The Lithium Battery Market In China
The lithium-ion battery application mix is transitioning from being majorly dominated by consumer electrics to new energy vehicle applications.

Rapidly growing New Energy vehicle (NEV) segment becoming the increasingly dominant end use for lithium-ion batteries.
Another record breaking year in 2016, with 517k New Energy Vehicles (NEV) produced in China, 80% of which were pure electric vehicles.

2015 Breakdown of New Energy Vehicle Production in China:
- BEV: 23%
- PHEV: 77%
- Total production: 379k vehicles

2016 Breakdown of New Energy Vehicle Production in China:
- BEV: 19%
- PHEV: 81%
- Total production: 517k vehicles

Annual growth rate c. 36%

Source: CI Securities, CAAM

2017 YTD NEV Unit Production¹:

<table>
<thead>
<tr>
<th>NEV model</th>
<th>1Q 2017</th>
<th>Apr</th>
<th>YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEVs</td>
<td>47.9k</td>
<td>30.2k</td>
<td>+26.1%</td>
</tr>
<tr>
<td>PHEVs</td>
<td>10.3k</td>
<td>7.1k</td>
<td>+3.9%</td>
</tr>
</tbody>
</table>

- For passenger vehicles produced: Battery Electric Vehicle (BEV) YoY volume growth was 73% and Plug-In Hybrid Electric Vehicle (PHEV) YoY volume growth was 30%
- For commercial vehicles produced: BEV YoY volume growth was 50% and PHEV YoY volume growth was 23%

Projected 2017 NEV unit production of c. 730+k vehicles, equivalent to 41% YoY growth

Source: CAAM, CI Securities
Note:
1. BEVs = Battery Electric Vehicles, PHEV = Plug-In Hybrid Electric Vehicles
## Electric Vehicles On The Road In China

### Over 170 models of passenger vehicles in the first four batches of type-approved NEVs in 2017

**Largest NEV Passenger Vehicle Producers In China**

<table>
<thead>
<tr>
<th>Auto manufacturer</th>
<th>2015 PV units</th>
<th>2016 PV units</th>
<th>2017 PV units (as at 30 April)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BYD</td>
<td>60.2k</td>
<td>84.5k</td>
<td>11.5k</td>
</tr>
<tr>
<td>北京汽车 (BAIC MOTOR)</td>
<td>52.1k</td>
<td>46.0k</td>
<td>12.3k</td>
</tr>
<tr>
<td>Geely</td>
<td>18.4k</td>
<td>46.2k</td>
<td>17.3k</td>
</tr>
</tbody>
</table>

- BAIC EC180 electric vehicle
- BYD E6 electric vehicle
- Geely Emgrand electric vehicle

*Source: CAAM, CI Securities*
A NEV quota trading scheme, economic incentives for the consumer and changes in consumer preferences **countering subsidy reduction effect**

**Revised Subsidy Policy For NEVs For The Period 2016-2020**

- Subsidies for passenger NEVs reduced by ~20% in 2017 (compared to 2016 subsidies)
- Subsidies for large commercial vehicles reduced by ~40-70% in 2017 (compared to 2016 subsidies) depending on vehicle type and size
  - Subsidy ceilings introduced on commercial NEVs based on the length of vehicle
- Additional subsidies awarded by Local Governments restricted to 50% of the value of Central Government incentives
- Subsidy funding now awarded after the sale of NEVs, previously before - changes to subsidy policies are expected to trigger a more transparent, efficient and competitive market in battery making and auto manufacturing
- Alternative economic incentives and technology thresholds are being introduced to continue to promote the uptake of NEVs

**2017 Subsidies For Passenger NEVs**

<table>
<thead>
<tr>
<th>Auto type</th>
<th>Energy density</th>
<th>DR ≥ 50km</th>
<th>100km ≤ DR &lt; 150km</th>
<th>150km ≤ DR &lt; 250km</th>
<th>DR ≥ 250km</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEV</td>
<td>90-120Wh/kg</td>
<td>RMB20k (US$2.9k)</td>
<td>RMB36k (US$5.2k)</td>
<td>RMB44k (US$6.4k)</td>
<td></td>
</tr>
<tr>
<td>BEV</td>
<td>&gt;120Wh/kg</td>
<td>RMB22k (US$3.2k)</td>
<td>RMB39.6k (US$5.7k)</td>
<td>RMB48.6k (US$7.4k)</td>
<td></td>
</tr>
<tr>
<td>PHEV</td>
<td>na</td>
<td>US$3.5k</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Deutsche*
NEV Adoption Not Reliant On Subsidies

