



Galaxy Resources Limited
ABN 11 071 976 442

Notice of General Meeting, Explanatory Statement and Proxy Form

**General Meeting to be held
at 11am AWST on Friday, 20 June 2014
at The Celtic Club, 48 Ord Street, West Perth WA 6005**

This Notice of 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, your accountant, solicitor or other professional adviser.

CORPORATE DIRECTORY

Board of Directors

Mr Martin Rowley (Non-Executive Chairman)
Mr Anthony Tse (Managing Director)
Mr Charles Whitfield (Executive Director)
Mr Kai Cheong Kwan (Independent Non-Executive Director)
Mr Zhang Jian-Nan (Non-Executive Director)

Company Secretary

Mr Andrew Meloncelli

Registered office and principal place of business

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

Share registries

Computershare Investor Services Pty Limited
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

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto Ontario M5J 2Y1
Canada
Phone: 1 800 564 6253 (within Canada and the United States)
Phone: +1 514 982 7555 (international direct dial)
Fax: +1 866 249 7775
Website: www.computershare.com

Legal Advisers

Allion Legal Pty Ltd (Australia)
Level 2
50 Kings Park Road
West Perth Western Australia 6005
Australia

Fasken Martineau DuMoulin LLP (Canada)
The Stock Exchange Tower
Suite 3700
Montréal Quebec H4Z 1E9
Canada

Australian Business Number

11 071 976 442

Stock Exchange Listing

ASX: GXY

NOTICE OF GENERAL MEETING

The General Meeting of the Shareholders of Galaxy Resources Limited (“**Galaxy**” or “**Company**”) will be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 at 11am AWST on Friday, 20 June 2014.

1. RESOLUTION 1: SALE OF JIANGSU

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

“That, for the purposes of Listing Rule 11.2 and for all other purposes, Shareholders approve the sale of all of the outstanding shares in Galaxy Lithium International Limited to Tianqi HK Co. Limited on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 1 by a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if Resolution 1 is passed, and any associates of that person. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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.

2. RESOLUTION 2: APPROVAL TO ISSUE SHARES TO MR ANTHONY TSE

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

“That for the purpose of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 10,000,000 Shares to Mr Anthony Tse (or his nominee), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 2 by Mr Anthony Tse and any of his associates. However, the Company will not disregard any votes cast on Resolution 2 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 2 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

3. RESOLUTION 3: APPROVAL TO ISSUE SHARES TO MR CHARLES WHITFIELD

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

“That for the purpose of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 10,000,000 Shares to Mr Charles Whitfield (or his nominee), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 3 by Mr Charles Whitfield and any of his associates. However, the Company will not disregard any votes cast on Resolution 3 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 3 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

4. RESOLUTION 4: APPROVAL TO ISSUE SHARES TO MR MARTIN ROWLEY

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

“That for the purpose of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 10,000,000 Shares to Mr Martin Rowley (or his nominee), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 4 by Mr Martin Rowley and any of his associates. However, the Company will not disregard any votes cast on Resolution 4 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 4 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

5. RESOLUTION 5: APPROVAL TO ISSUE SHARES TO MR KAI CHEONG KWAN

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

“That for the purpose of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,000,000 Shares to Mr Kai Cheong Kwan (or his nominee), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 5 by Mr Kai Cheong Kwan and any of his associates. However, the Company will not disregard any votes cast on Resolution 5 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 5 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

6. RESOLUTION 6: APPROVAL TO ISSUE SHARES TO MR CRAIG READHEAD

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

“That for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,000,000 Shares to Mr Craig Readhead (or his nominee), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 6 by Mr Craig Readhead and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities. However, the Company will not disregard any votes cast on Resolution 6 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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.

7. **RESOLUTION 7: APPROVAL TO ISSUE SHARES TO MR ROBERT WANLESS**

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

“That for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,000,000 Shares to Mr Robert Wanless (or his nominee), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 7 by Mr Robert Wanless and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities. However, the Company will not disregard any votes cast on Resolution 7 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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.

8. **RESOLUTION 8: APPROVAL TO ISSUE SHARES AS PART-REMUNERATION TO MR ANTHONY TSE**

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

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue Shares equal in value to \$100,000 to Mr Anthony Tse (or his nominee) as part remuneration for services provided as a Director, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 8 by Mr Anthony Tse and any of his associates. However, the Company will not disregard any votes cast on Resolution 8 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 8 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

9. **RESOLUTION 9: APPROVAL TO ISSUE SHARES AS PART-REMUNERATION TO MR CHARLES WHITFIELD**

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

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue Shares equal in value to \$100,000 to Mr Charles Whitfield (or his nominee) as part remuneration for services provided as a Director, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 9 by Mr Charles Whitfield and any of his associates. However, the Company will not disregard any votes cast on Resolution 9 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 9 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

10. RESOLUTION 10: APPROVAL TO ISSUE SHARES AS REMUNERATION TO MR MARTIN ROWLEY

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

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue Shares equal in value to \$75,000 to Mr Martin Rowley (or his nominee) as remuneration for services provided as a Director, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 10 by Mr Martin Rowley and any of his associates. However, the Company will not disregard any votes cast on Resolution 10 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 10 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

11. RESOLUTION 11: APPROVAL TO ISSUE SHARES AS REMUNERATION TO MR KAI CHEONG KWAN

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

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue Shares equal in value to \$50,000 to Mr Kai Cheong Kwan (or his nominee) as remuneration for services provided as a Director, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 11 by Mr Kai Cheong Kwan and any of his associates. However, the Company will not disregard any votes cast on Resolution 11 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 11 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

12. RESOLUTION 12: APPROVAL TO ISSUE SHARES AS REMUNERATION TO MR ZHANG JIAN-NAN

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

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue Shares equal in value to \$50,000 to Mr Zhang Jian-Nan (or his nominee) as part remuneration for services provided as a Director, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 12 by Mr Zhang Jian-Nan and any of his associates. However, the Company will not disregard any votes cast on Resolution 12 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 12 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

13. RESOLUTION 13: APPROVAL TO PROVIDE FINANCIAL BENEFIT TO MR ANTHONY TSE UPON A CHANGE OF CONTROL EVENT

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

“That for the purpose of Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the provision of a financial benefit by way of a cash payment to Mr Anthony Tse upon a Change of Control Event, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 13 by Mr Anthony Tse and any of his associates. However, the Company will not disregard any votes cast on Resolution 13 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 13 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

14. RESOLUTION 14: APPROVAL TO PROVIDE FINANCIAL BENEFIT TO MR CHARLES WHITFIELD UPON A CHANGE OF CONTROL EVENT

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

“That for the purpose of Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the provision of a financial benefit by way of a cash payment to Mr Charles Whitfield upon a Change of Control Event, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusions: The Company will disregard any votes cast on Resolution 14 by Mr Charles Whitfield and any of his associates. However, the Company will not disregard any votes cast on Resolution 14 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 14 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

15. RESOLUTION 15: APPROVAL TO PROVIDE FINANCIAL BENEFIT TO MR MARTIN ROWLEY UPON A CHANGE OF CONTROL EVENT

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

"That for the purpose of Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the provision of a financial benefit by way of a cash payment to Mr Martin Rowley upon a Change of Control Event, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting Exclusions: The Company will disregard any votes cast on Resolution 15 by Mr Martin Rowley and any of his associates. However, the Company will not disregard any votes cast on Resolution 15 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 15 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

16. RESOLUTION 16: APPROVAL TO ISSUE SHARES AND OPTIONS TO MR CRAIG READHEAD

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

"That for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 4,550,000 Shares and 6,825,000 Options to Mr Craig Readhead (or his nominee), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting Exclusions: The Company will disregard any votes cast on Resolution 16 by Mr Craig Readhead and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities. However, the Company will not disregard any votes cast on Resolution 16 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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.

17. RESOLUTION 17: ADOPTION OF GALAXY RESOURCES LIMITED SHARE ACQUISITION PLAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Part 2J.2 and 2J.3 of the Corporations Act, Listing Rule 7.2 (Exception 9) and for all other purposes, approval be given to, and issue of securities under, the Galaxy Resources Limited Employee Share Acquisition Plan as described in the Explanatory Statement accompanying this Notice of General Meeting"

Voting Exclusions: Company will disregard any votes cast on Resolution 17 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 17 by a Director if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 17 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify

how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

18. RESOLUTION 18: APPROVAL TO ALLOCATE PLAN SHARES TO MR ANTHONY TSE

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

“That, conditional upon Resolution 17 being approved, for the purpose of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the Allocation of 25,000,000 Plan Shares under the Galaxy Resources Limited Employee Share Acquisition Plan, and the provision of a loan for the purpose of acquiring the Plan Shares, to Mr Anthony Tse (or his nominee), on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting exclusion: The Company will disregard any votes cast on Resolution 18 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 18 by a Director if:

- (a) the Director is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Director is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 18 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

19. RESOLUTION 19: APPROVAL TO ALLOCATE PLAN SHARES TO MR CHARLES WHITFIELD

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

“That, conditional upon Resolution 17 being approved, for the purpose of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the Allocation of 25,000,000 Plan Shares under the Galaxy Resources Limited Employee Share Acquisition Plan, and the provision of a loan for the purpose of acquiring the Plan Shares, to Mr Charles Whitfield (or his nominee), on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting exclusion: The Company will disregard any votes cast on Resolution 19 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 19 by a Director if:

- (a) the Director is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Director is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 19 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

20. RESOLUTION 20: APPROVAL TO ALLOCATE PLAN SHARES TO MR MARTIN ROWLEY

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

“That, conditional upon Resolution 17 being approved, for the purpose of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the Allocation of 15,000,000 Plan Shares under the Galaxy Resources Limited Employee Share Acquisition Plan, and the provision of a loan for the purpose of acquiring the Plan Shares, to Mr Martin Rowley (or his nominee), on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting exclusion: The Company will disregard any votes cast on Resolution 20 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 20 by a Director if:

- (a) the Director is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Director is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 20 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

21. RESOLUTION 21: APPROVAL TO ALLOCATE PLAN SHARES TO MR KAI CHEONG KWAN

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

"That, conditional upon Resolution 17 being approved, for the purpose of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the Allocation of 1,000,000 Plan Shares under the Galaxy Resources Limited Employee Share Acquisition Plan, and the provision of a loan for acquiring the Plan Shares, to Mr Kai Cheong Kwan (or his nominee), on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting exclusion: The Company will disregard any votes cast on Resolution 21 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 21 by a Director if:

- (a) the Director is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Director is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 21 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

22. RESOLUTION 22: APPROVAL TO ALLOCATE PLAN SHARES TO MR ZHANG JIAN-NAN

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

"That, conditional upon Resolution 17 being approved, for the purpose of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the Allocation of 1,000,000 Plan Shares under the Galaxy Resources Limited Employee Share Acquisition Plan, and the provision of a loan for the purpose of acquiring the Plan Shares, to Mr Zhang Jian-Nan (or his nominee), on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting exclusion: The Company will disregard any votes cast on Resolution 22 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 22 by a Director if:

- (a) the Director is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Director is the Chairman of the Meeting acting 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 Company will also disregard any votes cast on Resolution 22 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

By order of the Board of Directors

A handwritten signature in black ink, appearing to read 'A L Meloncelli', with a stylized flourish at the end.

