦ Korean strategic partners & funding
- ✦ Global presence
- ✦ Business synergies



LITHIUM ONE'S ASSETS

Sal de Vida



Resource Statement

M&I resource of 4.1mt LC and 16.1mt potash
Inf. resource of 3.2mt LC and 12.8mt potash



James Bay



Resource Statement

Ind. resource of 11.8Mt at 1.3% Li_2O
Inf. resource of 10.5Mt at 1.2% Li_2O

SAL DE VIDA – LOCATION

Located in a proven lithium triangle, same Salar as FMC Lithium' operation



SAL DE VIDA – HIGHLIGHTS

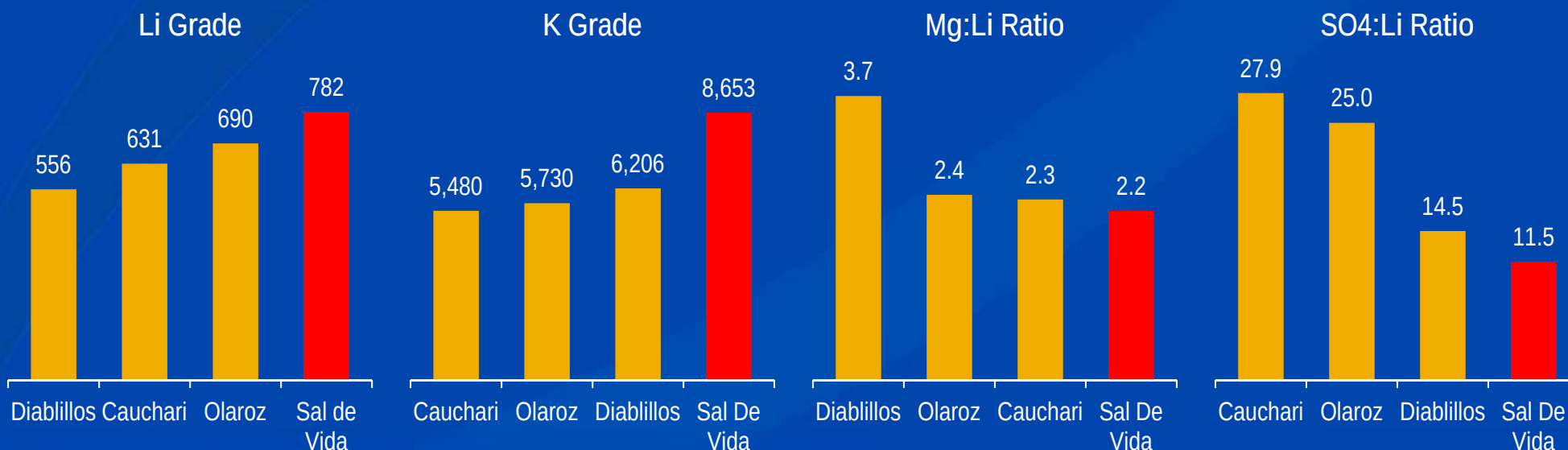
- ✦ Is part of Salar del Hombre Muerto
- ✦ Adjacent to FMC Lithium's operation
- ✦ 100% owned tenement package
- ✦ Large resource, large scale, long life operation
- ✦ High grade and excellent chemistry
- ✦ Potential low cost operation
- ✦ Positive preliminary economic assessment
- ✦ Good Infrastructure, close to Salta city
- ✦ Favorable regulatory environment



SAL DE VIDA – RESOURCE

Large inferred resource, high grades, excellent chemistry - potential for a long life, low cost operation

Category	Brine Volume (m ³)	Li Grade (mg/L)	In Situ Li (tonnes)	Li ₂ CO ₃ Equiv (tonnes)	K Grade (mg/L)	In Situ K (tonnes)	KCl Equiv (tonnes)
Measured	7.2 x 10 ⁸	787	565,000	3,005,000	8,695	6,241,000	11,902,000
Indicated	2.6 x 10 ⁸	768	197,000	1,048,000	8,534	2,186,000	4,169,000
M & I	9.8 x 10 ⁸	782	762,000	4,053,000	8,653	8,427,000	16,071,000
Inferred	8.3 x 10 ⁸	718	597,000	3,180,000	8,051	6,692,000	12,762,000