China continues its leading investment into NEVs and has introduced a number of policy measures aimed at continuing to encourage uptake

Government Policy & Investment

- **Committed domestic investment** – Committed to build out of a nationwide charging infrastructure to support 5 million NEVs by 2020
- **Mandatory NEV targets** – Government initiating credit system encouraging auto manufacturers to target NEV production percentages of 8%, 10% and 12% over the next 3 years
- **Limiting ICE production** – Penalties for manufacturers exceeding certain production thresholds

China Licensing Restrictions

- Certificate of entitlement (COE) required for car purchase
  - Cost of a COE (Shanghai) for an internal combustion engine (ICE) vehicle: US$15k for an individual; US$30k for a company
- **In Beijing (BJ) and Shanghai (SH):**
  - The right to purchase an ICE vehicle is subject to a lottery
  - Success rates: 4% (SH); 0.2-0.3% (BJ)
- Driving restrictions for ICE vehicles

- **NONE OF THE ABOVE RESTRICTIONS FOR PROSPECTIVE NEV OWNERS**

Shanghai license plates used to distinguish between car types

- Blue plates: ICE vehicles
- Green plates: NEV vehicles
China Battery Production Capacity

Growth in lithium-ion battery (LiB) production capacity driven by expansion of NEV battery manufacturing facilities

NEV Battery Manufacturing Capacity Expected To Grow Almost 4x Over 3 Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (GWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>28.2</td>
</tr>
<tr>
<td>2016</td>
<td>64.8</td>
</tr>
<tr>
<td>2017E</td>
<td>102.8</td>
</tr>
</tbody>
</table>

Total planned NEV battery manufacturing capacity expected to double from 2017E levels by 2020

NEV Battery Cathode Mix Transitioning From LFP to Ternary

<table>
<thead>
<tr>
<th>Year</th>
<th>LFP (%)</th>
<th>Ternary (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>72%</td>
<td>28%</td>
</tr>
<tr>
<td>2016</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>2017E</td>
<td>52%</td>
<td>48%</td>
</tr>
</tbody>
</table>

By 2020, projected NEV cathode mix to reach an estimated 85%/15% mix between ternary and LFP

Source: Benchmark Minerals, Company Disclosure, Bloomberg, CJ Securities

Notes:
1. LFP = Lithium Iron Phosphate, NMC = Nickel Manganese Cobalt
2. Total planned NEV battery manufacturing capacity expected to double from 2017E levels by 2020
3. NEV Battery Cathode Mix Transitioning From LFP to Ternary
China is currently the major producer and consumer of lithium chemicals with a focus on lithium-ion battery applications

- 24% growth in demand for lithium chemicals throughout 2016, underpinned by significant expansion in NEV uptake in China
- Continued strength in lithium prices is a clear indication that demand growth is likely to be outpacing supply side growth
- After becoming the dominant single market consumer of lithium compounds, as well as the leading producer of the same, China has transitioned from previously being a price follower into being the price setter

Growth in demand for lithium chemicals in China (kt LCE)

Lithium Carbonate Price Comparison (RMB/t)

Source: CLA, Company Estimates, CJ Securities

Notes:
1. BG Li$_2$CO$_3$ and LiOH prices are current as at May 2017
NEV growth is a substantial component in China’s evolving transportation market, as well as a major part of its international industrial policy

- “Medium to long term plan for the auto industry” (2025 plan) issued in April, detailing how China plans to strengthen its domestic auto industry and expand global exports of new energy vehicles
- Projected that sales of conventional ICE vehicles in China will stabilise, with all vehicle sales to come from NEVs
- Forecast sales of 2 million NEV in 2020 and total stock of 5 million NEVs on the road
- NEV sales of 7 million vehicles in a total of 35 million vehicles sold represents c. 20% penetration rate of NEVs in 2025

