



GALAXY RESOURCES LIMITED

Corporate Presentation

March 2016

ASX: GXY

Company Highlights



- One of the premier **global lithium opportunities** with market leading assets
- Diversified portfolio with **hard rock and brine based lithium assets** across multiple geographies
- **Spodumene and tantalum production to commence** at end Q1 2016 from Mt Cattlin, with **near-term cash flow expected**
- **Flagship Sal De Vida Project in Argentina** with market leading brine chemistry
- New management has **reduced net debt from over A\$200m historically to A\$20m today**
- Highly credentialed Management and Board with **strong networks in the key Asian lithium markets**
- Robust lithium macro trends with **surging demand from energy storage applications** and a lagged supply-side response

Mt Cattlin Operations – Australia



En route to Sal de Vida lithium project – Argentina



Diverse Asset Portfolio



With a portfolio of both hard rock and brine based lithium assets, Galaxy is also **well networked with key customers in the Asian lithium market**

James Bay, Quebec, Canada – Hard Rock

- 100% owned
- Lithium hard rock development
- 23Mt at 1.2% Li₂O
- Targeting to commence work on DFS in 2016

Sal de Vida, Salta & Catamarca, Argentina – Brine

- 100% owned
- Lithium and potash brine project, 1.1Mt LCE, 4.2Mt KCl
- Formal revision of DFS revision in mid 2016
- Formation of Owners Team
- Reactivation of pilot program

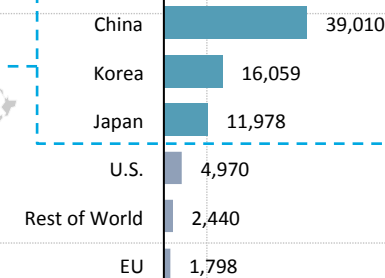
Mt Cattlin, WA, Australia – Hard Rock

- Lithium and tantalum hard rock mining operations being recommissioned
- 16Mt at 1.08% Li₂O and 5.7Mlbs Ta₂O₅
- Secured offtake of 60kt of Spodumene to Chinese customers in 2016, 120kt in 2017
- Targeting maiden shipment August 2016

Lithium production heavily concentrated in Asia

- 88% of global capacity based in Asia
- China produces >50% of global lithium cathodes
- Galaxy is uniquely positioned with existing customer base

LiB Manufacturing Capacity (2015, MWh)



Source: CEMAC 2015

Corporate Snapshot



An emerging global lithium business with leading institutional shareholders and an increasing share price

Financial information (2016.03.18)

Share price	A\$0.215
52 week high / low	A\$0.245 / A\$0.024
Number of shares (m, undiluted) ^{1,2}	1,264.4
Market capitalisation	A\$272m
Proforma cash ³	A\$11m
Proforma debt	A\$31m
Proforma net debt	A\$20m
Enterprise value	A\$292m

Share price performance (1 year)



Top shareholders (2016.02.29)

	Shares	%
Acorn Capital	67.4m	5.3%
Paradise Investment Management	61.2m	4.8%
Greencape Capital	54.5m	4.3%
UBS	45.1m	3.6%
Private Individual	43.8m	3.5%
Creat Group	37.6m	3.0%
Private Individual	35.9m	2.8%
Banque Syz & Co	34.6m	2.7%
OCP Asia	31.6m	2.5%
Anthony Tse (<i>Managing Director</i>)	23.5m	1.9%
Management	62.7m	5.0%
Top 10	435.2m	34.4%

Source: IRESS

Notes:

- 1 Excludes 43.9m unlisted options on issue at various vesting and expiry dates with exercise prices between A\$0.03 and A\$1.16
- 2 Excludes 34.1m share appreciation rights
- 3 Includes cash reserve from debt facility as at 2015.12.31

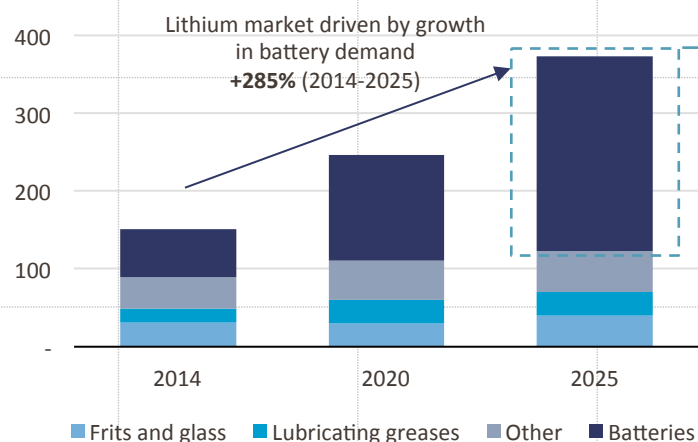
Growth In Lithium Demand Accelerating



Market demand for lithium products continues to be very strong with increasing demand in the transport and energy storage sectors

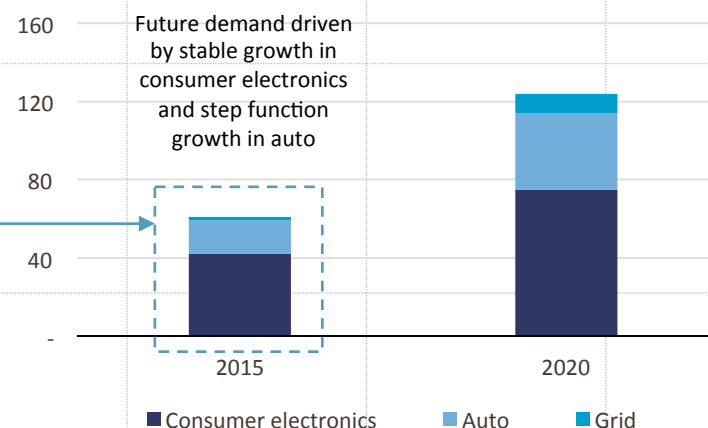
- **Strong growth in lithium battery demand** over the next decade, driven by:
 - ↑ Continued increase in **demand for lithium battery powered devices** (*consumer and portable electronics continuing to grow*)
 - ↑ Increase in **demand for more advanced lithium batteries** (*higher energy density in each generation of new devices*)
 - ↑ Growth in **hybrid and electric vehicles, mass energy storage systems** (*lithium batteries becoming the preferred technology*)
- **Accelerating demand growth for lithium in China**, with a target set of **5 million electric vehicles to be on the road by 2020**
 - Government continues push on green technology, targeting **4.8 million charging stations and 200,000 electric buses by 2020**