**A L Meloncelli
Company Secretary
Galaxy Resources Limited**

15 May 2014

1. 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 **5pm AWST on Wednesday, 18 June 2014 (5am CEDST on Tuesday, 17 June 2014)**.

2. Proxies for Ordinary Shareholders and Voting Directions for Exchangeable Shareholders

Instructions for Ordinary Shareholders and for Exchangeable Shareholders to vote at the General Meeting are set out in sections 3 and 4 of this Notice of Meeting.

The enclosed Proxy Form (for Ordinary Shareholders, as applicable) and Voting Direction Form (for Exchangeable Shareholders, as applicable) for the General Meeting also provide further details on appointing proxies and lodging the Proxy Form and Voting Direction Form.

Proxy Forms must be returned by 11am AWST on Wednesday, 18 June 2014 (11pm CEDST on Tuesday, 17 June 2014).

Voting Direction Forms must be returned by 11am AWST on Wednesday, 20 June 2014 (11pm CEDST on Tuesday, 17 June 2014).

3. Important Information for Ordinary Shareholders

3.1 Explanatory Statement

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

3.2 Voting thresholds

Resolutions 1 – 22 are each ordinary resolutions. An ordinary resolution requires a simple majority of the total votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution.

3.3 Proxies for Ordinary Shareholders

All Ordinary 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. Ordinary Shareholders holding two or more Ordinary Shares can appoint either one or two proxies. If two proxies are appointed, the appointing Ordinary Shareholder can specify what proportion of their votes they want each proxy to exercise on their Proxy Forms. If neither Proxy Form specifies a proportion, each proxy may exercise half the Ordinary Shareholder's votes.

3.4 Lodgement of Proxy Forms and online proxy instructions

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and 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; 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.

To be effective, a completed Proxy Form or online proxy instructions must be received by the Company or its share registry by no later than **11am AWST on Wednesday, 18 June 2014 (11pm CEDST on Tuesday, 17 June 2014)**, being not less than 48 hours prior to the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the Meeting.

3.5 Custodians and nominees

For Intermediary Online subscribers only, please submit your voting intentions on www.intermediaryonline.com.

3.6 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.

4. Important Information for holders of Exchangeable Shares and Canadian holders of Ordinary Shares

4.1 Galaxy disclosure requirements

As a result of the Merger between the Company and Lithium One on 4 July 2012, the Company became a reporting issuer in Canada in the provinces of British Columbia, Alberta, Ontario and Quebec. Pursuant to National Instrument 71-102 - Continuous Disclosure and other Exemptions relating to Foreign Issuers, and as announced by Galaxy on 22 October 2012, Galaxy is a “designated foreign issuer” in Canada and satisfies its Canadian securities legislation requirements relating to information circulars and proxy forms by complying with Australian disclosure requirements.

4.2 Ordinary Shareholders in Canada

Canadian holders of Ordinary Shares are entitled to vote on the Resolutions set out in the Notice of Meeting in accordance with the directions set out in section 3 of this Notice of Meeting and in the accompanying Explanatory Statement and Proxy Form.

4.3 Holders of Exchangeable Shares

The Company currently has outstanding Ordinary Shares. In addition, the Company also has outstanding Special Voting Shares, through which the holders of the Exchangeable Shares, may exercise voting rights with respect to the Company. The Exchangeable Shares were issued in conjunction with the Merger. Certain former holders of common shares of Lithium One had the right to elect to receive Exchangeable Shares in lieu of Ordinary Shares. The Special Voting Shares provide a mechanism for holders of Exchangeable Shares, which are intended to be substantially the economic equivalent of the Ordinary Shares, to vote with the holders of the Ordinary Shares. Each of the Special Voting Shares are entitled to one (1) vote for each Exchangeable Share outstanding and not owned by the Company or its affiliates and generally is entitled to vote together with the holders of Ordinary Shares on all matters on which the Ordinary Shares are entitled to vote. This structure provides voting rights to the holders of the outstanding Exchangeable Shares through a voting trust arrangement as more particularly described in section 4.5 of this Notice of Meeting. The holder of the Special Voting Shares is Computershare Trust Company of Canada acting as the trustee and as such, it has the right to cast a number of votes equal to the then outstanding Exchangeable Shares (not held by the Company and its affiliates) but will only cast a number of votes equal to the number of outstanding Exchangeable Shares for which it has received voting instructions from the owners of record of those outstanding Exchangeable Shares (other than the Company and its affiliates), by 11pm CEDST on Tuesday, 17 June 2014.

If you hold outstanding Exchangeable Shares, please see section 4.6 of this Notice of Meeting entitled “Voting Instructions for Exchangeable Shares” below, as well as the enclosed form of voting direction (“**Voting Direction Form**”) for details on how to vote at the General Meeting.

The Voting Direction Forms (and any powers of attorney under which it is signed) must be received by Computershare Investor Services Inc. Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 Canada by no later than **11pm CEDST on Tuesday, 17 June 2014**. Any Voting Direction Form received after that time will not be valid for the Meeting.

4.4 Arrangements with Intermediaries

Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Ordinary Shares and the Exchangeable Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation will be borne by the Company.

4.5 Voting and Exchange Trust Agreement

Through a voting and exchange trust agreement dated 3 July 2012 (“**VETA**”), the trustee agreed to act as trustee with respect to the voting rights attached to the Special Voting Shares. Pursuant to the VETA, holders of outstanding Exchangeable Shares are entitled to vote at meetings of Ordinary Shareholders. The outstanding Exchangeable Shares (and ancillary rights thereto) also provide holders with dividend and other rights which are substantially the economic equivalent of the Ordinary Shares.

The Exchangeable Shares are non-voting (except as required by the provisions of the Exchangeable Shares or by applicable law) with respect to Galaxy Canada. Therefore, the accompanying Explanatory Statement relates solely to the Company. There will not be a separate general meeting for Galaxy Canada. Holders of outstanding

Exchangeable Shares will not receive notice of general meeting of shareholders of Galaxy Canada nor will they receive an information circular or proxy for a general meeting of the shareholders of Galaxy Canada.

As the Exchangeable Shares are designed to be the economic equivalent of the Ordinary Shares and the value of the Exchangeable Shares, determined through dividend and dissolution entitlements and capital appreciation, is determined by reference to the consolidated financial performance and condition of the Company rather than Galaxy Canada, information regarding Galaxy Canada (except as expressly included in the Company's public disclosure and financial disclosure) is not relevant to holders of Exchangeable Shares. Holders of outstanding Exchangeable Shares effectively have a participating right in the Company and not a participating right in Galaxy Canada and it is therefore information relating to the Company that is directly relevant to the holders of outstanding Exchangeable Shares in connection with the matters to be transacted at the General Meeting.

If you hold outstanding Exchangeable Shares, please see section 4.6 of this Notice of Meeting entitled "Voting Instructions for Exchangeable Shares", as well as the enclosed Voting Direction Form for details on how to vote at the General Meeting.

4.6 Voting Instructions for Exchangeable Shares

As discussed above, holders of outstanding Exchangeable Shares (other than the Company and its affiliates) are entitled to vote at meetings of Ordinary Shareholders through the VETA. If you are the registered holder of outstanding Exchangeable Shares you may provide voting instructions to the trustee, Computershare Trust Company of Canada, by completing and returning the Voting Direction Form. The trustee will vote your shares in accordance with your duly executed instructions received no later than **11pm CEDST on Tuesday, 17 June 2014**. If you do not send instructions (and do not otherwise instruct the trustee to appoint you as its proxy to attend the Meeting to vote in person to exercise your votes as discussed below) by the date and time required (as above), the trustee will not be able to vote your Exchangeable Shares.

AN EXCHANGEABLE SHAREHOLDER DESIRING TO APPOINT SOME PERSON OTHER THAN THE TRUSTEE (INCLUDING THE EXCHANGEABLE SHAREHOLDER HIMSELF/HERSELF), WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM/HER AT THE MEETING, MAY DO SO BY INSERTING SUCH OTHER PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE ENCLOSED VOTING DIRECTION FORM (INCLUDING THE NAME OF THE EXCHANGEABLE SHAREHOLDER HIMSELF/HERSELF), AND DEPOSITING THE COMPLETED AND EXECUTED VOTING DIRECTION FORM, TOGETHER WITH ANY POWER OF ATTORNEY UNDER WHICH IT IS EXECUTED, WITH COMPUTERSHARE INVESTOR SERVICES INC. ATTENTION: PROXY DEPARTMENT, 100 UNIVERSITY AVENUE, 8TH FLOOR, TORONTO, ONTARIO M5J 2Y1 CANADA BY NO LATER THAN 11PM CEDST ON TUESDAY, 17 JUNE 2014.

A Voting Direction Form can be executed by the Exchangeable Shareholder or his/her attorney duly authorized in writing, or, if the Exchangeable Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

An Exchangeable Shareholder forwarding the enclosed Voting Direction Form may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate box. If the holder giving the Voting Direction Form wishes to confer discretionary authority with respect to any item of business, then the appropriate box may be checked or the boxes opposite the item can be left blank. The Exchangeable Shares represented by the Voting Direction Form submitted by an Exchangeable Shareholder will be voted in accordance with the directions, if any, given in the Voting Direction Form.

In addition to any other manner permitted by law, the Voting Direction Form may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the Voting Direction Form at any time up to and including **11pm CEDST on Tuesday, 17 June 2014** or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the Voting Direction Form is revoked.

Pursuant to the terms of the VETA, a nominee for the trustee will be present at the Meeting to receive votes from registered holder of Exchangeable Shares that personally attend the Meeting and who have not otherwise voted as described herein. For this purpose, the trustee intends to appoint Computershare Investor Services Pty Ltd as its nominee to attend at the Meeting.

By resolution of the Directors duly passed, **ALL VOTING DIRECTION FORMS FROM HOLDERS OF EXCHANGEABLE SHARES TO BE USED AT THE MEETING MUST BE DEPOSITED NOT LATER THAN 11PM CEDST ON TUESDAY, 17 JUNE 2014 WITH COMPUTERSHARE INVESTOR SERVICES INC.**

4.7 Advice to beneficial holders of Exchangeable Shares

Only persons designated to vote the voting rights associated with the Exchangeable Shares under the Voting Direction Forms are permitted to vote at the Meeting. However, in many cases, Exchangeable Shares owned by a person ("**Beneficial Shareholder**") are registered either (a) in the name of an intermediary ("**Intermediary**") that the Beneficial Shareholder deals with in respect of the Exchangeable Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income plans, registered education savings plans and similar

plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited of which the Intermediary is a participant. In accordance with the requirements of National Instrument 71-102 of the Canadian Securities Administrators, the Company has distributed copies of the accompanying Explanatory Statement and the Notice of Meeting together with the balance of the materials enclosed herewith (collectively “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders. Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Shareholders. Generally, Beneficial Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a Voting Direction Form which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Beneficial Shareholder but which is not otherwise completed. This Voting Direction Form is not required to be signed by the non-registered holder when submitting the Voting Direction Form because the Intermediary has already signed the Voting Direction Form. In this case, the Beneficial Shareholder who wishes to vote by proxy should otherwise properly complete the Voting Direction Form and deliver it as specified; or
- (b) be given a Voting Direction Form which is not signed by the Intermediary and which, when properly completed and signed by the Beneficial Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically the Beneficial Shareholder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the Voting Direction Form to be valid, the Beneficial Shareholder must remove the label from the instructions and affix it to the Voting Direction Form, properly complete and sign the Voting Direction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the outstanding Exchangeable Shares they beneficially own. Should a Beneficial Shareholder, who receives a Voting Direction Form wish to vote at the Meeting in person, the Beneficial Shareholder should tick the appropriate choice in the Voting Direction Form and insert the Beneficial Shareholder's name in the blank space provided. Beneficial Shareholders should carefully follow the instructions of their Intermediary including those regarding when and where the Voting Direction Form is to be delivered.