Projected China Vehicle Sales According to 2025 Plan (millions of vehicles)

Source: Bloomberg, Statistica

ICE vehicle sales expected to plateau

20% NEV penetration forecasted by 2025
Company Overview
Company Highlights

- One of the premier **global lithium opportunities** with existing production and a world class asset development pipeline

- **Operations restarted at Mt Cattlin with expanded capacity** to generate substantial, 100%-owned cash flows in 2017, positioning Galaxy as a **major global supplier of high quality lithium**

- Diversified project portfolio with **hard rock and brine based lithium assets** across Australia, Argentina and Canada

- **Revised DFS at flagship Sal de Vida Project in Argentina** supports low cost, long life project with robust economics; Development Team confirmed

- **James Bay in Canada, is a top quality development asset**, providing a valuable option for Galaxy to supply North American and European markets

- Highly credentialed Management and Board with a **strong network of downstream and end-user customers in the global lithium markets**

- Robust lithium macro trends with **surging demand from lithium ion battery applications** and a lagged supply-side response
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
- New exploration and development program, DFS underway

### Sal de Vida, Salta & Catamarca, Argentina – Brine
- 100% owned
- Lithium and potash brine project, 1.1Mt LCE, 4.2Mt KCl
- Formal revision of DFS completed in Q3 2016
- Development Team confirmed, preliminary site works commenced in 1Q 2017 and offtake discussions ongoing

### Mt Cattlin, WA, Australia – Hard Rock
- 100% owned
- 16Mt at 1.08% Li₂O and 5.7Mlbs Ta₂O₅
- Throughput capacity expanded to 1.6Mtpa
- Production of recommissioned / expanded operation recommenced in 4Q CY2016
- CY2017 planned production of 160kt of spodumene

### Lithium value-adding 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 relationships with lithium converters, material manufacturers and battery end users

### Total LiB Production Capacity (2015, MWh)
- China: 39,010
- Korea: 16,059
- Japan: 11,978
- U.S.: 4,970
- Rest of World: 2,440
- EU: 1,798

*Current and future capacity dominated by North-East Asia*

*Source: CEMAC 2015*
Mt Cattlin – Overview

Mining and processing operations focused on ramp-up to nameplate capacity and plant optimisation to maximise production output

- Mt Cattlin is a spodumene (lithium concentrate) and tantalum mining operation, located in Ravensthorpe, Western Australia
  - 100% owned by Galaxy
- Only new independent producer and supplier of lithium concentrate in the market globally, since the recent large and sustained increases in lithium prices
- Improved flow sheet design and upgraded process equipment driving substantial efficiency gains and higher product quality
  - Expanded throughput capacity of 1.6Mtpa
  - Low mica content (<5% of total concentrate mass)
  - Initial target of 50% production yield
- Significant expected cash flows to Galaxy from Mt Cattlin
  - Third shipment completed, and payment received from Mitsubishi
  - 2017 production guidance c. 160kt spodumene
  - High margin operation with current operating costs
  - Further revenue upside from tantalite production

Location

Ravensthorpe, WA, Australia

Resource and production capacity

<table>
<thead>
<tr>
<th>Resource category</th>
<th>Tonnes</th>
<th>Li₂O %</th>
<th>Ta₂O₅ ppm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>2,540,000</td>
<td>1.20</td>
<td>152</td>
</tr>
<tr>
<td>Indicated</td>
<td>9,534,000</td>
<td>1.06</td>
<td>170</td>
</tr>
<tr>
<td>Inferred</td>
<td>4,343,000</td>
<td>1.07</td>
<td>132</td>
</tr>
<tr>
<td>Total</td>
<td>16,416,000</td>
<td>1.08</td>
<td>157</td>
</tr>
</tbody>
</table>

Production capacity 1.6Mtpa

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 – Offtake & Production

Three shipments of lithium concentrate completed since restart of production, throughput nameplate capacity achieved in early April