Forecast Lithium Demand By Application (Mt)



Source: signumBOX estimates, CEMAC 2015

Lithium Battery Demand By Application (GWh)



The China Market For Lithium



Significant tightening of available supply of lithium carbonate – continued rapid growth in demand from battery and energy storage segments

- China continues policy push in renewable energy – expansion of generation capacity, electrification of transportation etc.
 - Record breaking year for new energy (xEV) vehicle sales, over 379k units sold and projected at 500k+ units for 2016
- Over 70% of LCE production in China is reliant on spodumene supply from Talison, limited availability of feedstock from domestic production and imports from South America
 - Tianqi and Albemarle (co-owners of Talison) have expressed that no spodumene will be made available for third parties, essentially creating a supply monopoly in China
 - Lithium converters in China eagerly seeking alternate supply of spodumene from Mt Cattlin, strong potential to command premium pricing in light of recent price increases in lithium carbonate

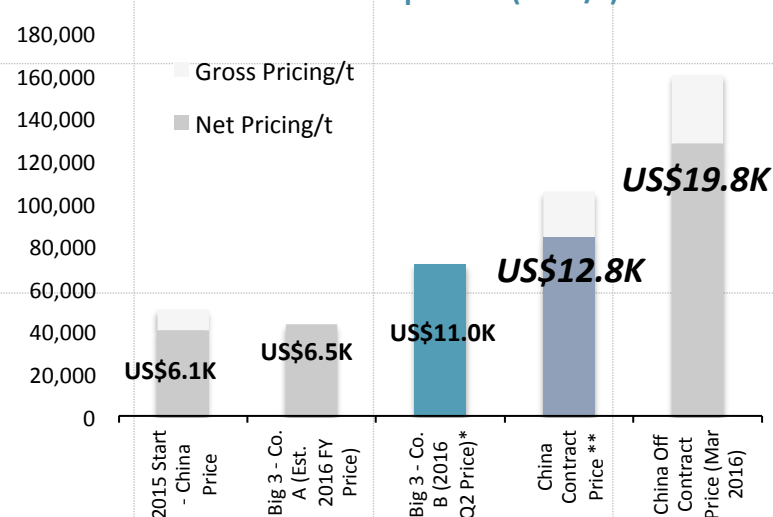
Lithium Carbonate China (RMB/t)



Source: IRESS, CJ Securities, Company Estimates

* Based on recent public market auction of 4kt of LiOH – 2016.01.12, ** Market pricing indicated for Q2 only

Lithium Carbonate Price Comparison (RMB/t)



Electrification Of China's Transport Sector

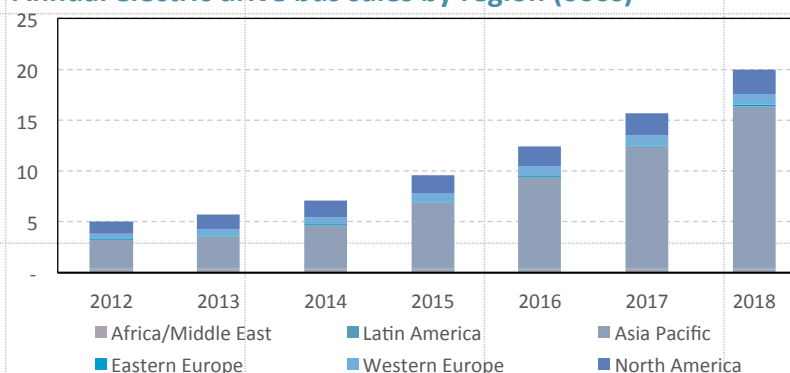


China becoming global leader in driver for electrification of transport lithium battery demand across multiple segments

Overview

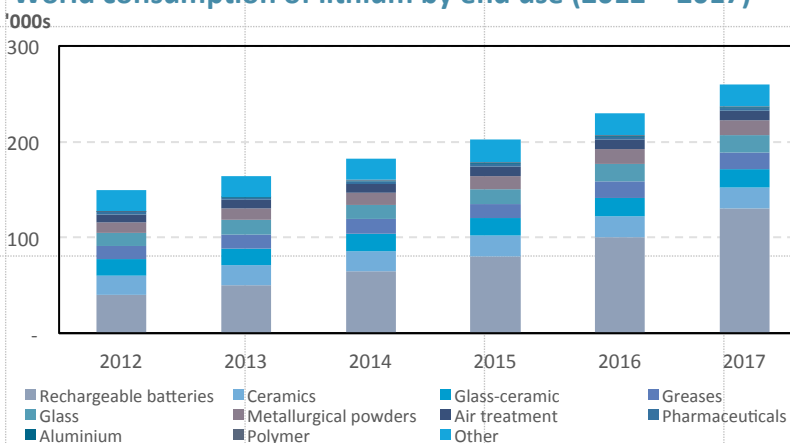
- Chinese demand will dwarf the increased demand from new lithium battery gigafactories
- The **future of electric vehicles will be driven by adoption across a number of industries and applications** including:
 - **Light personnel transportation:** two-wheel motorbikes, scooters, three-wheel hybrid vehicles, light EVs (Smart-size electric cars)
 - **Heavy transportation applications:** including public trains and buses
 - **Logistics industry:** high torque requirement areas including forklifts, scissor lifts, transport buggies
- **China is at the forefront** of the electric vehicle revolution:
 - Targeting 5 million electric vehicles by 2020
 - Push for up to 50% of government fleet vehicles to be new energy vehicles
 - Aiming for city transportation fleets to hit 200,000 electric buses
 - Continued conversion of 200m+ population of electric bikes to switch over from lead acid to lithium batteries