4.8 Exercise of discretion regarding Voting Direction Forms

The persons named in the enclosed Voting Direction Form for use at the Meeting will vote the voting rights in respect of which they are appointed in accordance with the directions of the persons appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES SHALL NOT BE VOTED IN REGARDS TO THE FOLLOWING:**

- Resolution 1 – Sale of Jiangsu;
- Resolution 2 – Approval to issue Shares to Mr Anthony Tse;
- Resolution 3 – Approval to issue Shares to Mr Charles Whitfield;
- Resolution 4 – Approval to issue Shares to Mr Martin Rowley;
- Resolution 5 – Approval to issue Shares to Mr Kai Cheong Kwan;
- Resolution 6 – Approval to issue Shares to Mr Craig Readhead;
- Resolution 7 – Approval to issue Shares to Mr Robert Wanless;
- Resolution 8 – Approval to issue Shares as part-remuneration to Mr Anthony Tse;
- Resolution 9 – Approval to issue Shares as part-remuneration to Mr Charles Whitfield;
- Resolution 10 – Approval to issue Shares as remuneration to Mr Martin Rowley;
- Resolution 11 – Approval to issue Shares as remuneration to Mr Kai Cheong Kwan;
- Resolution 12 – Approval to issue Shares as remuneration to Mr Zhang Jian-Nan;
- Resolution 13 – Approval to provide financial benefit to Mr Anthony Tse upon a Change of Control Event;
- Resolution 14 – Approval to provide financial benefit to Mr Charles Whitfield upon a Change of Control Event;
- Resolution 15 – Approval to provide financial benefit to Mr Martin Rowley upon a Change of Control Event;
- Resolution 16 – Approval to issue Shares and Options to Mr Craig Readhead
- Resolution 17 – Adoption of Galaxy Resources Limited Share Acquisition Plan;
- Resolution 18 – Approval to Allocate Plan Shares to Mr Anthony Tse;
- Resolution 19 – Approval to Allocate Plan Shares to Mr Charles Whitfield;
- Resolution 20 – Approval to Allocate Plan Shares to Mr Martin Rowley;
- Resolution 21 – Approval to Allocate Plan Shares to Mr Kai Cheong Kwan; and
- Resolution 22 – Approval to Allocate Plan Shares to Mr Zhang Jian-Nan.

AS MORE PARTICULARLY DESCRIBED IN THE ACCOMPANYING EXPLANATORY STATEMENT.

The enclosed Voting Direction Form confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE SPECIAL VOTING SHARES AND VOTING RIGHTS REPRESENTED BY THE VOTING DIRECTION FORMS HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH VOTING DIRECTION FORMS.**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for Shareholders to provide information regarding the items of business to be considered at the General Meeting to be held at 11am AWST on Friday, 20 June 2014 (11pm CEDST Thursday, 19 June 2014).

This Explanatory Statement should be read in conjunction with the preceding Notice of Meeting.

RESOLUTION 1 – APPROVAL FOR SALE OF JIANGSU

1. Introduction

As announced to the ASX on 30 April 2014, the Company's wholly owned subsidiary Galaxy Lithium Australia Limited (ACN 130 182 099) ("**Galaxy Lithium**") has entered into a share purchase agreement ("**SPA**") with Tianqi HK Co. Limited (HK Co. No. 1856031) ("**Tianqi**"), a wholly owned subsidiary of Sichuan Tianqi Lithium Industries Inc. ("**Sichuan Tianqi**") for the sale of all of the outstanding shares of Galaxy Lithium's wholly owned Hong Kong incorporated subsidiary Galaxy Lithium International Limited (HK CR No. 1354673) ("**Galaxy International**") to Tianqi.

The Company holds its interest in the Jiangsu Lithium Carbonate Plant in China through Galaxy International's wholly owned subsidiary, Galaxy Lithium (Jiangsu) Co. Ltd ("**Galaxy Jiangsu**").

2. ASX Listing Rules

Shareholder approval is being sought under Listing Rule 11.2, which applies if an entity proposes to make a significant change to the nature or scale of its activities and the significant change involves the entity disposing of its main undertaking.

Listing Rule 11.2 is relevant as the sale of the Company's interest in the Jiangsu Lithium Carbonate Plant constitutes a change in scale of its activities which also involves the Company's disposing of its main undertaking.

Accordingly, Resolution 1 seeks Shareholder approval, for the purposes of Listing Rule 11.2, of Galaxy Lithium's proposed sale of the outstanding shares in Galaxy International in accordance with the terms and conditions of the SPA.

3. Overview of the Transaction

Under the SPA, Galaxy Lithium has agreed to sell 100% of its legal and beneficial interest in Galaxy International to Tianqi for cash consideration ("**Transaction**"). The consideration payable by Tianqi under the SPA is US\$122 million (subject to post-completion adjustments based on the movement in working capital during the period between the date of the SPA and date of completion).

Conditions precedent

Completion under the SPA is subject to a number of conditions precedent, including:

- (a) obtaining approval from the China Securities Regulatory Committee, the Sichuan Province Development and Reform Commission, the Sichuan Province Department of Commerce and the State Administration of Foreign Exchange Sichuan Branch ("**China Regulatory Approvals**") (if required);
- (b) obtaining Sichuan Tianqi shareholder approval to the payment of the deposit to Galaxy Lithium; and
- (c) obtaining Galaxy and Sichuan Tianqi shareholder approval to the transaction.

If any of the conditions precedent are not fulfilled (or waived by Galaxy Lithium or Tianqi), or are incapable of being fulfilled on or before 30 January 2015 (or a month after Tianqi no longer requires approval from the China Securities Regulatory Committee) ("**End Date**"), then either Galaxy Lithium or Tianqi may terminate the SPA and the Transaction will not proceed. As at the date of this Notice of General Meeting, no conditions precedent have been fulfilled. Shareholders will be advised via an ASX announcement following the satisfaction of material conditions precedent.

Deposit amount

Subject to Sichuan Tianqi obtaining shareholder approval to pay the deposit to Galaxy Lithium and obtaining certain security over 10% of the shares in Galaxy International, Tianqi will pay Galaxy Lithium a deposit of US\$12.2 million ("**Deposit Amount**"). Tianqi will take security over 10% of the Shares in Galaxy International as collateral in relation to the Deposit Amount. Galaxy Lithium will be required to repay the Deposit Amount in the following circumstances (whichever occurs first):

- (a) the Galaxy Lithium break fee becomes payable (see below);
- (b) the Tianqi break fee becomes payable (see below)

- (c) Tianqi terminates the SPA due to the occurrence of an event that has a material adverse effect on Galaxy International and its subsidiaries;
- (d) the conditions precedent relating to obtaining the approval of the shareholders of Sichuan Tianqi in relation to the approval of the transaction or obtaining any of the China Regulatory Approvals are not fulfilled, waived, or incapable of being fulfilled by the End Date, and Galaxy Lithium or Tianqi terminates the SPA.

The Deposit Amount will accrue interest at a rate of 6% for the period up to 30 September 2014 and, 4% thereafter until the SPA terminates or completion occurs.

Termination events

Either party may terminate the SPA if:

- (a) the conditions precedent are not fulfilled, waived, or are incapable of being fulfilled by the End Date; or
- (b) completion does not occur by the Completion Date (as defined in the SPA) due to the other party being in default and the non-defaulting party has provided notice and the defaulting party fails to rectify the default.

Tianqi may terminate the SPA if:

- (a) Galaxy Lithium breaches in a material respect, any of its pre-completion obligations under the SPA in relation to conduct of business;
- (b) certain of the warranties given by Galaxy Lithium under the SPA become inaccurate or misleading in any material respect; or
- (c) an event occurs that has a material adverse effect on the Galaxy International and its subsidiaries.

Break fee

A break fee of \$2,300,000 will be payable by Galaxy Lithium if:

- (a) the Company breaches its obligations under the confidentiality agreement entered into between the Company and Sichuan Tianqi;
- (b) the condition precedent relating to obtaining Galaxy Shareholder approval is not fulfilled, waived, or incapable of being fulfilled by the End Date, and Galaxy Lithium or Tianqi terminates the SPA; or
- (c) Tianqi terminates the SPA due to a material breach of pre-completion obligations by Galaxy Lithium under the SPA in relation to conduct of business, or certain of the warranties given by Galaxy Lithium under the SPA becoming inaccurate or misleading in any material respect.

If the break fee and/or the Deposit Amount becomes payable, this may have an impact on the Company's ability to continue as a going concern. As the break fee and the Deposit Amount will become payable if Shareholders do not approve Resolution 1 and the SPA is terminated by either Galaxy Lithium or Tianqi, the Directors strongly recommend that Shareholders vote in favour of Resolution 1.

Warranties

Galaxy Lithium has given customary warranties for a transaction of this nature including in relation to capacity, title and good standing of Galaxy International and its subsidiaries, accuracy of financial statements, no breach of material contracts, plant and equipment and legal compliance in respect of government permits.

Sale of Jiangsu only

The Transaction is for the purpose of transferring the Company's interest in the Jiangsu Lithium Carbonate Plant and accordingly, Galaxy International and Galaxy Jiangsu have transferred its interests in the battery project and the hard rock James Bay lithium project in Quebec, Canada to another Galaxy group entity.

4. Overview of Galaxy

Galaxy is an Australian-based global lithium chemical company focused on supply of lithium products for the lithium battery industry.

Galaxy's portfolio of production and development assets are located across four continents, and comprise chemical processing facilities, as well as hard rock and brine resource projects. In addition to the Jiangsu Lithium Carbonate Plant in China (100%), the Company also holds the Sal de Vida Lithium and Potash Brine Project in Argentina (96%), the hard rock James Bay lithium project in Quebec (100%) and the hard rock Mt Cattlin mine and processing plant in Australia (100%).

5. Overview of Tianqi

Tianqi is a wholly owned subsidiary of Sichuan Tianqi. Sichuan Tianqi is listed on the Shenzhen Stock Exchange (002466:Shenzhen) with a market capitalisation of approximately A\$2 billion and is majority owned and controlled by Chengdu Tianqi Industry Group Co, a private company owned by Mr Weiping Jiang.

Tianqi holds a significant range of assets in the lithium sector. It is a leading producer of lithium products in China and has also recently acquired a majority interest in Talison Lithium, which owns the Greenbushes lithium operations in Western Australia.