Mt Cattlin Production Update

- Commissioning and ramp-up of processing plant continuing, throughput nameplate capacity achieved in early April
- Following recommissioning of processing plant, production YTD has totaled 42,000 tonnes of lithium concentrate
  - Production of 23,467dmt of lithium concentrate in 1Q CY2017, which was in line with ramp up forecasts
  - Sale of 23,455dmt at an average realised price of A$719/dmt
- Current production cash costs of A$514/dmt of concentrate
  - Production unit costs expected to reduce in coming quarters, as operations continue to increase production rates

Production Statistics

<table>
<thead>
<tr>
<th></th>
<th>March 2017</th>
<th>1Q CY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore mined (wmt)</td>
<td>138,346</td>
<td>233,193</td>
</tr>
<tr>
<td>Grade (%)</td>
<td>0.93</td>
<td>0.96</td>
</tr>
<tr>
<td>Input Grade (%)</td>
<td>1.03</td>
<td>1.02</td>
</tr>
<tr>
<td>Spodumene produced (dmt)</td>
<td>9,695</td>
<td>23,467</td>
</tr>
<tr>
<td><strong>Spodumene sold (dmt)</strong></td>
<td><strong>13,700</strong></td>
<td><strong>23,455</strong></td>
</tr>
</tbody>
</table>

Note:
1. Excluding royalties and marketing fees

Existing Offtake Agreements

- Major Chinese customers established for spodumene offtake which is the preferred feedstock for lithium converters
  - Signed binding agreements for the sale of 120,000 tonnes of lithium concentrate in 2017 at US$830/t (FOB, minimum 5.5% Li₂O)
  - Customers will pay an additional US$15/t for every 0.1% improvement in grade of Li₂O delivered, resulting in an agreed price of up to US$905/t for 6% lithium concentrate
- 2016 offtake supply obligations (45,000dmt at US$600/dmt) wholly fulfilled as part of the 3rd concentrate shipment in April

Mt Cattlin Operations

2016 offtake supply obligations (45,000dmt at US$600/dmt) wholly fulfilled as part of the 3rd concentrate shipment in April
Mt Cattlin – Operations Ramping Up

With recommissioning complete the operational focus has shifted to plant optimisation, as well as an extensive exploration drilling program.

Restart production and plant expansion

- Upgrade and expansion of processing facility
- Commissioning of expanded Mt Cattlin facility
- Recommissioning of spodumene production in 4Q 2016
- 120kt of lithium concentrate sold at US$830/t (FOB, 5.5% Li₂O, pricing of US$905/t at 6.0% Li₂O) for delivery in 2017
- First shipment in January 2017 from Esperance Port

First delivery and 2017 contracting

- Second shipment completed on 1 March 2017
- Plant throughput nameplate of 210tph achieved
- Third shipment complete – fulfilling 2016 offtake obligations
- Production ramp-up to meet targeted run-rate of 160kt
- Optimisation studies to improve recoveries above the initial 50% targets
- Extensive brownfield and greenfield exploration drilling campaign
- Refurbishment of the mine’s fixed crushing circuit to re-start in 3Q 2017

Operational ramp-up, optimisation studies and exploration

Fig. 1: Recommissionement of mining operations following engagement of Piacentini & Sons as mining contractor
Fig. 2: Lithium Concentrate loading at Mt Cattlin for transport to the Esperance Port
Fig. 3: Mt Cattlin operations
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 and fully permitted
  - Located between Salta and Catamarca Province in Argentina, in an area that is known as the ‘Lithium Triangle’
- Lithium triangle home to >60% of global annual lithium production
  - Sal de Vida located on the same salar as FMC’s Fenix operations
- Revised DFS reaffirms the technical superiority of Sal de Vida and potential for a highly profitable operation
  - Estimated post-tax NPV 8% real of US$1.4bn
  - Potential to generate average annual revenues of US$354m
  - Potential to generate average operating cash flow of US$273m pre-tax (US$182m post-tax)
- Large mineral reserves to support annual production of 25ktpa of battery grade lithium carbonate and 95ktpa of potash
- Brine projects have the advantages of lower operational costs and greater ability to expand production facilities
- Discussions underway with offtakers and potential strategic partners