Annual electric drive bus sales by region (000s)



Source: Pike Research

World consumption of lithium by end use (2012 – 2017)



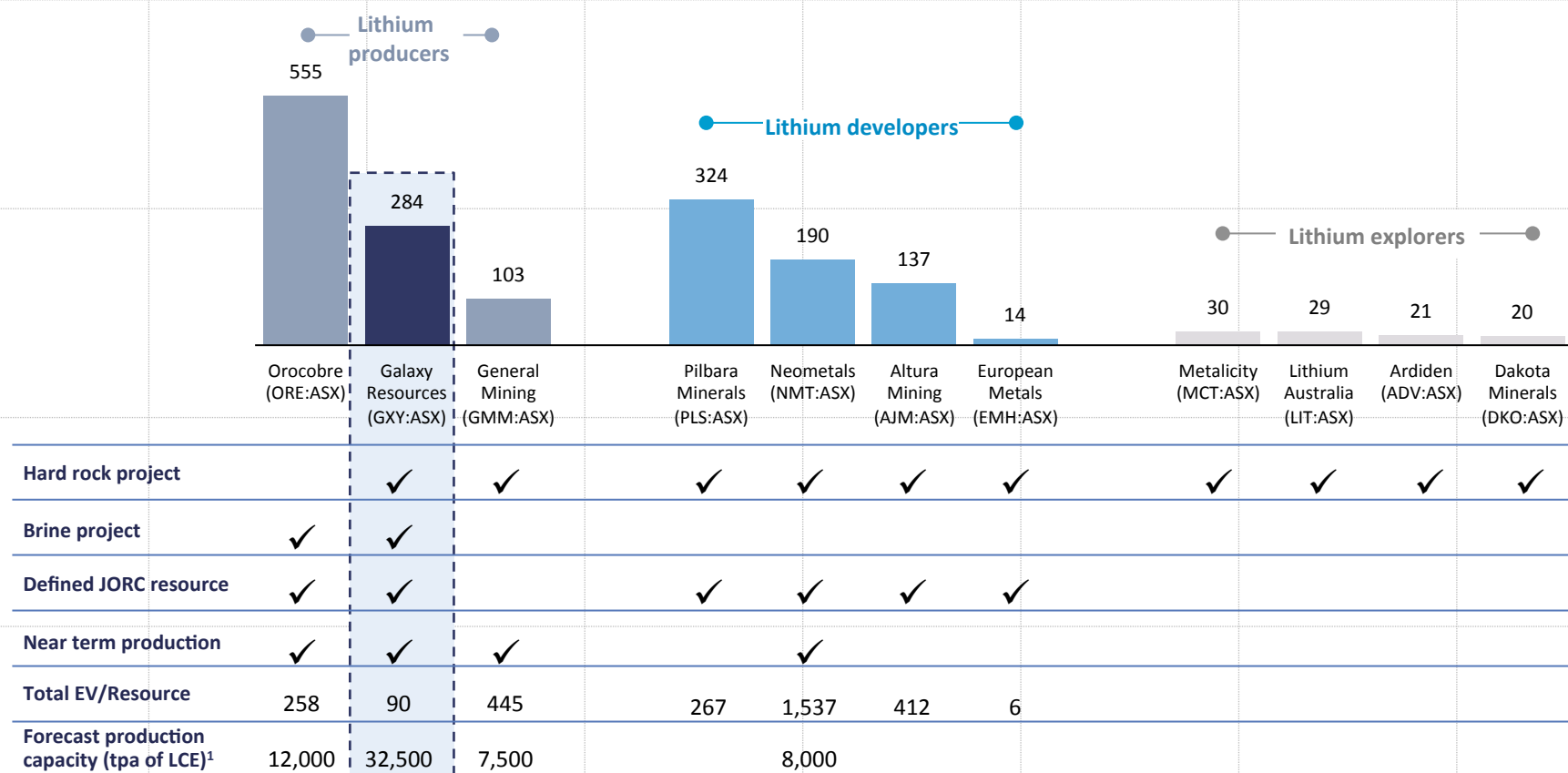
Source: Roskill – Lithium Market Outlook to 2017

ASX Lithium Landscape



Near term production and favourable valuation positions Galaxy as the premier, high quality lithium production opportunity on the ASX

Market value of listed lithium peers (A\$m)



Source: IRESS, company disclosure

Notes: 1. Total production capacity for individual projects has been adjusted based on attributable project ownership

Mt Cattlin – Overview



A significant lithium and tantalum ore reserve with near-term production coming online into a robust demand market

- Mt Cattlin is a **spodumene** (lithium concentrate) and **tantalum** mining operation, located in Ravensthorpe, Western Australia
 - In partnership with General Mining (ASX:GMM) who have an earn 50% equity interest in the project for A\$25m
- Major Chinese customers established for spodumene offtake which is the preferred feedstock for lithium converters
 - ✓ 60,000 tonnes sold for 2016 delivery at US\$600/t
 - ✓ Binding commitment to purchase 120,000 tonnes in 2017
 - ✓ Pricing not fixed for 2017 and will subject to further review, to be finalized in Q4 of 2016
 - ✓ Negotiated upfront prepayment of 50% of 2016 volumes
- **Significant cash flows to Galaxy** from Mt Cattlin expected with first delivery in July/August 2016
 - Production for 2017 **expected to exceed 120,000 tonnes**
 - **High margin operation** with current operating costs

Source: General Mining Announcement (2015.08.04)

Note:

- 1 Galaxy understands that all material assumptions underpinning the production target and financial information set out in the General Mining announcement released continue to apply and have not materially changed

Key Project Information¹

Resource category	Tonnes	Li ₂ O %	Ta ₂ O ₅ ppm
Measured	2,540,000	1.20	152
Probable	9,534,000	1.06	170
Inferred	4,343,000	1.07	132
Total	16,416,000	1.08	157
Mine life	17 years at 800kt p.a.		
Processing design capacity	137,000tpa of ~6% lithium concentrate		

Mt Cattlin Operations



Mt Cattlin – Project Economics



Progressing towards first production at the end of Q1 2016, project will be coming on line in a strong pricing environment