6. Effect of the Transaction on the Company

An unaudited pro-forma balance sheet of the Company's balance sheet as at 31 December 2013 as a result of the consideration under the Transaction is set out below:

	Audited position at 31 December 2013	Unaudited pro-forma position at 31 December 2013
	\$	\$
CURRENT ASSETS		
Cash and cash equivalent	2,840,290.41	140,060,963.23
Trade and other receivables	24,466,793.47	323,004.07
Inventories	7,301,444.89	2,247,428.29
Other	276,989.25	-
Total current assets	34,885,518.02	142,631,395.59
NON CURRENT ASSETS		
Property plant and equipment	272,889,066.18	273,169,865.18
Accumulated depreciation	-127,298,671.44	-127,298,671.44
Investments	101,734.11	101,734.11
Exploration and evaluation costs carried forward	129,654,624.69	129,654,624.69
Performance bonds	329,491.92	-
Total non-current assets	275,676,245.46	131,075,508.80
TOTAL ASSETS	310,561,763.48	273,706,904.40
CURRENT LIABILITIES		
Trade and other payables	18,959,447.46	4,547,359.46
Interest bearing liabilities	183,657,080.35	62,826,525.56
Provisions	29,067.84	29,067.84
Total current liabilities	202,645,595.66	67,402,952.86
NON CURRENT LIABILITIES		
Provisions	6,871,181.93	6,871,181.93

Total non-current liabilities	6,871,181.93	6,871,181.93
TOTAL LIABILITIES	209,516,777.58	74,274,134.79
NET ASSETS	101,044,985.90	199,432,769.60

Notes

- 1 The pro-forma position above has not been audited and has been prepared for illustrative purposes only, to demonstrate the effect of the Transaction as if it had occurred on 31 December 2013. The pro-forma position is not intended to be a statement of the Company's current financial position.
- 2 This figure assumes no convertible securities are exercised prior to completion of the Transaction.

There will be no change to the Company's Board as a result of the Transaction.

The Company's capital structure will not change as a result of the Transaction.

7. Rationale for the Transaction

Shareholders will be aware that the Company has been undertaking a strategic review and various initiatives in order to restructure its balance sheet to ensure its ongoing financial viability by driving the Company out of the exceptional and challenging period it has recently faced.

The Company has considered various options available to it and has determined that the sale of the Jiangsu Lithium Carbonate Plant for the attractive cash consideration offered by Tianqi is the most effective way of restructuring the balance sheet to strengthen its position so that it may continue its business of supplying lithium products for the lithium battery industry.

Galaxy considers that the Transaction:

- (a) will be beneficial to the Company and its shareholders as it is a continuation of the Company's ongoing strategy of restructuring its balance sheet to ensure the ongoing financial viability of Galaxy;
- (b) will allow the Company to advance its other lithium assets (which include Mt. Cattlin, Sal De Vida and James Bay) and its business of supplying lithium products for the lithium battery industry; and
- (c) will enable the Company to repay all of its liabilities leaving the Company with unencumbered assets and cash.

The key disadvantage of the Transaction is that the Company will no longer have any interest in the Jiangsu Lithium Carbonate Plant and will not, in the short term, have any revenue generating assets.

The Board considers that the advantages of the Transaction outweigh the disadvantages and accordingly recommends that Shareholders support the Transaction.

8. Post-Transaction intentions

Galaxy intends to retain and further develop its current assets (excluding the Jiangsu Lithium Carbonate Plant) in accordance with its existing programs which have been announced to ASX. In accordance with ASX guidelines, the Company may need to undertake certain transactions or development of its assets within the 6 month period following completion of the Transaction or otherwise the Company's securities may be suspended from trading. The Company will update shareholders in relation to any such issues in due course. The Company may need to re-comply with Chapters 1 and 2 of the Listing Rules at the time of any such transaction.

The strengthened balance sheet will provide the Company with the financial flexibility necessary to advance its existing projects and to investigate other initiatives in the sector going forward.

9. Implications if the Transaction does not proceed

Shareholders will be aware that the Company has been undergoing a period of financial difficulty. If the Transaction does not proceed, Galaxy Lithium will be obliged to make the break fee payment to Tianqi, repay the Deposit Amount to Tianqi and the Company will not be able to utilise the consideration from the Transaction to pay its creditors. Accordingly, if the Transaction does not proceed, it may have a significant impact on the Company's ability to continue as a going concern.

10. Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

The Directors have indicated that they intend to vote the Shares they own or control in favour of Resolution 1. The Chairman intends to vote all undirected proxies in favour of Resolution 1.

RESOLUTIONS 2 – 5 – APPROVAL FOR ISSUE OF SHARES TO RELATED PARTIES

Background

Resolutions 2 to 5 are concerned with the issue of Shares to various related parties of the Company. Accordingly, the explanatory statement for Resolutions 2 to 5 is below.

As announced to the ASX on 29 November 2013, the Company made changes to its Board of Directors with the appointment of several new directors, retirement of two long standing directors, as well as the confirmation of Mr Anthony Tse as Managing Director. The new executive management team of the Company has proposed an overhaul of the current compensation plan for Directors and incentive scheme of key employees.

The Company proposes to, among other things make a one off grant of Shares to current Directors Anthony Tse, Charles Whitfield, Martin Rowley and Kai Cheong Kwan (or their nominees) as compensation for the successful restructuring and recovery of the Company from the financially distressed position it was in when the current management team assumed responsibility. Approval for the issue of the Shares to these Directors (or their nominees) is sought under Resolutions 2 to 5.

The Company proposes to issue a total of 31,000,000 Shares for nil consideration under Resolutions 2 to 5 in the proportions specified below. The issue of these Shares will be equal to approximately 1.73% of the Company's fully-diluted share capital assuming no further issues of securities by the Company, and the passing of all Resolutions contained in this Notice of General Meeting (based on the number of Shares and Options on issue at the date of this Notice of General Meeting).

Regulatory requirements

Resolutions 2 to 5 seek Shareholder approval in order to comply with the requirements of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

Listing Rule 10.11

Listing Rule 10.11 provides that, unless a specified exception applies, a Company must not issue or agree to issue securities to a related party without the approval of ordinary shareholders. A "related party", for the purposes of the Listing Rules, has the meaning given to it in the Corporations Act, and includes the directors of a company.

As such, Shareholder approval is sought under Listing Rule 10.11 as Resolutions 2 to 5 propose the issue of Shares to various parties, who are related parties of the Company by virtue of being current Directors of the Company.

As Shareholder approval is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1, and any Shares issued with Shareholder approval under Resolutions 2 to 5 will not count towards the Company's 15% capacity under Listing Rule 7.1.

In compliance with the information requirements of Listing Rule 10.13, Shareholders are advised of the following information:

(a) Names of person to receive securities and maximum number of securities to be issued

The related parties (or their nominees) will receive the number of Shares in the proportions outlined in the table below:

Resolution	Name	Number of Shares
2	Mr Anthony Tse – Managing Director	10,000,000
3	Mr Charles Whitfield – Executive Director	10,000,000
4	Mr Martin Rowley – Non-Executive Chairman	10,000,000
5	Mr Kai Cheong Kwan – Non-Executive Director	1,000,000

(b) Date of issue and allotment

The Company anticipates that the Shares the subject of Resolutions 2 to 5 will be allotted and issued on or about 7 July 2014, and in any event not later than 1 month after the date of the General Meeting.

(c) Relationship with the Company

The Shares the subject of Resolutions 2 to 5 are proposed to be issued to Directors Anthony Tse, Charles Whitfield, Martin Rowley and Kai Cheong Kwan, who by virtue of their current directorships, are considered related parties of the Company.

(d) Issue price

The Shares the subject of Resolutions 2 to 5 will be issued for nil consideration, as compensation for the successful restructuring and recovery of the Company from its recent distressed position.

(e) Terms of issue

The Shares the subject of Resolutions 2 to 5 will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company will apply to ASX for official quotation of the Shares.

(f) Intended use of the funds raised

The Shares the subject of Resolutions 2 to 5 will be issued for nil consideration and accordingly there will be no funds raised by the issue of such Shares.

(g) Voting exclusion statements

Voting exclusion statements for Resolutions 2 to 5 are included in the Notice of General Meeting preceding this Explanatory Statement.

Chapter 2E Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company. As such, the current Directors of the Company are related parties of the Company for the purposes of section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Shares under Resolutions 2 to 5 constitute the provision of a financial benefit to a related party.

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 2 to 7.

(a) Identity of the related parties to whom Resolutions 2 to 5 permits financial benefits to be given

The Shares the subject of Resolutions 2 to 5 are proposed to be issued to Directors Anthony Tse, Charles Whitfield, Martin Rowley and Kai Cheong Kwan, who by virtue of their current directorships, are considered related parties of the Company.

(b) Nature of the financial benefit

Resolutions 2 to 5 seek approval from Shareholders to allow the Company to issue an aggregate of 31,000,000 Shares to the related parties listed above for nil consideration.

The Shares to be issued will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

The Directors consider that the one off issue of Shares to existing Directors under Resolutions 2 to 5 to be appropriate compensation, while preserving the Company's cash reserves, for the their role in the successful restructuring and recovery of the Company from its previous distressed position.

(c) Valuation of financial benefit

The Company is proposing to issue a total of 31,000,000 Shares under Resolutions 2 to 5, which have an indicative value of \$2,108,000, based on the closing price of the Company's Shares at 14 May 2014, being \$0.068 per Share.

(d) Dilution

If the Shares the subject of Resolutions 2 to 5 are issued, the effect will be to dilute the holdings of Shares of other Shareholders. The issue of the Shares will in aggregate be equal to approximately 1.73% of the Company's fully-diluted share capital assuming no further issues of securities by the Company, and the passing of all Resolutions contained in this Notice of General Meeting (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting), resulting in a total of 1,784,716,790 Shares on issue.

(e) Existing interests in the Company of related parties the subject of Resolutions 2 to 5

The direct and indirect interests of the related parties the subject of Resolutions 2 to 5 in securities of the Company as at the date of this Notice of General Meeting are:

Resolution	Name	Security
2	Anthony Tse	1,000,000 unlisted Options exercisable at \$1.16 with various vesting and expiry dates
3	Charles Whitfield	1,000,000 unlisted Options exercisable at \$1.16 with various vesting and expiry dates
4	Martin Rowley	3,849,440 Shares 2,887,080 listed Options exercisable at \$0.08 on or before 31 December 2014
5	Kai Cheong Kwan	1,000,000 unlisted Options exercisable at \$1.16 with various vesting and expiry dates

(f) Remuneration of Directors

Details of the remuneration of each Director the subject of Resolutions 2 to 5, including their related entities, is set out in the table below.

Name	Remuneration for FY13	Proposed remuneration for FY14
Mr Anthony Tse	\$324,287.66 (cash)	\$250,000 (cash) ¹ and \$100,000 equity component ²
Mr Charles Whitfield	\$324,287.65 (cash)	\$250,000 (cash) ¹ and \$100,000 equity component ²
Mr Martin Rowley	-	\$75,000 (entirely equity based)
Mr Kai Cheong Kwan	\$61,832.62 (cash)	\$50,000 (entirely equity based)

¹ Mr Tse and Mr Whitfield agreed to a reduction in the cash component of their salary and subject to an approved equity component, in light of the Company's financial position at that time.

² The equity component of Mr Tse's and Mr Whitfield's remuneration is the subject of Resolutions 8 and 9 of this Notice of Meeting.