Typical Evaporation Ponds - Chile



Typical Evaporation Ponds - Chile



Typical Evaporation Ponds - Chile

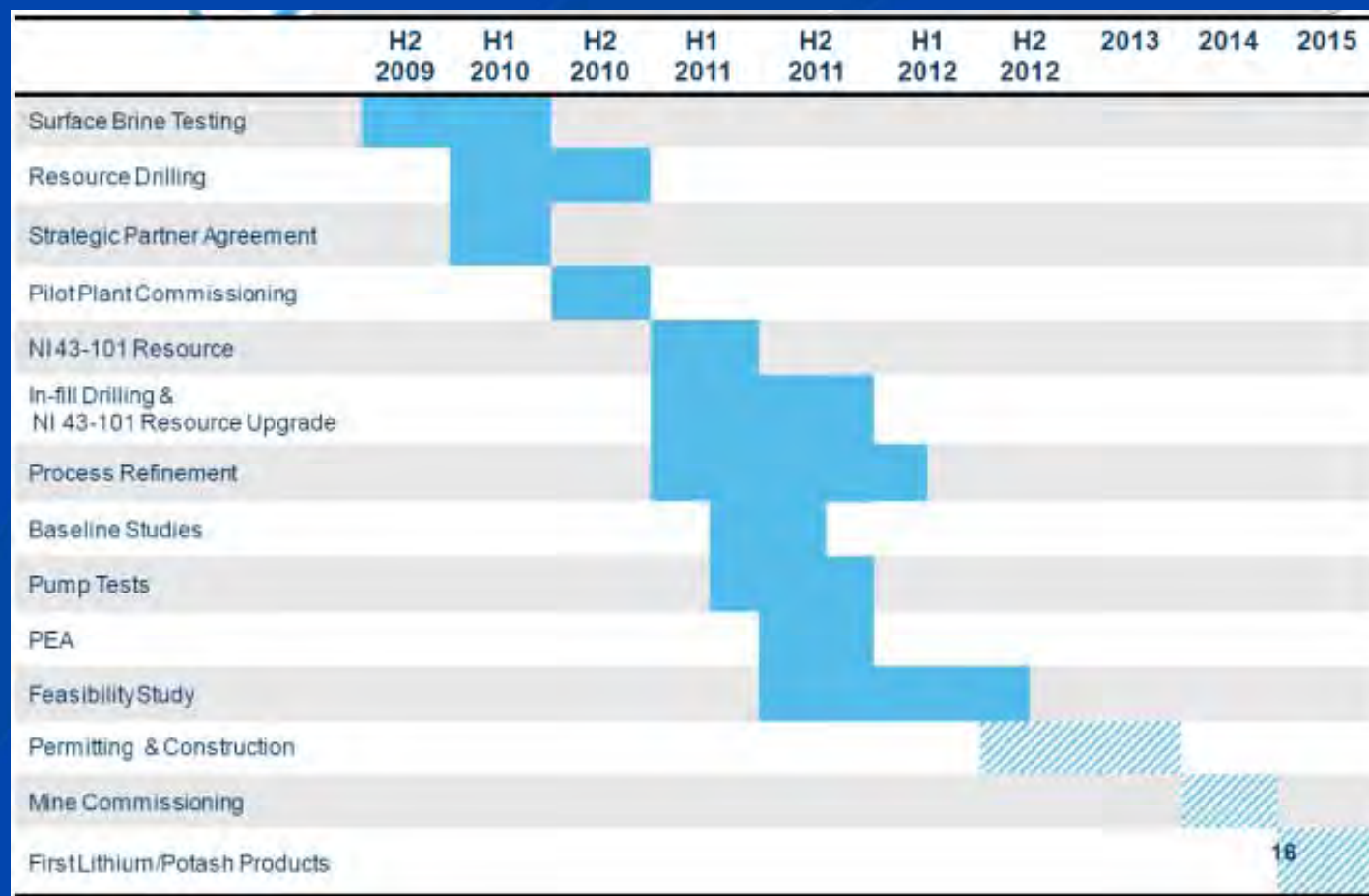
SAL DE VIDA – PEA

PEA released in October 2011, derived a pre-tax NPV₈ of **US\$1.07 billion**

Lithium carbonate production (tpa)	25,000
Potash production (tpa)	107,000
Estimated mine life (years)	40+
Estimated capital costs (US\$m)	356
Estimated operating costs (US\$/t Li ₂ CO ₃ , FOB Antofagasta, Chile)	1,537
Estimated operating costs (US\$/t KCl, FOR Guemes, Argentina)	184
Average 2011 to 2025 Li ₂ CO ₃ price (US\$/t)	5,490
Average 2011 to 2025 KCl price (US\$/t)	620
Average annual cash flow for first 20 years (US\$m, pre-tax)	139
Project commencement of revenue generation (year)	2015
Net present value at 8% pre-tax real discount rate (US\$m)	1,066
Internal rate of return (%)	28%
Project payback period (years)	<4

Source: Lithium One Presentation – Lithium Conference Argentina 2012

SAL DE VIDA TIMELINE



SAL DE VIDA – STRATEGIC PARTNERSHIP

- Strategic partnership with KORES, GS Caltex and LG International (together “KC”)
- KC earning 30% interest in Sal de Vida
- To spend US\$15m on a feasibility study
- US\$15m spent to date
- KC to provide completion guarantee for project financing facility
- KC to purchase 30-50% of lithium products at market prices
- Galaxy has right to be sole sales agent for potash and boron products

COMBINED ASSET PORTFOLIO

A balanced, vertically-integrated asset portfolio with future production options

James Bay (Lithium One / Galaxy)

- ✦ Ownership consolidated to 100%
- ✦ Feasibility stage hard-rock project
- ✦ Ind. resource of 11.8Mt at 1.3% Li₂O
- ✦ Inf. resource of 10.5Mt at 1.2% Li₂O
- ✦ Feasibility to be fast-tracked

Jiangsu Plant (Galaxy)

- ✦ 100% owned lithium carbonate plant
- ✦ Construction completed with first production due end Q1 2012