Change In Economics since Entech Review

- Lithium economics have **continued to improve** since the Mt Cattlin independent DFS results were released in October
 - In 2015: reference spodumene pricing is US\$445/t and US\$/A\$ exchange rate is c. US\$0.70/A\$ (used in Entech review)
 - In 2016: spodumene pricing of US\$600/t for Mt Cattlin offtake agreement and US\$/A\$ exchange rate is c. US\$0.75/A\$
- Spodumene prices are now significantly higher, indicating that the previous economic study likely to be understating the **restart value of Mt Cattlin**
 - Increased spodumene **prices increase project revenues** and improve margin from the near term production
 - Overall cost of mining operations also reduced now as part of industry trend in recent years
 - Combined with rising demand for lithium, all resulting in attractive economics for Mt Cattlin

Entech Independent Review Economic Parameters¹

Item	Outcome
Life of mine and throughput rate	17 years at 800ktpa
LOM revenue	A\$1,164m
Total operating costs	A\$576m
Total operating costs (per tonne)	A\$47.8/t
LOM net cash flow	A\$526m
Net cash flow 2017-2019 (first 3 years full production)	A\$120m
Internal rate of return	230%
NPV at 8% discount rate, AUD/USD at 0.75	A\$247.5m

Source: General Mining Announcement (2015.08.04)

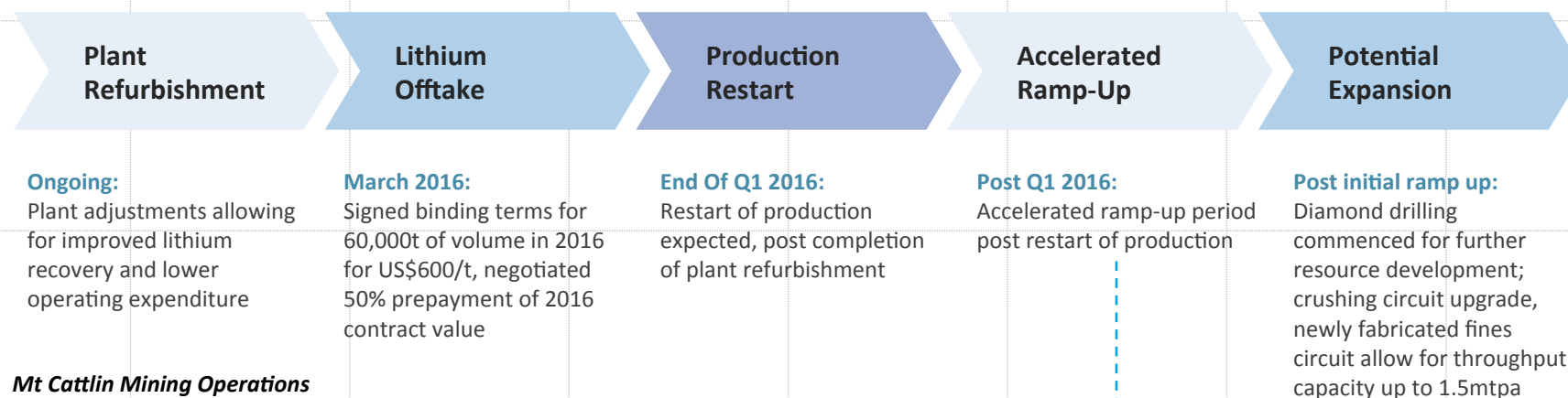
Note:

¹ Galaxy understands that all material assumptions underpinning the production target and financial information set out in the General Mining announcement released continue to apply and have not materially changed

Mt Cattlin – Restart Of Production



Binding spodumene offtake agreements signed with production on track to commence at the end of Q1 2016



Mt Cattlin Mining Operations



- Mt Cattlin is expected to restart production with an accelerated ramp-up period
- Significant volume material in tailings dam and ROM pads
 - Processing will be able to commence before mining is restarted
- Binding commitment from offtake partners to purchase 120k tonnes of lithium concentrate in 2017

Sal De Vida – Overview



One of the world's largest and highest quality undeveloped brine deposits with significant expansion potential

- A premier lithium and potash brine development project
 - 100% owned by Galaxy
 - Located between Salta and Catamarca Province in Argentina, in an area known as the 'Lithium Triangle'
- The **Lithium Triangle** is home to more than 60% of the world's annual production of lithium
 - Sal de Vida is located on the same salar as FMC Lithium's Fenix operations
- Brine projects have the advantages of lower operational costs and greater ability to expand production facilities
- Definitive Feasibility Study completed in 2013, assumed lithium carbonate price of US\$5,500/t
 - Current lithium carbonate prices up to **US\$12,800/t**
- Discussions underway for **potential strategic JV partners** at the project level

Key Project Information

Reserve category	Time period	Tonnes Li total mass	Tonnes equivalent Li_2CO_3	Tonnes K total mass	Tonnes equivalent KCl
Proven	1 – 6	34,000	181,000	332,000	633,000
Probable	7 – 40	180,000	958,000	1,869,000	3,564,000
Total	40 years	214,000	1,139,000	2,201,000	4,197,000

Source: Proven & Probable Reserve Statement – April 2013. Assumes 500mg/L Li cut off

Sal De Vida Brine



Sal De Vida – World Class Chemistry



One of the highest quality lithium brine developments globally, as demonstrated by its leading brine chemistry

- High lithium (Li) content to facilitate large scale production
- High potassium (K) yields significant potash credits, reducing operating costs
- Low magnesium (Mg), a low Mg/Li ratio reduces costs and yields higher quality, impurities are detrimental to being able to achieve grade spec