(g) Board recommendation

The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Shares to the related parties outlined above pursuant to Resolutions 2 to 5.

The Directors (with the exception of Mr Anthony Tse in respect of Resolution 2, Mr Charles Whitfield in respect of Resolution 3, Mr Martin Rowley in respect of Resolution 4, and Mr Kai Cheong Kwan in respect of Resolutions 5 due to a material personal interest in the outcome of such respective Resolutions) recommend that Shareholders vote in favour of Resolutions 2 to 5 on the basis that the grant of the Shares will allow the Company to compensate various parties for their role in the successful restructuring and recovery of the Company from its previous distressed position, whilst preserving the Company's limited cash reserves.

RESOLUTIONS 6 – 7 – APPROVAL FOR ISSUE OF SHARES TO FORMER DIRECTORS

Background

Resolutions 6 and 7 are concerned with the issue of Shares to two former directors of the Company, Craig Readhead and Robert Wanless. Accordingly, the explanatory statement for Resolutions 6 and 7 is below.

As detailed above and announced to the ASX on 29 November 2013, the Company made changes to its Board of Directors with the appointment of several new directors, retirement of two long standing directors, as well as the confirmation of Mr Anthony Tse as Managing Director. The Company proposes to provide a one off grant of Shares to former directors Craig Readhead and Robert Wanless (or their nominees) in recognition of their work over their last six months in the transition of the Company. Approval for the issue of the Shares to these former directors (or their nominees) is sought under Resolutions 6 and 7.

The Company proposes to issue a total of 2,000,000 Shares for nil consideration under Resolutions 6 and 7 in the proportions specified below. The issue of these Shares will be equal to approximately 0.11% of the Company's fully-diluted share capital assuming no further issues of securities by the Company, and the passing of all Resolutions contained in this Notice of General Meeting (based on the number of Shares and Options on issue at the date of this Notice of General Meeting).

Regulatory requirements

Resolutions 6 and 7 seek Shareholder approval in order to comply with the requirements of Listing Rule 7.1 such that the issue of Shares to Craig Readhead and Robert Wanless will not be included in the Company's Listing Rule 7.1 15% capacity.

Listing Rule 7.1

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue of Shares pursuant to Resolutions 6 and 7 will not, if Shareholders approve the issue, be included in the 15% limit and therefore approval of Resolutions 6 and 7 will minimise the restrictive effect of Listing Rule 7.1 on any further issues by the Company of Equity Securities in the next 12 months.

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

(a) Maximum number of securities to be issued

The Company proposes to issue 1,000,000 Shares to Mr Craig Readhead (or his nominee) and 1,000,000 Shares to Mr Robert Wanless (or his nominee).

(b) Date of issue and allotment

The Shares will be issued no later than 3 months after the date of Shareholder approval pursuant to Resolutions 6 and 7 or such later date as approved by ASX.

It is anticipated that the Shares will all be issued on the same date. However, the exact date of issue is unknown at this stage.

(c) Issue price

The Shares the subject of Resolutions 6 and 7 will be issued for nil consideration, as compensation for the successful restructuring and recovery of the Company from its recent distressed position.

(d) Identity of persons to whom securities will be issued

The Shares will be issued to Mr Craig Readhead (or his nominee) and Mr Robert Wanless or his nominee. Mr Readhead and Mr Wanless are not related parties of the Company.

(e) Terms of the securities

The Shares the subject of Resolutions 6 and 7 will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company will apply to ASX for official quotation of the Shares.

(f) Intended use of the funds raised

The Shares the subject of Resolutions 6 and 7 will be issued for nil consideration and accordingly there will be no funds raised by the issue of such Shares.

(g) Voting exclusion statement

Voting exclusion statements for Resolutions 6 and 7 are included in the Notice of General Meeting preceding this Explanatory Statement

Board recommendation

The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Shares to the parties outlined above pursuant to Resolutions 6 and 7.

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 6 and 7 on the basis that the grant of the Shares will allow the Company to compensate former Directors Craig Readhead and Robert Wanless for their role in the successful restructuring and recovery of the Company from its previous distressed position, whilst preserving the Company's limited cash reserves.

RESOLUTIONS 8 – 12 – APPROVAL TO ISSUE SHARES AS REMUNERATION FOR DIRECTORS

Background

Resolutions 8 to 12 are concerned with the proposed issue of Shares to Directors as whole or part remuneration for services to be provided in the financial year ending 31 December 2014.

As announced to the ASX on 29 November 2013, the Company has recently made changes to its Board of Directors with the appointment of several new directors, retirement of two long standing directors, as well as the confirmation of Mr Anthony Tse as Managing Director. The new executive management team of the Company has proposed an overhaul of the current compensation plan for Directors and incentive scheme of key employees.

The Company proposes to, among other things, enter into new services agreements with Directors Anthony Tse, Charles Whitfield which will include an equity based remuneration component, and Martin Rowley, Kai Cheong Kwan and Zhang Jian-Nan, which will be entirely equity based remuneration. The Company believes that equity based compensation will allow the Company to incentivise the Directors by aligning their interests with that of the Company, as well as preserving the Company's limited cash reserves. Approval for the issue of the Shares as remuneration to the Directors listed above is sought under Resolutions 8 to 12.

Regulatory requirements

Resolutions 8 to 12 seek Shareholder approval in order to comply with the requirements of Listing Rule 10.11.

Listing Rule 10.11

Listing Rule 10.11 provides that, unless a specified exception applies, a Company must not issue or agree to issue securities to a related party without the approval of ordinary shareholders. A "related party", for the purposes of the Listing Rules, has the meaning given to it in the Corporations Act, and includes the directors of a company.

As such, Shareholder approval is sought under Listing Rule 10.11 as Resolutions 8 to 12 propose the issue of Shares to Directors Anthony Tse, Charles Whitfield, Martin Rowley, Kai Cheong Kwan and Zhang Jian-Nan, who are related parties of the Company by virtue of their directorships.

As Shareholder approval is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1, and any Shares issued with Shareholder approval under Resolutions 8 to 12 will not count towards the Company's 15% capacity under Listing Rule 7.1.

In compliance with the information requirements of Listing Rule 10.13, Shareholders are advised of the following information:

(a) Names of person to receive securities

The persons who will receive Shares under Resolutions 8 to 12 are Messrs Anthony Tse, Charles Whitfield, Martin Rowley, Kai Cheong Kwan and Zhang Jian-Nan, who are all currently Directors of the Company.

(b) Maximum number of securities to be issued

The number of Shares to be issued to each Director will be in accordance with the following formula:

$$N = \frac{V}{P}$$

where:

N = number of Shares to be issued

V = value of the share based component of remuneration for each Director, such values being:

- \$100,000 in relation to Mr Anthony Tse
- \$100,000 in relation to Mr Charles Whitfield
- \$75,000 in relation to Mr Martin Rowley
- \$50,000 in relation to Mr Kai Cheong Kwan
- \$50,000 in relation to Mr Zhang Jian-Nan

P = \$0.0472, being the volume weighted average price (VWAP) of the Shares of the Company during the 60 day period following Board approval of the issue of the Shares the subject of Resolutions 8 to 12.

(c) Date of issue and allotment

The Company anticipates that the Shares the subject of Resolutions 8 to 12 will be allotted and issued on or about 7 July 2014, and in any event not later than 1 month after the date of the General Meeting.

(d) Relationship with the Company

The Shares the subject of Resolutions 8 to 12 are proposed to be issued to Directors Anthony Tse, Charles Whitfield, Martin Rowley, Kai Cheong Kwan and Zhang Jian-Nan, who by virtue of their current directorships, are considered related parties of the Company.

(e) Issue price

The Shares the subject of Resolutions 8 to 12 will be issued for nil consideration as remuneration for the services to be provided by the Directors to the Company in the financial year ending 31 December 2014.

(f) Terms of issue

The Shares the subject of Resolutions 8 to 12 will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company will apply to ASX for official quotation of the Shares.

(g) Intended use of the funds raised

The Shares the subject of Resolutions 8 to 12 will be issued for nil consideration and accordingly, there will be no funds raised by the issue of such Shares.

(h) Voting exclusion statements

Voting exclusion statements for Resolutions 8 to 12 are included in the Notice of General Meeting preceding this Explanatory Statement.

Chapter 2E Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” is widely defined under the Corporations Act, and includes the directors of the company. As such, the current Directors of the Company the subject of Resolutions 8 to 12 are related parties of the Company for the purposes of section 208 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit.

The issue of the Shares under Resolutions 8 to 12 constitute the provision of a financial benefit to a related party.

One of the nominated exceptions to the prohibition includes the provision of a financial benefit that constitutes reasonable remuneration to a related party as an officer or employee.

The Board considers that the proposed issue of Shares to Directors as whole or part remuneration constitutes “reasonable remuneration” within the meaning of section 211 of the Corporations Act and therefore Shareholder approval is not required for the giving of the financial benefit to the Directors constituted by the issue of the Shares.

Board recommendation

The Directors (with the exception of Mr Anthony Tse in respect of Resolution 8, Mr Charles Whitfield in respect of Resolution 9, Mr Martin Rowley in respect of Resolution 10, Mr Kai Cheong Kwan in respect of Resolution 11, and Mr Zhang Jian-Nan in respect of Resolution 12) recommend that Shareholders vote in favour of Resolutions 8 to 12 on the basis that the grant of the Shares will allow the Company to incentivise the Directors by aligning their interests with that of the Company, as well as preserving the Company’s limited cash reserves.

RESOLUTIONS 13 – 15 – APPROVAL TO PROVIDE FINANCIAL BENEFIT TO RELATED PARTIES UPON A CHANGE OF CONTROL EVENT

Background

Resolutions 13 to 15 are concerned with the provision of a financial benefit by way of a cash payment to Directors upon the occurrence of a Change of Control Event in relation to the Company.

The Company proposes to, among other things, enter into new services agreements with Directors Anthony Tse, Charles Whitfield and Martin Rowley, which will include a change of control provision whereby each Director will be entitled to a cash payment upon the occurrence of a Change of Control event in relation to the Company.

Regulatory requirements

Resolutions 13 to 15 seek Shareholder approval in order to comply with the requirements of Chapter 2E of the Corporations Act.

Chapter 2E Corporations Act

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” is widely defined under the Corporations Act, and includes the directors of the company. As such, the current Directors of the Company the subject of Resolutions 13 to 15 are related parties of the Company for the purposes of section 208 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit.

The provision of a cash payment to Directors in a Change of Control Event would constitute provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 13 to 15.

(a) Identity of the related parties to whom Resolutions 13 to 15 permits financial benefits to be given

The financial benefit to be provided by way of a cash payment upon a Change of Control Event, and the subject of Resolutions 13 to 15, is proposed to be provided to Directors Anthony Tse, Charles Whitfield and Martin Rowley, who by virtue of their current directorships, are considered related parties of the Company.

(b) Nature of the financial benefit

Resolutions 13 to 15 seek approval from Shareholders to allow the Company to provide a cash payment to the Directors listed above upon a Change of Control Event in relation to the Company.

Directors Anthony Tse, Charles Whitfield, and Martin Rowley will each be paid a cash payment equivalent to 2 years base salary and bonuses (if any) for the relevant financial year in which the Change of Control Event occurs.