<table>
<thead>
<tr>
<th>Reserve category</th>
<th>Time period</th>
<th>Tonnes Li total mass</th>
<th>Tonnes equivalent Li₂CO₃</th>
<th>Tonnes K total mass</th>
<th>Tonnes equivalent KCl</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>1-6</td>
<td>34,000</td>
<td>181,000</td>
<td>332,000</td>
<td>633,000</td>
</tr>
<tr>
<td>Probable</td>
<td>7-40</td>
<td>180,000</td>
<td>958,000</td>
<td>1,869,000</td>
<td>3,564,000</td>
</tr>
<tr>
<td>Total</td>
<td>40 years</td>
<td>214,000</td>
<td>1,139,000</td>
<td>2,201,000</td>
<td>4,197,000</td>
</tr>
</tbody>
</table>

Source: Revised Sal de Vida DFS – August 2016. Assumes 500mg/L Li cut off
Completing drilling for first two production wells, extensive topographic surveys to support construction of initial evaporation ponds

**Sal de Vida Corporate**
- Confirmation of Development Team for the Sal de Vida Project
- Renewal of Environmental Permit from Catamarca

**Site Works & Drilling**
- Relocation of existing camp facilities to facilitate earthworks
- First 150m deep drill hole for planned production wells to supply brine to the new evaporation ponds
- Earthworks for second drill pad and existing access road improvement
- Second 150m deep drill hole for planned production well
- Construction of initial evaporation ponds

**Project Studies**
- 3,000Ha topographic studies to facilitate the construction of an initial evaporation pond, and full scale commercial ponds
- Hydraulic studies around primary drill hole locations to better understand localised brine flow rates

**Demo Plant Program**
- Relocation/upgrade of existing pilot plant equipment in May 2017
- Resumption of pilot scale testing
The project provides a valuable option for capitalising on long term lithium demand growth, and the potential to supply the North American market

- Lithium pegmatite project located in James Bay, Québec, Canada and 100% owned by Galaxy
  - Strategically located in a mining friendly jurisdiction with a low cost of energy and good infrastructure
- Total indicated and inferred resources are 22.2Mt at 1.28% Li₂O
- Extensive A$3.5m exploration and development program commenced in 1Q CY2017
  - New diamond drill program will almost triple the aggregate 14,000m drilled so far on the project
  - Drilling expected to upgrade existing ore resources to reserves, explore identified pegmatites not previously drilled and to further understand resource geology
- Revised DFS, building on suspended 2012 study, to commence shortly
  - DFS work will take advantage of Mt Cattlin experience to draw synergies for engineering and process flow sheet design
  - Upon commencement, ongoing study work expected to be completed in 6 to 9 months
- DFS work will include pilot-plant scale metallurgical testing
  - Metallurgical test work conducted in 2012 produced spodumene grades of 6.53% Li₂O at a 75% lithium recovery rate
  - Site evaluation study for potential downstream conversion facility in Québec

**James Bay resource estimate**

<table>
<thead>
<tr>
<th>Resource category</th>
<th>Tonnes</th>
<th>Li₂O %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>11,750,000</td>
<td>1.30</td>
</tr>
<tr>
<td>Inferred</td>
<td>10,470,000</td>
<td>1.20</td>
</tr>
<tr>
<td>Total</td>
<td>22,220,000</td>
<td>1.28</td>
</tr>
</tbody>
</table>

Refer Galaxy Resources Announcement (2012.07.05)
Drilling program, relevant environmental studies and DFS process underway, borrowing experience and learnings from Mt Cattlin

- **James Bay Corporate**
  - Capital raising competed to fund development program
  - James Bay development team established

- **Diamond Drill Program**
  - Drill program that aims to nearly triple the aggregate 14,000m of depth drilled at the project thus far
  - In-fill drilling to substantially upgrade mineral resources and define ore reserve
  - Step-out holes to explore pegmatite extensions down-dip
  - Drilling of 3-4 pegmatites, previously mapped, but never drilled
  - Map out pegmatites on the east side of the Matagami-Radisson Highway for drilling later in the year, following the snow melt

- **Environmental Studies**
  - Environmental and Social Impact Assessment (ESIA) – Phase 1