	Sal De Vida	Project A	Project B
Resource	7.2Mt LCE (<i>lithium carbonate</i>) 28.8Mt KCl (<i>potassium chloride</i>)	6.4Mt LCE 19.9Mt KCl	11.8Mt LCE 35.3Mt KCl
Reserve	1.1Mt LCE 4.2Mt KCl	Reserve not disclosed	2.7Mt LCE 8.0Mt KCl
Grade/Chemistry	810mg/l Li 9,100mg/l K 11.2 K/Li ratio 12.1 SO ₄ /Li ratio 2.4 Mg/Li ratio	774mg/l Li 6,227mg/l K 8.0 K/Li ratio 24.4 SO ₄ /Li ratio 2.6 Mg/Li ratio	666mg/l Li 5,401mg/l K 8.1 K/Li ratio 28.5 SO ₄ /Li ratio 2.4 Mg/Li ratio
Capacity	25ktpa LC 95ktpa KCl	16.4ktpa LC 10-20ktpa KCl	20ktpa LC 40ktpa KCl
Capex	US\$369.0m	US\$206.7m	US\$313.8m
Capital intensity	US\$14,760/t	US\$12,603/t	US\$15,688/t
Well fields	20 wells – southwest field 30 wells – eastern well field	Not stated	21 wells – initial phase 23 wells – phase 2
Tenements	Owned No other operations	Owned Mixed with Project B properties	Owned Mixed with lease from Project A
Jurisdiction	Catamarca/Salta	Jujuy	Jujuy

Sal De Vida – Project Economics



The DFS provided compelling rationale for Sal de Vida which has further strengthened with higher lithium prices

Definitive Feasibility Study (April 2013)¹

Item	Outcome
Lithium Carbonate Production	25,000tpa
Potash Production	95,000tpa
Mine Life	> 40 years
Capital Costs	US\$369m
Operating Costs (Net Of Potash Credits)	US\$2,200/t LC
Average Annual Revenues	US\$160m
Average Annual Net Cash Flows (Pre Interest & Tax) ²	US\$118m
Net Present Value (Post-Tax) @ 10% Discount Rate	US\$380m
Internal Rate Of Return (Post-Tax)	19%

Net present value (post tax) at AUD/USD of 1.03, as at April 2013 A\$369m

Net present value (post tax) at AUD/USD of 0.70, as at November 2015 A\$543m

Notes:

- Released 2013.04.12
- Based on lithium carbonate pricing of US\$5,500/t

- Calculated NPV based on an assumed lithium carbonate price of US\$5,500/t

— *Most recent volume contract pricing for lithium carbonate in China now up to **US\$12,800/t net***

— *Formal review and revision of DFS financials by mid-2016, in light of recent macro-economic/ policy changes in Argentina, and latest lithium market pricing*

Sal De Vida – 2016 Workplan



Preparation work at Sal de Vida is ramping up with aim of bringing the flagship project into next stage of development

Milestones For 2016

Formal DFS Revision To Be Completed By Mid 2016

- Revised DFS considering improved macro-economic conditions and Argentine policy developments expected to have a highly favourable impact on Sal de Vida's DFS NPV
 - ✓ Most recent contract pricing for lithium carbonate in China recently up to US\$12,800/t net
 - ✓ Recent devaluation of the Argentine peso
 - ✓ Removal of 5% export duty on high grade lithium
- Formal revision work on DFS underway
 - ✓ More detailed estimations based on current market pricing
 - ✓ Focused on major capital items, such as earthworks, key equipment etc.

Assembling Owners Team

- A multi-disciplinary team of specialised professionals is being assembled to take the project through its next stage of development
- Owners Team to be populated with industry veterans with decades of experience in the development and operations of lithium brine projects in South America, comprised of both local and international personnel

Reactivating Pilot Program

- Previous pilot production facilities to be refurbished with planning underway for reactivation of the pilot program to commence ahead of main project build out

Strategic Discussions

- Discussions ongoing for potential strategic JV partners for Sal De Vida at the project level
- Galaxy leveraging its strong industry network to commence discussions with strategic offtake partners for future production from Sal de Vida

James Bay – Overview



The project provides a valuable option for capitalising on long term lithium demand growth, potential future supply to North American markets

- Lithium pegmatite project located in James Bay, Quebec Province, Canada
 - Strategically located in a mining friendly jurisdiction with a low cost of energy and good infrastructure
- Galaxy owns 100% of James Bay, recently entered into an agreement with GMM, who have an option to earn 50% interest for US\$5m in development funding over a 3 years
- Agreement requires 50% of funds to be deployed in first 2 years
- Expected to begin project DFS in second half of 2016
 - Will take advantage of Mt Cattlin experience to fast track DFS process
- Total indicated and inferred resources are 22.2Mt at 1.28% Li₂O
 - Further drilling program to be used to expand current JORC resources
- Valuable option to be a future supplier into the rapidly growing North American market

James Bay earth-moving equipment



Field work at James Bay



Share Price Catalysts



Multiple catalysts should support a sustained market re-rating

MT CATTLIN

Near term production

- Production expected to commence at end Q1 2016
- Tantalum offtake to be finalized, lithium offtake for 2017 contracts to be negotiated at increasingly favourable lithium prices

SAL DE VIDA

DFS revision by mid-2016

- Formal DFS revision to be released which reflects the improved lithium market prices and Argentine macro policy changes
- High quality Sal de Vida leadership team currently being assembled

MACRO

Robust lithium demand

- Favourable economics and accelerating demand growth for lithium
- Significant tightening of supply side, both in lithium carbonate and concentrate feedstock, entering into period of significant price increase

CORPORATE

Financial strength

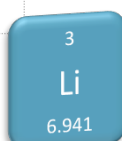
- Financial restructuring that has taken over 2 years is now complete, with the balance sheet strengthened, settlement of its outstanding convertible bonds and completion of a new 3-year debt financing

APPENDIX

Lithium Market and Galaxy Background

Lithium is the world's lightest metal element with the highest electrochemical potential – lithium battery now a technology of choice