(c) Valuation of financial benefit

The total value of the cash payments to be made upon a Change of Control Event, and the subject of Resolutions 13 to 15 will be determined by reference to the remuneration of the Directors in the financial year in which the Change of Control Event occurs. By way of example, in the event that a Change of Control Event occurs in FY14, the amount of the cash payments to be made to the Directors will be:

- (i) \$700,000 in relation to Mr Anthony Tse;
- (ii) \$700,000 in relation to Mr Charles Whitfield; and
- (iii) \$150,000 in relation to Mr Martin Rowley,

based on the proposed base salary remuneration for the above Directors for the financial year ending 31 December 2014.

(d) Dilution

There will be no dilution to Shareholders as a result of the provision of the cash payments the subject of Resolutions 13 to 15.

(e) Existing interests in the Company of related parties the subject of Resolutions 13 to 15

The direct and indirect interests of the related parties the subject of Resolutions 13 to 15 in securities of the Company as at the date of this Notice of General Meeting are:

Name	Security
Mr Anthony Tse	1,000,000 unlisted Options exercisable at \$1.16 with various vesting and expiry dates
Mr Charles Whitfield	1,000,000 unlisted Options exercisable at \$1.16 with various vesting and expiry dates
Mr Martin Rowley	3,849,440 Shares 2,887,080 listed Options exercisable at \$0.08 on or before 31 December 2014

(f) Remuneration of Directors

Details of the remuneration of each Director the subject of Resolutions 13 to 15, including their related entities, is set out in the table below.

Name	Remuneration for FY13	Proposed remuneration for FY14
Mr Anthony Tse	\$324,287.66	\$250,000 (cash) ¹ and \$100,000 equity component ²
Mr Charles Whitfield	\$324,287.65	\$250,000 (cash) ¹ and \$100,000 equity component ²
Mr Martin Rowley	-	\$75,000 (entirely equity based)

¹ Mr Tse and Mr Whitfield agreed to a reduction in the cash component of their salary and, subject to obtaining shareholder approval, an equity component, in light of the company's financial position at that time.

² The equity component of Mr Tse's and Mr Whitfield's remuneration is the subject of resolutions 8 and 9 of this Notice of Meeting.

(g) Board recommendation

The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the financial benefits to the related parties outlined above pursuant to Resolutions 13 to 15.

The Directors (with the exception of Mr Anthony Tse in respect of Resolution 13, Mr Charles Whitfield in respect of Resolution 14, and Mr Martin Rowley in respect of Resolution 15 due to a material personal interest in the outcome of such respective Resolutions) recommend that Shareholders vote in favour of Resolutions 13 to 15.

RESOLUTION 16 – APPROVAL TO ISSUE SHARES AND OPTIONS TO MR CRAIG READHEAD

Background

As announced on 19 September 2013, the Company advised that former Chairman Mr Craig Readhead has agreed to subscribe for approximately \$365,000 Shares in the Company, and that the Company would convene a meeting to approve such issue.

Mr Craig Readhead will also be issued free attaching Options on the basis of three new Options for every two Shares subscribed for, such ratio being the same ratio contained in the offer under the Company's non-renounceable pro rata entitlement offer announced on 20 May 2013.

Accordingly, Resolution 16 seeks Shareholder approval for the issue of 4,550,000 Shares and 6,825,000 Options to Mr Craig Readhead (or his nominee).

Regulatory requirements

Resolution 16 seeks Shareholder approval in order to comply with the requirements of Listing Rule 7.1.

Listing Rule 7.1

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue of Shares and Options pursuant to Resolution 16 will not, if Shareholders approve the issue, be included in the 15% limit and therefore approval of Resolution 16 will minimise the restrictive effect of Listing Rule 7.1 on any further issues by the Company of Equity Securities in the next 12 months.

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

(a) Maximum number of securities to be issued

The Company will issue 4,550,000 Shares and 6,825,000 Options.

(b) Date of issue and allotment

The Company anticipates that the Shares and Options the subject of Resolution 16 will be allotted and issued on or about 7 July 2014, and in any event not later than 3 months after the date of the General Meeting or such later date as approved by ASX.

It is anticipated that the Shares and Options will all be issued on the same date. However, the exact date of issue is unknown at this stage.

(c) Issue price

The Shares the subject of Resolution 16 will be issued for \$0.08 per Share, for a total consideration of \$364,000.

The Options the subject of Resolution 16 will be issued as free attaching Options for nil consideration.

(d) Identity of person to whom securities will be issued

The Shares and Options the subject of Resolution 16 will be issued to Mr Craig Readhead (or his nominee).

(e) Terms of securities

The Shares the subject of Resolution 16 will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Options the subject of Resolution 16 will be exercisable at \$0.08 on or before 31 December 2014, and will rank equally with the Company's existing listed Options exercisable at \$0.08 on or before 31 December 2014.

The Company will apply to ASX for official quotation of the Shares and Options.

(f) Intended use of the funds raised

The funds raised by the issue of the Shares the subject of Resolution 16 will be used for general working capital.

The Options the subject of Resolution 16 will be issued for nil consideration, and accordingly there will be no funds raised by the issue of such Options. Any funds received upon the exercise of any Options will be used for general working capital.

(g) Voting exclusion statement

A voting exclusion statement for Resolution 16 is included in the Notice of General Meeting preceding this Explanatory Statement.

Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 16 in order to allow Mr Craig Readhead to continue his support of the Company and subscribe for additional Shares and Options in the Company which will raise additional funds for the Company to be applied towards general working capital.

RESOLUTION 17 – ADOPTION OF GALAXY RESOURCES LIMITED SHARE ACQUISITION PLAN

Background

Subject to approval by the Company's Shareholders of this Resolution 17, the Company will adopt an employee share plan known as the Galaxy Resources Limited Employee Share Acquisition Plan (**Share Plan**), pursuant to which fully paid ordinary shares in the Company are acquired by certain key staff of the Company using financial assistance given by the Company.

The aim of the Share Plan is to allow the Board to assist eligible Employees, who in the Board's opinion are dedicated and will provide ongoing commitment and effort to the Company. Eligible Employees are full-time or permanent part-time Employees of the Company or its subsidiaries (which includes Directors). The Company intends to loan funds to certain eligible Employees in order to purchase Shares under the Share Plan. The Board will determine on a case by case basis whether an Employee is eligible for a loan and will determine the loan terms and conditions.

Regulatory requirements

The Share Plan constitutes an 'employee share scheme' for the purposes of the Corporations Act as it provides for the acquisition (subject to vesting conditions) of shares in the Company. If an employee share scheme has been approved then any financial assistance that the Company might give to acquire its own Shares (e.g. the provision of a limited recourse interest free loan) is exempted from the prohibition in section 260A of the Corporations Act. Section 260A requires financial assistance that might be considered to materially prejudice the interests of the Company or its Shareholders or the Company's ability to pay its creditors to be approved by Shareholders under section 260B and advance notice to be provided to ASIC. The provision of an interest free loan to Participants may be considered financial assistance for the purposes of the Corporations Act. Accordingly, the Board considers it desirable and appropriate to seek Shareholder approval for the Share Plan for the purposes of section 260C(4).

Approval of the Share Plan for the purposes of section 259B(2) of the Corporations Act will allow the Company to take security over its own Shares under the Share Plan. The rules of the Share Plan provide the option for the Company to obtain security over its own Shares and it is envisaged that vested Plan Shares may be subject to restrictions on disposal. Approval of the Share Plan for the purposes of s259B(2) of the Corporations Act removes any doubt about the efficacy of such restrictions on the basis they may constitute a 'security' over the Shares.

The Share Plan also constitutes an 'employee incentive scheme' under the Listing Rules. Issues of securities under exception 9 in Listing Rule 7.2 are not taken into account for the purposes of calculating the 15% limit on the number of shares that the Company may issue in any 12-month period under Listing Rule 7.1. In addition, to the extent that Shares are issued under the Share Plan as an approved employee incentive scheme, those Shares are added to the denominator on which the 15% placement limit prescribed by Listing Rule 7.1 is calculated.

Accordingly, Resolution 17 seeks Shareholder approval for the adoption of, and the issue of securities under the Share Plan for the purposes of the Corporations Act and the Listing Rules.

Features of the Share Plan

The key features of the Share Plan and the loan are as follows:

- (a) The Board will determine the number of Plan Shares to be Allocated to eligible Employees and the issue price of the Plan Shares in its sole discretion.
- (b) The Company will be permitted to loan funds to eligible Employees to purchase Plan Shares.
- (c) The loan will be a limited recourse loan provided the Employee remains employed by the Company, or a subsidiary of the Company, for a period, or periods, as determined by the Board.
- (d) The loan will be interest free provided the Employee remains employed by the Company, or a subsidiary of the Company, for a period, or periods, as determined by the Board.
- (e) In the event that the Employee leaves before the interest free period determined by the Board, interest will be charged equal to the market rate of interest that would have accrued on the loan from the date of advance of the funds to the repayment date.
- (f) The Plan Shares will be Allocated at a small discount either through the issue of new Shares or the purchase of Shares on-market.
- (g) Plan Shares may be subject to a sale restriction for a certain period.
- (h) A trust will be set up as the holding mechanism for Plan Shares Allocated under the Share Plan. The trustee will hold the Plan Shares on trust for the eligible Employee until the loan is repaid (or any other vesting conditions are satisfied).
- (i) During the term of the loan, dividends will be retained by the trustee and offset against the Employee's outstanding loan balance. A portion of the dividend may be released to the Employee to cover any tax liability as a result of the dividend.
- (j) The Share Plan contains an adjustment mechanism in the event of any dilution to the share capital which occurs as a result of the issue of Shares by the Company upon exercise of the Company's quoted options which are exercisable at \$0.08 on or before 31 December 2014, or upon conversion of any convertible securities held by lenders or bondholders existing as at the date of the Share Plan.
- (k) Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Share Plan as it sees fit.

As this is a new employee incentive plan, no Shares have been issued under the Share Plan.

A detailed overview of the terms of the Share Plan is attached in Schedule 1.

Board recommendation

Each of the Directors has an interest in the outcome of Resolution 17 and accordingly do not make a voting recommendation to Shareholders.

RESOLUTIONS 18 – 22 – APPROVAL TO ALLOCATE PLAN SHARES TO RELATED PARTIES

Background

Resolutions 18 to 22 are concerned with the proposed Allocation, subject to the approval of Resolution 17, of Plan Shares under the Share Plan to Directors of the Company as part-remuneration.

The principal terms of the Share Plan are summarised in Schedule 1.

The issue price of Plan Shares will be the volume weighted average of the prices at which Shares were traded on the ASX during the week prior to allocation.

The Company will provide a loan for the entire issue price of the Plan Shares. The principal terms of the loan are summarised in section 3 of Schedule 1.

In the Company's present circumstances, the Board considers that the incentives to the Directors that will be represented by the Allocation of these Plan Shares, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of the Directors and are consistent with the strategic goals of the Company.

Resolutions 18 to 22 are ordinary resolutions, and are subject to the passing of Resolution 17.

Regulatory Requirements

Resolutions 18 to 22 seek Shareholder approval in order to comply with the requirements of Listing Rule 10.14 and Chapter 2E of the Corporations Act.