- **Definitive Feasibility Study Works**
  - Bulk sampling of existing stockpiles
  - Pilot-plant scale metallurgical test work
  - Formal revision to the resources/reserves of the project from new data collected

*Site works underway*

*Spodumene bearing outcrop*
Multiple catalysts should support a sustained market re-rating

**MT CATTLIN**
*Production & ramp up*
- Focus on production ramp up and processing optimisation to meet 2017 production guidance of 160kt of lithium concentrate
- Commencing extensive brownfield and greenfield exploration to targeting mine life extension

**SAL DE VIDA**
*Field work, offtake & project financing*
- Development Team confirmed, discussions ongoing with offtake and strategic partners
- Site works commencing, including commencement of demo plant program
- Commencing project financing evaluation and discussions

**JAMES BAY**
*Project development*
- Exploration and development program, including comprehensive diamond drill program to upgrade existing resource to reserves
- Revised DFS expected to commence shortly, drawing on Mt Cattlin experience for study acceleration

**MACRO**
*Robust lithium demand*
- Continued strong growth in demand for lithium, led by increase in NEV sales and adoption rates in China, as well as robust growth other markets
- Lagged response from supply side of both lithium compounds and concentrate feedstock, increased pricing levels being sustained
APPENDIX

Board, Senior Management Team, Revised Sal de Vida DFS, Cost Curve, and Lithium Market
Galaxy’s Board

**Galaxy’s Board provide high quality strategic, governance and financial oversight**

- Martin Rowley and Anthony Tse have overseen over A$500m of debt restructuring, M&A and financing for Galaxy within the last 4 years, without the need for external advisors
- Recent additions to the Board have increased the depth and breadth of the Galaxy Board’s skills and experience

**Martin Rowley – Independent Non-Executive Chairman**
- Co-founder and Executive Director of First Quantum (TSX:FM)
- First Quantum is among the largest copper production companies in the world with a market cap of C$8.2bn
- Non-Executive Chairman of Forsys Metal Corp (TSX: FSY)
- Previously Non-Executive Chairman of Lithium One Inc. (acquired by Galaxy in July 2012)

**John Turner – Independent Non-Executive Director**
- Leader of Fasken Martineau’s Global Mining Group, a leading international law and litigation firm that has been ranked #1 globally 8 times since 2005 (including 2016)

**Xi Xi – Independent Non-Executive Director**
- Served the last 4 years as a Director of Sailing Capital, a private equity group with US$2bn of assets under management
- Former portfolio manager at New York based Tigris Financial Group, focused on corporate opportunities in the natural resources sectors
- Former Non-Executive Director of Zeta Resources (ASX:ZER)

**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.

**Jian-Nan Zhang – Independent Non-Executive Director**
- Deputy General Manager of Fengli Group, a subsidiary of a leading private Chinese industrial group

**Peter Bacchus – Independent Non-Executive Director**
- Chairman and CEO of Bacchus Capital Advisors, a M&A and merchant banking boutique based in London
- 20+ years’ investment banking experience, as former Head of Investment Banking at Jefferies, Global Head of Metals & Mining at Morgan Stanley and Head of Investment Banking, Industrials and Natural Resources at Citigroup
- Non-Executive Director of NordGold (LSE: NORD), and Gold Fields (JSE: GFI)
Galaxy’s Senior Management

Galaxy’s senior management provides the **skills, experience and passion required to develop lithium projects**

- Senior management and key employees have **successfully developed lithium projects into production** and have established customer relationships in key Asian markets