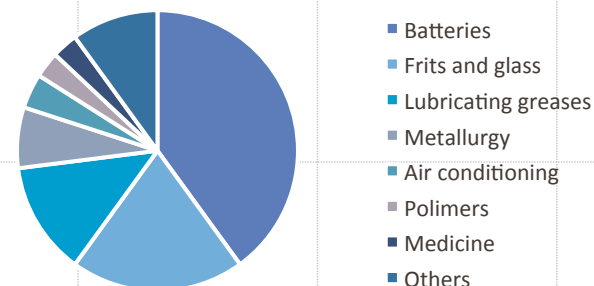
- **Lithium is a small, soft silver-grey metal**, the 3rd element in the periodic table
 - Highest specific heat capacity among solids
 - Highest electrochemical potential of all metals
 - Low atomic mass and low density
- Lithium can be **mined as a hark rock mineral (pegmatite) or extracted from brine (salar)**
- **Preferred material for use in energy storage batteries** compared to traditional lead acid or nickel based batteries
 - ✓ Superior energy density
 - ✓ Lighter, more compact and portable
 - ✓ More efficient
 - ✓ Longer life cycle
 - ✓ More environmentally friendly
- Lithium is **an emerging “green mineral”**
 - Production from brine is based on solar evaporation
 - High recyclability of lithium battery products
 - Key **material for the booming energy storage industry**



Hard rock lithium mineral



Lithium Demand By Application (2014)



Source: signumBOX estimates

Lithium Pricing



Lithium has been one of the strongest performing commodities over the last 12 months – due to surging global demand for the lithium-ion battery

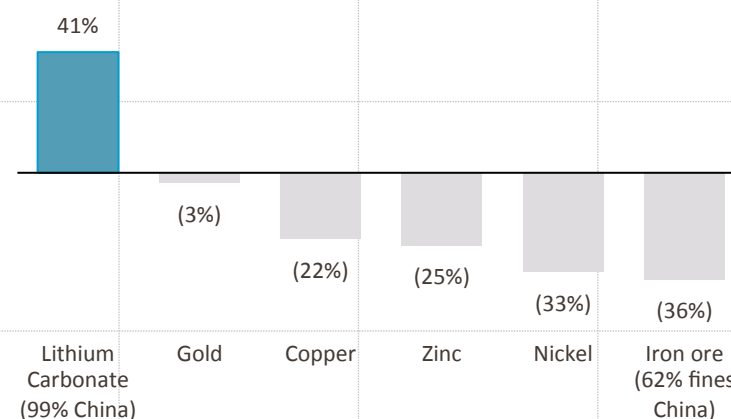
- Lithium carbonate is not exchange traded, pricing determined bilaterally between producer and purchaser
 - Contract price can be either on a RMB/t or US\$/t basis
 - Most contracts are over fixed annual volumes which provide certainty of demand for producers
- Market continuing to guide significant annual price increases
 - August 2015: YTD increase for China spot price of 20%
 - September 2015: FMC announces price increase of 15% across almost all of lithium products, effective October 2015

Lithium Carbonate 99% China (RMB/t)



Source: Asian Metals, IRESS

US\$ Commodity Price Performance (LTM)



Potash & Tantalum Overview

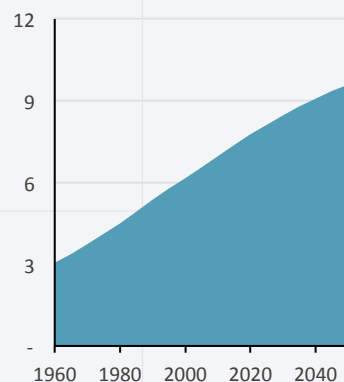


Galaxy's projects will also produce potash and tantalum – two commodities with positive demand mechanics and limited supply options

POTASH

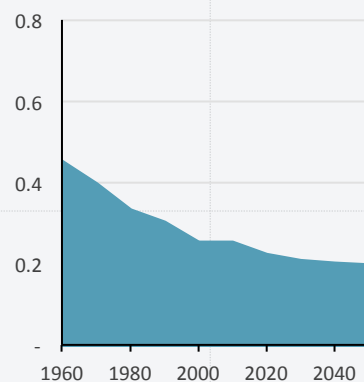
- Sal de Vida is expected to produce 95ktpa potash for 40+ years
- Potash refers to a variety of potassium bearing minerals that are primarily used to produce fertiliser
 - Essential to the world's food supply with no substitutes
 - South America is a growing fertiliser demand centre
- Demand for potash is driven by global population growth and the reduction in arable land
 - ✓ Increasing food demand requires higher yielding crops
 - ✓ Higher yielding crops require more fertiliser

Population Growth (bn)



Source: United Nations, FAO

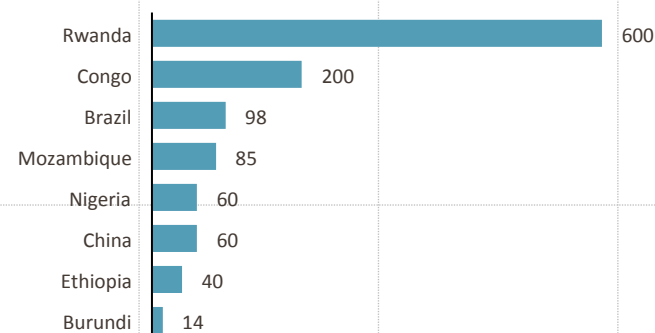
Arable Land (ha/capita)



TANTALUM

- Mt Cattlin will produce tantalum alongside spodumene from its reserves which have grades of 149ppm Ta₂O₅
- Tantalum is a rare, hard, dark grey metal
 - Very high natural corrosion resistance
 - Significant tantalum supply from Africa
- Tantalum is primarily used in the manufacture of capacitors for electronic equipment
 - ✓ High capacitance for a small amount of metal
 - ✓ Superior alloying qualities

2014 Tantalum Ore Production (t)¹



Source: US Geological Survey

Note:

1 Excludes production of tantalum contained in tin slags

Gigafactories Need New Supply



Growing demand is creating new opportunities for emerging lithium producers, with **Galaxy at the forefront of the next wave of suppliers**

2014:

Large companies invest heavily in lithium-ion batteries

- Taiwan's **Aleees**, **Sony** and **Siemens** partner to develop a pure electric bus in September
- **BMW** launch second home charging station for electric and plug-in hybrid vehicles

2015:

Increasing demand creates new opportunities for growing lithium companies as current producers lack expansion capacity