- ✦ Capacity 17,000tpa high purity LC
- ✦ A\$100 million

Lithium-Ion Battery Project (Galaxy)

- ✦ 100% owned battery project
- ✦ Site adjacent to Jiangsu Plant
- ✦ Feasibility study completed
- ✦ 620,000 E-bike battery packs pa
- ✦ Potential NPV of A\$365m

Sal de Vida (Lithium One)

- ✦ Diluting to 70% ownership
- ✦ Feasibility stage brine project
- ✦ Potential long life, low cost operation
- ✦ Production by 2015

Mt Cattlin (Galaxy)

- ✦ 100% owned hard-rock mine
- ✦ Resource of 18.2Mt at 1.08% Li₂O
- ✦ 137,000tpa spodumene for 18 yrs
- ✦ Produced 63kt Spodumene in 2011
- ✦ A\$80 million



BUILDING A GLOBAL LITHIUM COMPANY

Note 1 – Ratio Adjustment

If the Galaxy equity raising results in Galaxy offering its shares at a price of less than A\$0.829 per share, the exchange ratio will be revised by dividing C\$1.55 by the Canadian dollar equivalent of the offer price under the Galaxy equity raising. The result of this calculation will be a new exchange ratio of Galaxy shares that Lithium One shareholders will receive in exchange for their Lithium One shares. Lithium One shareholders will not receive less than 1.8 Galaxy shares in exchange for each Lithium One share they hold. For example, if Galaxy shares are offered under the Galaxy equity raising at A\$0.80 per share, the new exchange ratio of Galaxy shares that Lithium One shareholders will receive in exchange for their Lithium One shares will be 1.86 Galaxy shares for each Lithium One share they hold.

Note 2 – The Preliminary Economic Assessment Cautionary Note

At the time of announcement of the PEA Lithium One made a “Cautionary Note” statement regarding the PEA, which is repeated below. Galaxy has not verified, considered or assessed the results or outcomes of the PEA and makes no representation in this regard.