**Managing Director, Anthony Tse, is ably supported by the following senior corporate and in-country personnel:**

<table>
<thead>
<tr>
<th>Alan Rule</th>
<th>+20 years experience as a CFO in the mining industry, with considerable experience in international debt and equity financing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chief Financial Officer</strong></td>
<td>Former CFO of Sundance Resources (ASX:SDL), Paladin Energy (ASX:PDN), Mount Gibson (ASX:MGX), and St Barbara (ASX:SBM)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mark Pensabene</th>
<th>+20 years experience in the mining operations and project management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chief Operating Officer</strong></td>
<td>Former General Manager of Monadelphous Group, with key involvement in project operations and infrastructure construction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nick Rowley</th>
<th>Substantial experience in corporate advisory, M&amp;A and equity markets as a former Investment Advisor at Bell Potter</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Director – Corporate Development</strong></td>
<td>Current Non-Executive Director of Cobalt One (ASX:CO1) and Titan Minerals (listing shortly)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sal de Vida Development Team Leaders</th>
<th>200 years of combined industry experience, including with the leading global lithium producers, Galaxy hopes to build a team of similar quality and experience in Canada for the development of James Bay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Vijay Mehta</td>
<td>Former head of Product and Process Development at FMC, producing a number of lithium products (e.g. Li₂CO₃, LiOH)</td>
</tr>
<tr>
<td>Mr Marcelo Bravo Veas</td>
<td>Extensive experience in plant construction and operation, including as Chief of Process Engineering at SQM’s Salar de Atacama</td>
</tr>
<tr>
<td>Mr Daniel Chavez Diaz</td>
<td>Former Managing Director at FMC’s operations in the Salar del Hombre Muerto</td>
</tr>
<tr>
<td>Mr Pedro Pavlovic Zuvic</td>
<td>Over 40 years of experience as a process expert in lithium and potassium extraction, including at Rockwood, SQM and FMC</td>
</tr>
<tr>
<td>Mr Mario Portillo</td>
<td>Extensive experience engineering large scale industrial projects, including FMC’s Li₂CO₃ plant at Salar del Hombre Muerto</td>
</tr>
<tr>
<td>Mr Rodolfo Garcia</td>
<td>28 years of experience modelling geology and hydrogeology of numerous lithium brine projects in Argentina</td>
</tr>
</tbody>
</table>
Revised DFS confirms low cost, long life and economically robust operation, with substantially improved economics compared to original study

- There were a number of catalysts for the revised DFS that have culminated in substantially improved project economics
- Improved lithium carbonate pricing environment
  - Base case price range of US$11,000/t to US$13,911/t, compared, to US$5,895/t to US$6,895/t in 2013 DFS
- Recent macro-economic/policy changes in Argentina
  - Elimination of export duties
  - Annual incentive rebate equivalent to 5% of Li$_2$CO$_3$ export revenues due to operating in the Puna region
- Revised operating costs include updated prices and transportation costs for reagents, reduction of manpower and revision of transportation strategies for personnel and product/material onsite and out of the plant
  - Revised operating costs estimated to be US$3,369/t before potash credits and US$2,959/t after credits
- Option to defer capital investment on potash plant and related infrastructure, potential saving of US$34m

### Definitive Feasibility Study Financials Comparison

<table>
<thead>
<tr>
<th>Item</th>
<th>August 2016¹</th>
<th>April 2013²</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium Carbonate Production</td>
<td>25,000tpa</td>
<td>25,000tpa</td>
<td>-</td>
</tr>
<tr>
<td>Potash Production</td>
<td>95,000tpa</td>
<td>95,000tpa</td>
<td>-</td>
</tr>
<tr>
<td>Project Life</td>
<td>&gt; 40 years</td>
<td>&gt; 40 years</td>
<td>-</td>
</tr>
<tr>
<td>Capital Costs³</td>
<td>US$376m</td>
<td>US$369m</td>
<td>+2%</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>US$3,369/t LC</td>
<td>US$2,889/t LC</td>
<td>+17%</td>
</tr>
<tr>
<td>Internal Rate Of Return (post-tax)</td>
<td>34.6%</td>
<td>19%</td>
<td>+16% (absolute)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+82% (relative)</td>
</tr>
<tr>
<td>Payback Period (post-tax)</td>
<td>2 years 10 months</td>
<td>4 years 7 months</td>
<td>Less 1 year 9 months</td>
</tr>
<tr>
<td>Average Annual Revenues⁴</td>
<td>US$354m</td>
<td>US$160m</td>
<td>+121%</td>
</tr>
<tr>
<td>NPV, 8% real (post-tax)</td>
<td>US$1,416m</td>
<td>US$565m</td>
<td>+151%</td>
</tr>
<tr>
<td>NPV, 10% real (post-tax)</td>
<td>US$1,043m</td>
<td>US$380m</td>
<td>+174%</td>
</tr>
<tr>
<td>NPV, 8% real (post-tax) @ AUD/USD 0.75</td>
<td>A$1,888m</td>
<td>A$753m</td>
<td>+151%</td>
</tr>
<tr>
<td>NPV, 10% real (post-tax) @ AUD/USD 0.75</td>
<td>A$1,391m</td>
<td>A$506m</td>
<td>+174%</td>
</tr>
</tbody>
</table>