Listing Rules

Listing Rule 10.11 provides a general restriction against issuing securities to directors without shareholder approval. Listing Rule 10.14 provides that a company must not issue Equity Securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Under Resolutions 18 to 22, the Company seeks approval from Shareholders for the Allocation of Plan Shares to Directors Anthony Tse, Charles Whitfield, Martin Rowley, Kai Cheong Kwan and Zhang Jian-Nan, who by virtue of their position as Directors of the Company are related parties of the Company.

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information:

(a) Nature of relationship between allottee and the Company

The Plan Shares will be Allocated to Directors Anthony Tse, Charles Whitfield, Martin Rowley, Kai Cheong Kwan and Zhang Jian-Nan who, by virtue of their directorships, are related parties of the Company.

The Plan Shares will be Allocated to the parties listed above indirectly through a trust established under the Share Plan.

(b) Maximum number of securities that may be Allocated pursuant to Resolutions 18 to 22

The maximum number of securities that may be Allocated:

- (i) to Mr Anthony Tse, pursuant to Resolution 18, is 25,000,000 Plan Shares;
- (ii) to Mr Charles Whitfield, pursuant to Resolution 19, is 25,000,000 Plan Shares;
- (iii) to Mr Martin Rowley, pursuant to Resolution 20, is 15,000,000 Plan Shares;
- (iv) to Mr Kai Cheong Kwan, pursuant to Resolution 21, is 1,000,000 Plan Shares; and
- (v) to Mr Zhang Jian-Nan, pursuant to Resolution 22, is 1,000,000 Plan Shares.

(c) Allocation Price

The issue price of Plan Shares will be the volume weighted average of the price at which Shares were traded on the ASX during the week before allocation.

(d) Previous Allocations under the Share Plan

There have been no Allocations of Plan Shares under the Share Plan to date.

(e) Eligible participants under the Share Plan

Under the Share Plan, only Employees (as defined in the glossary to this Notice of Meeting) are entitled to participate in the Share Plan. The Directors of the Company the subject of Resolutions 18 to 22 have been determined to be Employees for the purposes of the Share Plan.

(f) Allocation date

The Plan Shares to be Allocated (indirectly) to Directors Anthony Tse, Charles Whitfield, Martin Rowley, Kai Cheong Kwan and Zhang Jian-Nan will be issued no later than 12 months after the date of the General Meeting.

(g) Loan in relation to Plan Shares

The material terms of the loans to be made to Directors Anthony Tse, Charles Whitfield, Martin Rowley, Kai Cheong Kwan and Zhang Jian-Nan in relation to the Plan Shares are detailed in section 3 of Schedule 1 of this Notice of Meeting.

(h) Voting exclusion statement

Voting exclusion statements for Resolutions 18 to 22 are included in the Notice of General Meeting preceding this Explanatory Statement.

Chapter 2E Corporations Act

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” is widely defined under the Corporations Act, and includes the directors of the company. As such, the Directors of the Company are related parties of the Company for the purposes of Section 208 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, Section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The Allocation of the Plan Shares under Resolutions 18 to 22 constitute the provision of a financial benefit to a related party.

In compliance with the information requirements of Section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 18 to 22.

(a) Identity of the related parties to whom Resolutions 18 to 22 permits financial benefits to be given.

The Plan Shares are proposed to be Allocated to Directors Anthony Tse, Charles Whitfield and Martin Rowley who, by virtue of their directorships, are related parties of the Company.

(b) Nature of the financial benefit

Resolutions 18 to 22 seek approval from Shareholders to allow the Company to Allocate:

- (i) 25,000,000 Plan Shares to Mr Anthony Tse;
- (ii) 25,000,000 Plan Shares to Mr Charles Whitfield;
- (iii) 15,000,000 Plan Shares to Mr Martin Rowley;
- (iv) 1,000,000 Plan Shares to Mr Kai Cheong Kwan; and
- (v) 1,000,000 Plan Shares to Mr Zhang Jian-Nan.

The issue price of Plan Shares will be the volume weighted average of the price at which Shares were traded on the ASX during the week before allocation.

The Directors consider that the Allocation of Plan Shares to its personnel are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

The Company considers that, to enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Allocation of the Plan Shares is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant Shareholdings in the Company.

The Company reviewed the practices of other companies of a similar size and stage of development to determine the number of Plan Shares required to be issued to attract and retain senior directors. Based on that review, the Board determined the number of Plan Shares proposed to be Allocated under Resolutions 18 to 22 to be appropriate.

(c) Valuation of financial benefit

The Company is proposing to Allocate a total of 67,000,000 Plan Shares under Resolutions 18 to 22, which have an indicative value of \$4,556,000, based on the closing price of the Company's Shares at 14 May 2014, being \$0.068 per Share.

(d) Dilution

If the Plan Shares the subject of Resolutions 18 to 22 are Allocated, the effect will be to dilute the holdings of Shares of other Shareholders. The Allocation of the Shares will in aggregate be equal to approximately 3.82% of the Company's fully-diluted share capital assuming no further issues of securities by the Company, and the passing of all Resolutions contained in this Notice of General Meeting (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting), resulting in a total of 1,820,716,790 Shares on issue.

(e) Existing interests of related parties in the Company

The direct and indirect interests of the related parties the subject of Resolutions 18 to 22 in securities of the Company as at the date of this Notice of General Meeting are:

Name	Security
Mr Anthony Tse	1,000,000 unlisted Options exercisable at \$1.16 with various vesting and expiry dates
Mr Charles Whitfield	1,000,000 unlisted Options exercisable at \$1.16 with various vesting and expiry dates
Mr Martin Rowley	3,849,440 Shares 2,887,080 listed Options exercisable at \$0.08 on or before 31 December 2014
Mr Kai Cheong Kwan	1,000,000 unlisted Options exercisable at \$1.16 with various vesting and expiry dates
Mr Zhang Jian-Nan	Nil

(f) Remuneration of Directors

Details of the remuneration of each Director the subject of Resolutions 18 to 22, including their related entities, is set out in the table below.

Name	Remuneration for FY13	Proposed remuneration for FY14
Mr Anthony Tse	\$324,287.66	\$250,000 (cash) ¹ and \$100,000 equity component ²
Mr Charles Whitfield	\$324,287.65	\$250,000 (cash) ¹ (includes \$100,000 equity component ²)
Mr Martin Rowley	-	\$75,000 (entirely equity based)
Mr Kai Cheong Kwan	\$61,832.62	\$50,000 (entirely equity based)
Mr Zhang Jian-Nan	-	\$50,000 (entirely equity based)

¹ Mr Tse and Mr Whitfield agreed to a reduction in the cash component of their salary and, subject to obtaining shareholder approval, an equity component, in light of the Company's financial position at that time.

² The equity component of Mr Tse's and Mr Whitfield's remuneration is the subject of Resolutions 8 and 9 of this Notice of Meeting.

(g) Board recommendation

The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in Allocating the Plan Shares pursuant to Resolutions 18 to 22.

The Directors (with the exception of Mr Anthony Tse in respect of Resolution 18, Mr Charles Whitfield in respect of Resolution 19, Mr Martin Rowley in respect of Resolution 20, Mr Kai Cheong Kwan in respect of Resolution 21, and Mr Zhang Jian-Nan in respect of Resolution 22 due to a material personal interest in the outcome of such respective Resolutions) recommend that Shareholders vote in favour of Resolutions 18 to 22 on the basis that the Allocation of the Plan Shares will allow the Company to adequately reward and incentivise the current Directors to align their interests with the Company to move forward whilst preserving the Company's limited cash reserves.

GLOSSARY

\$	means Australian dollars.
Allocation	means the allocation of a beneficial interest in newly issued Shares to a Participant by the Trustee or the transfer of a beneficial interest in Shares already held by the Trustee to a Participant following instruction from the Company in accordance with the terms of an Invitation, and Allocate , Allocating and Allocated have the corresponding meaning.
ASX	means ASX Limited or the securities market operated by ASX Limited.
AWST	means Australian Western Standard Time.
Board	means the board of Directors of the Company.
CEDST	means Canadian Eastern Daylight Savings Time.
Change of Control Event	means: (a) in the case of a Takeover Bid, an offeror who previously had voting power of less than 50% in the Company obtains voting power of more than 50%; (b) a Court approves under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; (c) any person becomes bound or entitled to acquire shares in the Company under: (i) section 414 of the Corporations Act (compulsory acquisition following a scheme or contract); or (ii) Chapter 6A of the Corporations Act (compulsory acquisition of securities); (d) a selective capital reduction is approved by shareholders of the Company pursuant to section 256C(2) of the Corporations Act which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; or (e) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those directors holding office immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
Company or Galaxy	means Galaxy Resources Limited (ABN 11 071 976 442).
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company and Directors has a corresponding meaning.
Employee	means a person who is a full-time or permanent part-time employee or officer or director of the Company and for whom the Company, or subsidiary of the Company, is required to deduct PAYG withholding payments under section 12-35, 12-40 or 12-45 of schedule 1 to the <i>Taxation Administration Act 1953</i> .
Equity Securities	has the meaning given to that term in the Listing Rules.
Exchangeable Share	means one exchangeable share in the capital of Galaxy Canada issued in conjunction with the Merger and each of which has the economic equivalent rights as one Ordinary Share.
Exchangeable Shareholder	means a holder of an outstanding Exchangeable Share.
Explanatory Statement	means the explanatory statement accompanying the Notice of Meeting.
Galaxy Canada	means Galaxy Lithium One Inc., a corporation incorporated under the Business Corporations Act (Québec).

General Meeting or Meeting	means the General Meeting of Shareholders of the Company to be held at 11am AWST on Friday, 20 June 2014 (11pm CEDST on Thursday, 19 June 2014) at The Celtic Club, 48 Ord Street, West Perth WA 6005.
Invitation	means a written invitation to an Employee to participate in the Share Plan.
Key Management Personnel	has the meaning given to that term in section 9 of the Corporations Act.
Listing Rules	means the official listing rules of the ASX.
Notice or Notice of General Meeting or Notice of Meeting	means this notice of meeting.
Option	means an option to acquire a Share.
Ordinary Share	means a fully paid ordinary share in the capital of the Company.
Ordinary Shareholder	means the holder of an Ordinary Share.
Participant	means an Employee to whom Plan Shares have been Allocated under the Share Plan.
Plan Shares	means Shares Allocated to a participant under the Share Plan.
Proxy Form	the proxy form enclosed with this Notice of General Meeting.
Resolution	means a resolution contained in this Notice of Meeting.
RMB	means renminbi, the lawful currency of the People's Republic of China.
Share	means an Ordinary Share or a Special Voting Share.
Share Plan	means the Galaxy Resources Limited Employee Share Acquisition Plan for which approval is sought under Resolution 17.
Shareholder	means those shareholders of the Company who are entitled to attend and vote at the Meeting, being Ordinary Shareholders and the holders of the Special Voting Shares (through which Exchangeable Shareholders may vote).
Special Voting Shares	means the special voting shares of the Company issued in conjunction with the Merger and held by the trustee, Computershare Trust Company of Canada, the trustee under the VETA, for the benefit of the Exchangeable Shareholders who for the purposes of the Meeting have that number of votes equivalent to the number of outstanding Exchangeable Shares they hold (on the basis that each Exchangeable Shareholder will be entitled to instruct the trustee to cast and exercise one vote for each outstanding Exchangeable Share held).
Takeover Bid	has the meaning given to that term in section 9 of the Corporations Act.
Trustee	means Galaxy Resources Share Plan Pty Ltd, being a wholly owned subsidiary of the Company, appointed for the purposes of the Share Plan.
US\$	means United States dollars.
VETA	means the voting and exchange trust agreement between the Company, Galaxy Canada and the trustee, Computershare Trust Company of Canada dated 3 July 2012.
Voting Direction Form	means the Voting Direction Form for use by Exchangeable Shareholders and, if applicable, enclosed with this Notice of Meeting.