“The Preliminary Economic Assessment (PEA) was prepared to broadly quantify the Sal de Vida project’s capital and operating cost parameters and to provide guidance on the type and scale of future project engineering and development work that will be needed to ultimately define the project’s likelihood of a positive feasibility determination and optimal production rate. It was not prepared to be used as a valuation of the project nor should it be considered to be a final feasibility study on which a commercial production decision could be made as mineral resources that are not mineral reserves do not have demonstrated economic viability. The PEA includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as mineral reserves, and there is no certainty that the results predicted by the PEA will be realised. The capital and operating cost estimates which were used have been developed only to an approximate order of magnitude based on generally understood capital cost to production level relationships, and although they are based on engineering studies, these are preliminary so the ultimate costs may vary widely from the amounts set out in the PEA. This could materially adversely impact the projected economics of the project. As is normal at this stage of a project, data in some areas was incomplete and estimates were developed based solely on the expertise of the Company’s employees and consultants. At this level of engineering, the criteria, methods and estimates are preliminary and result in a high level of subjective judgment being employed. There can be no assurance that the potential results contained in the PEA will be realised.”

Note 3 – Voting Thresholds Required

For the transaction to proceed, it requires:

- (i) 66.67% of votes cast at the Plan meeting by Lithium One shareholders to be cast in favour of it;
- (ii) 66.67% of votes cast at the Plan meeting by Lithium One shareholders and option holders, voting as a single class, to be cast in favour of it;
- (iii) 66.67% of the principal amount of the Lithium One convertible notes represented in person or by proxy at the Plan meeting; and
- (iv) 50.01% of the votes cast by minority shareholders of Lithium One in accordance with minority approval requirements of MI 61-101

Competent Persons & Qualified Persons

Mt Cattlin

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Robert Spiers who is a full time employee of Hellman and Schofield Pty Ltd and Dr Mike Grigson who is a full time employee of Arc Minerals. Mr Spiers and Dr Grigson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are 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 and Dr Grigson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Ore Resources 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 they are 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 the report of the matters based on their information in the form and context in which it appears.

James Bay

Competent Person

The information in this report that relates to Mineral Resources for the James Bay project is based on work completed by Mr. Sébastien Bernier, who is a Member of a Recognised Overseas Professional Organisation. Mr Bernier is a full time employee of SRK Consulting (Canada) Inc. and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bernier consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

National Instrument 43-101 - Qualified Person

The mineral resources for the James Bay project 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. Mr. Bernier has read and approved the content of this news release. A Technical Report compliant with NI 43-101 standards describing the resource estimation was filed on SEDAR within 45 days of its release.

Competent Persons & Qualified Persons (continued)

Sal de Vida

Competent Persons

The information in this report that relates to Mineral Resources for the Sal de Vida lithium project is based on work completed by Mr. Michael Rosko, who is a Member of a Recognised Overseas Professional Organisation. Mr. Rosko is a full time employee of E. L. Montgomery and Associates and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Rosko consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

National Instrument 43-101 - Qualified Person

The mineral resources for the Sal de Vida lithium project 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. Michael Rosko, P.Geo (Arizona 25065, Texas 6359, California 5236) an independent Qualified Person as defined by NI 43-101. Mr. Rosko has read and approved the content of this news release. A Technical Report compliant with NI 43-101 standards describing the resource estimation was filed on SEDAR within 45 days of its release.

Caution Regarding Forward Looking Information

This document contains forward looking statements concerning the projects owned by Galaxy and Lithium One. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on Galaxy's beliefs, opinions and estimates of Galaxy (and Lithium One) as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

There can be no assurance that Galaxy's plans for development of its mineral properties (and those of Lithium One, assuming successful completion of the merger with Lithium One) will proceed as currently expected. There can also be no assurance that Galaxy (or Lithium One) 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 (or Lithium One's) mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

Data and amounts shown in this document relating to capital costs, operating costs and project timelines are internally generated best estimates only. All such information and data is currently under review as part of Galaxy's ongoing development and feasibility studies. Accordingly, Galaxy makes no representation as to the accuracy and/or completeness of the figures or data included in the document until the feasibility studies are completed.

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