Notes:
1. Original DFS released 12 April 2013
2. Revised DFS released 22 August 2016
3. Inclusive of capital costs associated with the potash production facility
4. Pricing scenarios assume the following ranges throughout the life of the project for battery grade lithium carbonate and potash: Li$_2$CO$_3$ – US$11,000 to US$13,911 and KCl US$220 flat
Sal de Vida – Competitive Cost Position

The premier lithium development globally, with a competitive cost position and one of the world’s best brine chemistry and impurity profiles

- Leading brine chemistry that will produce 100% battery quality lithium carbonate
  - Low magnesium (Mg); a low Mg/Li ratio reduces costs and yields higher quality end product
- Very competitive positioning on the lithium producer cost curve, even with no potash credits assumed
  - High potassium yields significant potash credits, reducing operating costs
- Sal de Vida will adopt a conventional approach with evaporation ponds and processing
- SQM produces lithium as a by-product and thus some brine costs are charged to potash
- The processing of brine at Sal de Vida, SQM and ALB is similar with some adjustments in processing steps due to different brine composition
  - FMC has a different brine processing technology

Estimate of Sal de Vida operating costs vs. currently producing brine and hard rock projects (US$/kg)\(^1\)

![Bar chart comparing operating costs of different lithium producers](chart.png)

Notes:
1. China Spodumene (low) assumes cash cost of Talison, plus transportation and best China conversion costs

Sal de Vida resource and brine chemistry

<table>
<thead>
<tr>
<th>Resource</th>
<th>7.2Mt LCE (lithium carbonate)</th>
<th>28.8Mt KCl (potassium chloride)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve</td>
<td>1.1Mt LCE</td>
<td>4.2Mt KCl</td>
</tr>
<tr>
<td>Grade/Chemistry</td>
<td>810mg/l Li</td>
<td>9,100mg/l K</td>
</tr>
<tr>
<td></td>
<td>11.2 K/Li ratio</td>
<td>12.1 SO(_4)/Li ratio</td>
</tr>
<tr>
<td></td>
<td>2.4 Mg/Li ratio</td>
<td></td>
</tr>
</tbody>
</table>

Potassium/lithium ratio provides for potash credits

Low magnesium/lithium ratio yields higher quality end product

Source: Company estimates
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.

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Competent & Qualified Persons’ Statement

Sal de Vida

The information in this report that relates to the estimation and reporting of the Sal de Vida Project Mineral Resources and Mineral Reserves is extracted from the report entitled “Sal de Vida: Revised Definitive Feasibility Study Confirms Low Cost, Long Life and Economically Robust Operation” created on 22 August 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Mineral Reserves estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

James Bay

The information in this report that relates to Mineral Resources at the James Bay Project is based on work completed by Mr James McCann, who is a Member of a Recognised Overseas Professional Organisation. Mr McCann is a full time employee of McCann Geosciences, 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 ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr McCann consents to the inclusion of the matters based on his information in the form and context 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.

Mt Cattlin

The information in this report that relates to the estimation and reporting of the Mt Cattlin Project Mineral Resources and Mineral Reserves is extracted from the report entitled “Mt Cattlin Update: Revised Resource & Reserve Statement” created on 4 August 2015 published by General Mining Limited (ASX: GMM) which is available to view on www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement made by GMM. The Company understands that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Production Targets and Financial Information

Information in relation to the Sal de Vida Revised Definitive Feasibility Study, including production targets and financial information, included in this report is extracted from the report entitled “Sal de Vida: Revised Definitive Feasibility Study Confirms Low Cost, Long Life and Economically Robust Operation” created on 22 August 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement dated 22 August 2016 continue to apply and have not materially changed.