- **Albermarle** (NYSE:ALB) after acquiring Rockwood, as yet to announce start of production at La Negra, already delayed for 2 years from when first announced under Rockwood Lithium
- **FMC** (NYSE:FMC) currently experiencing constrained production, reported revenue decline due to lowered third party supply
- **Orocobre** (ASX:ORE) encountering further delays in the ramp-up of production at the Olaroz Project

2016-2017:

Tesla's Gigafactory expected to be operational

- **Tesla** set to generate 35GWh of lithium-ion battery production per year
- Other major manufacturing facilities also coming online

2020:

Multiple lithium-ion battery megafactories expected to be online

- **LG Chem** (7GWh), **Foxconn** (15GWh), **BYD** (20GWh) and **Boston Power** (10GWh) have all announced lithium-ion battery factories
- Combined with **Tesla**, the factories are expected to triple current lithium-ion battery production capacity by 2020¹

Source:

1. Benchmark Mineral Intelligence

The new Board and Management Team has **successfully transformed the balance sheet, reducing net debt from over A\$200m to A\$20m**

- Galaxy's **Chairman is a respected leader in the global mining industry** and a co-founder of First Quantum (TSX: FM)
- **New Managing Director appointed in 2013** successfully led Galaxy turnaround and restructuring
- Team brings strong financial acumen to Galaxy, with over an aggregate A\$300m of debt restructuring, M&A and financing completed **without external advisors**
- Importantly, the current management and key employees have **successfully developed lithium projects into production** and have established customer relationships in key Asian markets

Non-Executive Board members

Martin Rowley – *Independent Non-Executive Chairman*

- Co-founder and Executive Director of First Quantum
- First Quantum is among the largest copper production companies in the world with a market cap of C\$4bn
- Non-Executive Chairman of Forsys Metal Corp (TSX: FSY)
- Previously Non-Executive Chairman of Lithium One Inc. (acquired by Galaxy in July 2012)

Jian-Nan Zhang – *Non-Executive Director*

- Deputy General Manager of Fengli Group, a subsidiary of a leading private Chinese industrial group

Executive Board members

Anthony Tse – *Managing Director*

- 20+ years corporate experience in high growth industries, including technology, media and resources
- Extensive senior management experience in corporate strategy and development, M&A, capital markets
- Former Director Corporate Development at Hutchison Whampoa's TOM Group (HKSE:2383), Deputy General Manager of TOM Online (NASDAQ:TOMO), President of CETV and CEO of CSN Corp.

Charles Whitfield – *Executive Director*

- Principal Investment Officer of Drumrock Capital
- Formerly Managing Director at Citigroup, Corporate Equity Solutions, and Deutsche Bank, Strategic Equity Transactions

Key Customer Relationships



Galaxy has a proven history in the lithium market with strong customer relationships in the leading battery manufacturing regions (China, Korea, Japan)

- Customers are looking to Galaxy for future supply given **our history of being able to produce at high quality to meet specification** and the **excellent brine chemistry at Sal de Vida**

Mt Cattlin

- Previous relationship with **Mitsubishi** through Jiangsu Operations
- Sales & Distribution Agreement signed by GMM in October 2015 with Mitsubishi for 100% of lithium concentrate
- Galaxy has produced and sold lithium carbonate previously which passed qualification to meet the high quality specification of battery material producers

Sal de Vida

- Discussions are underway for potential strategic partners at the project level
- Established relationships with 40+ clients, including leading battery material producers in China, Japan and Korea
- Opportunity to take advantage of those relationships for Sal de Vida offtake discussions
- Management have extensive experience in the sector having produced and marketed lithium carbonate previously

Corporate Developments To Date



Numerous operational and corporate achievements since the appointment of the new Board and Management in 2013

Operational Achievements

October 2013

Record production at Jiangsu under new management

April 2014

Signed binding agreement for sale of Jiangsu, which included the assumption of all Chinese debt by the acquirer

August 2014

Completed acquisition of land tenements for Sal De Vida Project

February 2015

Final terms of Jiangsu divestment at EV of US\$173.2m

February 2015

Signing of Term Sheet with General Mining for Mt Cattlin

September 2015

Definitive Agreement with General Mining; Galaxy to retain 50% of Mt Cattlin and earn A\$25m

October 2015

Sales & Distribution Agreement with Mitsubishi Corp for spodumene offtake from Mt Cattlin

December 2015

General Mining commits A\$7m in Mt Cattlin restart CAPEX

2013

2014

2015

Corporate Achievements

June ~ August 2013

New MD appointed, Special Management Committee formed, A\$110m+ of convertible bonds and Chinese bank debt restructured, rights issue launched for capital raising

September 2013

Successful A\$37.5m equity raised to progress Jiangsu and pursue debt reduction, corporate costs slashed