SCHEDULE 1

SUMMARY OF THE GALAXY RESOURCES LIMITED EMPLOYEE SHARE ACQUISITION PLAN

1. OUTLINE OF OPERATION OF THE SHARE PLAN

The objective of the Share Plan is to provide an incentive to Employees to share in the performance of the Company by the Company assisting Employees to acquire Shares under the Share Plan.

The Company will set up the Trust (as the mechanism for acquiring, holding and selling Shares under the Share Plan on behalf of Employees participating in the Share Plan. The Trustee will be bound by the rules of the Share Plan and a trust deed appointing and giving powers to the Trustee).

The Company will Allocate Shares to Employees in accordance with an invitation to participate. When an Employee accepts an Invitation and is Allocated Plan Shares he becomes a Participant. The acquisition of the Plan Shares will be financed by a loan from the Company to a Participant.

The Company will Allocate Plan Shares to Employees, subject to specified restrictions.

At the Company's sole discretion, the Plan Shares to be Allocated to Participants will be acquired by the Trustee on the ASX market or issued by the Company.

An offer of Plan Shares may only be made under the Share Plan if the number of Plan Shares when aggregated with:

- (a) the number of Plan Shares which would be issued if an offer pursuant to the Share Plan was to be accepted; and
- (b) the number of Plan Shares issued during the previous 5 years pursuant to the Share Plan (or any other incentive scheme),

but disregarding an offer made, or Plan Shares issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia;
- (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (e) an offer made under a disclosure documents,

does not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares as at the time of the offer. For the avoidance of doubt, where an offer of Plan Shares lapses without being accepted, the Plan Shares concerned shall be ignored in the above calculation.

2. TERMS AND CONDITIONS OF THE SHARE PLAN AND TERMS ON WHICH INVITATIONS MAY BE MADE

Invitations will be made to Participants on such terms and conditions as the Board in its absolute discretion determines. Invitations will generally be made to Participants on terms and conditions including the following:

- (a) An Invitation may specify that the Plan Shares to be Allocated under the Share Plan will be:
 - (i) acquired by the Trustee as a result of an issue of new Shares;
 - (ii) acquired by the Trustee on market;
 - (iii) Plan Shares held by the Trustee but which have not been Allocated to a Participant; or
 - (iv) acquired by the Trustee off-market generally or from another Participant who is disposing of Shares in accordance with any restrictions.
- (b) The Trustee may acquire Plan Shares in advance of making an Allocation using short term loans funds extended by the Company to the Trustee. Such loans will be repaid from the payment on Allocation of Plan Shares to the Participant.
- (c) If there are more acceptances than Plan Shares available, the Board can scale back Allocations under the Invitation at its absolute discretion.
- (d) It is the current intention of the Board that Plan Shares will be Allocated at a nominal discount to the volume weighted average of the prices at which the Shares were traded on the ASX during the week leading up to and including the date of Allocation of the Plan Shares unless otherwise determined by the Board, or another acceptable taxation valuation method for shares issued under an employee share scheme (as determined by the Board). The Board can determine to Allocate Plan Shares at a greater discount.
- (e) Participants must pay for the Plan Shares Allocated to them with the proceeds of the loan provided to them by the Company.
- (f) A loan may be provided on such terms as determined by the Board. The Company currently proposes to loan funds to Participants on the terms in item 3 below.
- (g) Participants have no right to, or an interest in, Plan Shares under the Share Plan until the Plan Shares have been Allocated to them. A Participant has no right against the Company if Plan Shares under the Share Plan are not Allocated to them.

- (h) Allocations of Plan Shares under the Share Plan may be made progressively at such times as and when such Plan Shares become available.
- (i) If, for whatever reason, there are insufficient Plan Shares to satisfy the Allocations there is no requirement on the Company or the Trustee to Allocate the Plan Shares.
- (j) No Allocation of Plan Shares will be made to Participants to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.
- (k) On Allocation, Participants will be entitled to exercise all rights of a shareholder attaching to the Plan Shares, subject to specified terms and restrictions.
- (l) The Company may impose such restrictions on Plan Shares under the Share Plan as it sees fit for such period as it sees fit. The Share Plan provides for the release of restrictions in the event of a Change of Control Event of the Company.
- (m) Participants may request the Trustee to sell their Plan Shares if there are no restrictions on the Plan Shares and the value of the Plan Shares is greater than the loan. In this event the Trustee must sell the Plan Shares and the net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant. In such circumstances the Trustee may sell the Plan Shares on market or off market or acquire the shares itself to be held pending their future Allocation under the Share Plan.
- (n) The Invitation is personal to a Participant and may only be accepted by the Participant.
- (o) The Share Plan contains an adjustment mechanism in the event of any dilution to the share capital of the Company which occurs as a result of the issue of Shares by the Company upon exercise of the Company's quoted options which are exercisable at \$0.08 on or before 31 December 2014, or upon conversion of any convertible securities held by lenders or bondholders existing as at the date of the Share Plan.
- (p) Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Share Plan as it sees fit.

3. MATERIAL TERMS OF THE LOAN

If the Company provides a loan to a Participant such Participant must accept the terms of the loan as part of the Invitation. The loan may only be used to pay for the Allocation of Plan Shares under the Share Plan.

The terms and conditions of the loan will be determined by the Board in its discretion.

A Participant may, at any time, repay part all or part of the amount of the loan.

Repayment of the loan does not operate to remove the sale restrictions which will continue to apply during the specified restriction period.

Until repayment of the loan in full, Participants have no right to have the Plan Shares transferred to them.

In the event that the Participant leaves within the restricted period determined by the Board, the loan must be repaid and interest will be charged equal to the market rate of interest that would have accrued on the loan from the date of advance of the fund to the date the loan amount is repaid in full.

If, after the relevant restricted period, the Participant ceases to be employed by the Company, or requests the Trustee to sell the Plan Shares Allocated to the Participant and the value of Plan Shares Allocated to the Participant under the Share Plan is greater than the loan, the Participant must immediately pay the Company the loan in full and the Trustee will transfer the Plan Shares to the Participant.

If, after the relevant restricted period, the Participant ceases to be employed by the Company, or requests the Trustee to sell the Plan Shares Allocated to the Participant and the value of Plan Shares Allocated to the Participant under the Share Plan is less than the loan, the Trustee will transfer the Plan Shares to the Company in full satisfaction of the loan.

Dividends declared on Plan Shares will be used to repay the loan. A portion of the dividend, determined by the Company, will be paid to the Participant so that the Participant can pay any tax liability in respect of the dividend paid.

If the Participant does not repay the loan as required by the terms of the loan then the Trustee is authorised to sell the Participant's Plan Shares on market or off-market or may acquire them himself as Trustee for the purposes of the Share Plan. The net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant.

The Company intends to make provisions in the loan in the event of a special circumstance, such as death or permanent incapacity of the Participant, occurring.

If a Change of Control Event occurs then restrictions in respect of the Participant's Plan Shares may be waived. In such circumstances the Participant shall be entitled to authorise the Trustee to sell the Participant's Plan Shares and the net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant. If the Change of Control Event does not occur and the Plan Shares are not sold then the restrictions will continue to apply.

While the loan remains outstanding a Participant is not entitled to participate in any dividend reinvestment plan of the Company.

Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the terms and conditions of any loan as it sees fit.



Galaxy Resources Limited
ABN 11 071 976 442

Lodge your vote:



Online:

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

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

Proxy Form



Vote online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 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 11:00am (WST) Wednesday, 18 June 2014

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 under the help tab, "Printable 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, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Galaxy Resources Limited to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 20 June 2014 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2-5, 8-15 and 17-22 (except where I/we have indicated a different voting intention below) even though Resolutions 2-5, 8-15 and 17-22 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Resolutions 4, 10 and 17-22 this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2-5, 8-15 and 17-22 by marking the appropriate box in step 2 below.

Important for Resolutions 4, 10 and 17-22: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolutions 4, 10 and 17-22 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolutions 4, 10 and 17-22, the Chairman of the Meeting will not cast your votes on Resolutions 4, 10 and 17-22 and your votes will not be counted in computing the required majority if a poll is called on these resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 4, 10 and 17-22.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolutions 4, 10 and 17-22 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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.

Voting on business of the Meeting

For Against Abstain

Resolution 1	Sale of Jiangsu	☐	☐	☐
Resolution 2	Approval to issue Shares to Mr Anthony Tse	☐	☐	☐
Resolution 3	Approval to issue Shares to Mr Charles Whitfield	☐	☐	☐
Resolution 4	Approval to issue Shares to Mr Martin Rowley	☐	☐	☐
Resolution 5	Approval to issue Shares to Mr Kai Cheong Kwan	☐	☐	☐
Resolution 6	Approval to issue Shares to Mr Craig Readhead	☐	☐	☐
Resolution 7	Approval to issue Shares to Mr Robert Wanless	☐	☐	☐
Resolution 8	Approval to issue Shares as part-remuneration to Mr Anthony Tse	☐	☐	☐
Resolution 9	Approval to issue Shares as part-remuneration to Mr Charles Whitfield	☐	☐	☐
Resolution 10	Approval to issue Shares as remuneration to Mr Martin Rowley	☐	☐	☐
Resolution 11	Approval to issue Shares as remuneration to Mr Kai Cheong Kwan	☐	☐	☐
Resolution 12	Approval to issue Shares as remuneration to Mr Zhang Jian-Nan	☐	☐	☐
Resolution 13	Approval to provide financial benefit to Mr Anthony Tse upon a Change of Control Event	☐	☐	☐
Resolution 14	Approval to provide financial benefit to Mr Charles Whitfield upon a Change of Control Event	☐	☐	☐
Resolution 15	Approval to provide financial benefit to Mr Martin Rowley upon a Change of Control Event	☐	☐	☐
Resolution 16	Approval to issue Shares and Options to Mr Craig Readhead	☐	☐	☐
Resolution 17	Adoption of Galaxy Resources Limited Share Acquisition Plan	☐	☐	☐
Resolution 18	Approval to Allocate Plan Shares to Mr Anthony Tse	☐	☐	☐
Resolution 19	Approval to Allocate Plan Shares to Mr Charles Whitfield	☐	☐	☐
Resolution 20	Approval to Allocate Plan Shares to Mr Martin Rowley	☐	☐	☐
Resolution 21	Approval to Allocate Plan Shares to Mr Kai Cheong Kwan	☐	☐	☐
Resolution 22	Approval to Allocate Plan Shares to Mr Zhang Jian-Nan	☐	☐	☐

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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