November 2013

New Board of Directors, began asset divestment discussions

November 2015

Completed buyback at a A\$4.2m discount and settlement of Convertible Bonds

November 2015

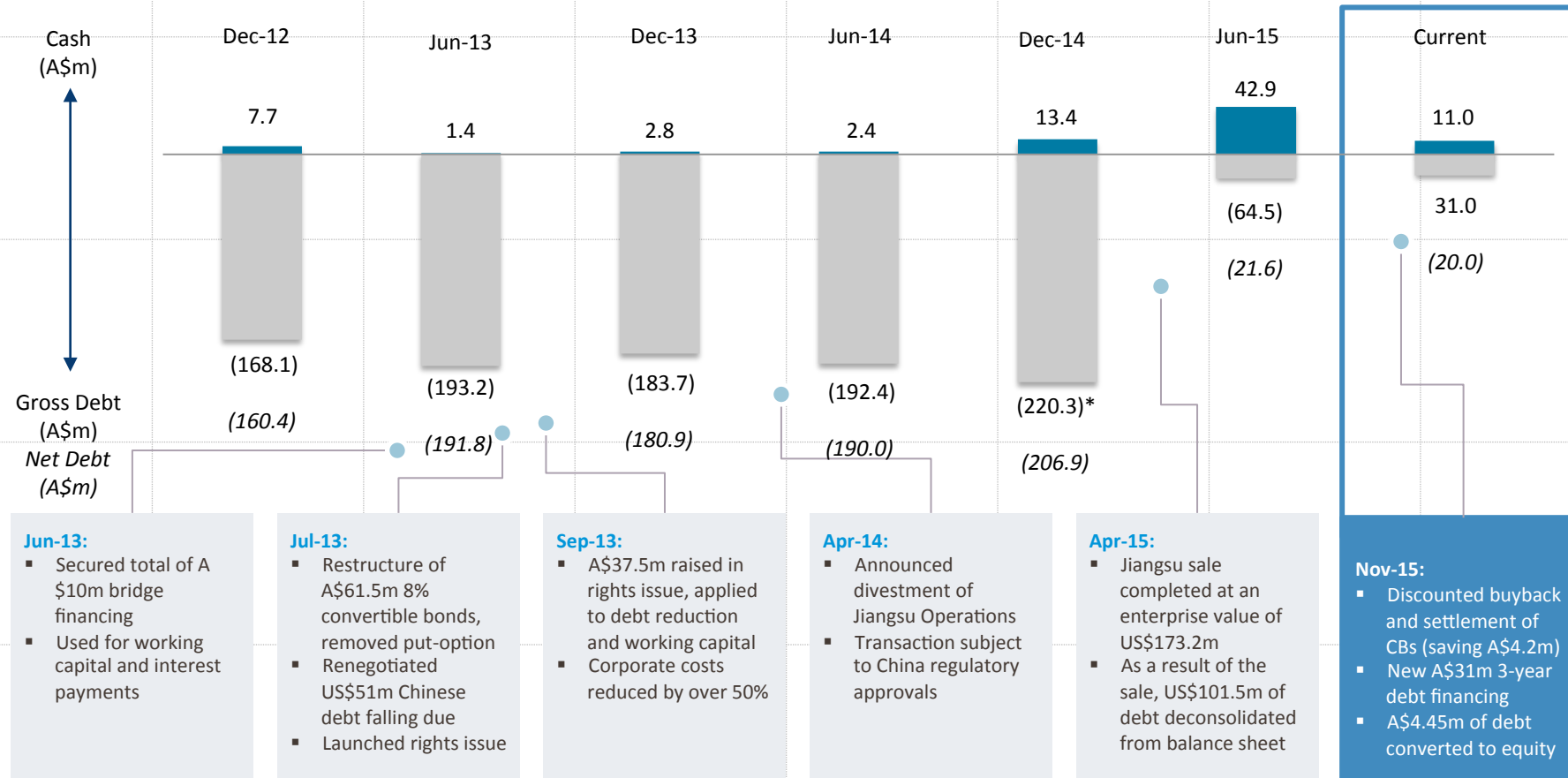
Closed new 3-year secured debt financing for A\$31m, further reduction of A\$4.5m of debt through equity conversion

- ✓ Deleveraged balance sheet
- ✓ Net debt reduced from peak levels of A\$207m to now A\$20m
- ✓ Strengthened shareholder base and limited dilution

Financial Restructuring Complete



Galaxy has successfully completed its balance sheet restructuring initiatives and is in its **strongest financial position in over 2 years**



Balance sheet overleveraged, debt in China amounted to over US\$100m, leverage issues exacerbated by the ongoing weakening of the A\$

* Excludes Tianqi advances

Disclaimer



This document contains forward looking statements concerning the projects owned by Galaxy. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Galaxy's beliefs, opinions and estimates of Galaxy as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Galaxy's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements. Data and amounts shown in this document relating to capital costs, operating costs, potential or estimated cashflow and project timelines are internally generated best estimates only. All such information and data is currently under review as part of Galaxy's ongoing operational, development and feasibility studies. Accordingly, Galaxy makes no representation as to the accuracy and/or completeness of the figures or data included in the document. Not For Release in US This presentation does not constitute an offer of securities for sale in any jurisdiction, including the United States. Any securities described in this presentation may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended, following the preparation of required documents and completion of required processes to permit such offer or sale.

CONTACT INFORMATION

Level 1/16 Ord Street
West Perth, Western Australia 6005
PO Box 1136, West Perth WA 6872
T: +61 8 9215 1700
F: +61 8 9215 1799
E: info@galaxylithium.com

Competent & Qualified Persons' Statement



Sal de Vida

Competent Persons

The information in this report that relates to Mineral Resources for the Sal de Vida lithium project is based on work completed by Mr. Michael Rosko, who is a Member of the Society of Mining, Metallurgy and Exploration Inc a Recognised Overseas Professional Organisation. Mr. Rosko is a full time employee of E. L. Montgomery and Associates and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Rosko consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004 it has not been updated since to comply with JORC code 2012 on the basis that the information has not materially changed since it was last reported.

National Instrument 43-101 - Qualified Person

The mineral resources for the Sal de Vida lithium project are reported in accordance with National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Resource evaluation work was completed by Mr. Michael Rosko, P.Geol (Arizona 25065, Texas 6359, California 5236) an independent Qualified Person as defined by NI 43-101. Mr. Rosko has read and approved the content of this news release. A Technical Report compliant with NI 43-101 standards describing the resource estimation was filed on SEDAR within 45 days of its release.

James Bay

Competent Person

The information in this report that relates to Mineral Resources for the James Bay project is based on work completed by Mr. Sébastien Bernier, who is a Member of a Recognised Overseas Professional Organisation. Mr Bernier is a full time employee of SRK Consulting (Canada) Inc. and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bernier consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004 it has not been updated since to comply with JORC code 2012 on the basis that the information has not materially changed since it was last reported.

National Instrument 43-101 - Qualified Person

The mineral resources for the James Bay project are reported in accordance with National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Resource evaluation work was completed by Mr. Sébastien Bernier, P.Geol (OGQ#1034, APGO#1847) an independent Qualified Person as defined by NI 43-101. Mr. Bernier has read and approved the content of this news release. A Technical Report compliant with NI 43-101 standards describing the resource estimation was filed on SEDAR within 45 days of its release.