

# GALAXY

Galaxy Resources Limited

Merger of Galaxy and Lithium One

Lithium1

*...meeting a lithium future*

# LITHIUM POWER



# INVESTMENT OVERVIEW



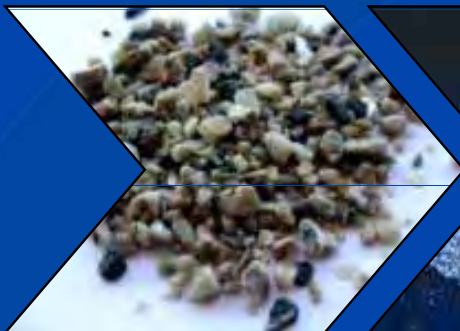
- ✦ Lithium Pure Play
- ✦ Downstream Integration – Value Add
- ✦ Resource, Chemical, Battery
- ✦ Operating mine and ore resources – Australia / Canada
- ✦ Lithium Carbonate chemical facility in China
- ✦ Lithium battery project in China
- ✦ Merger with Lithium One



# INTEGRATION & VALUE ADD

**GALAXY**

Spodumene  
Production



\$1

**GALAXY**

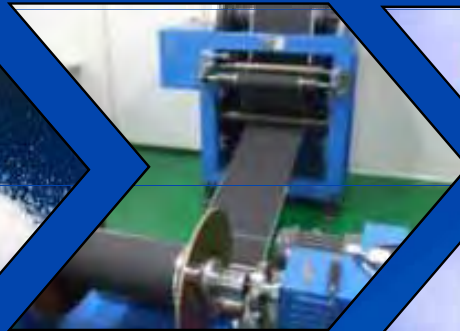
Lithium Carbonate  
Production



\$3

**GALAXY**

Lithium Cathode  
Production



\$44

**GALAXY**

Lithium Battery  
Production

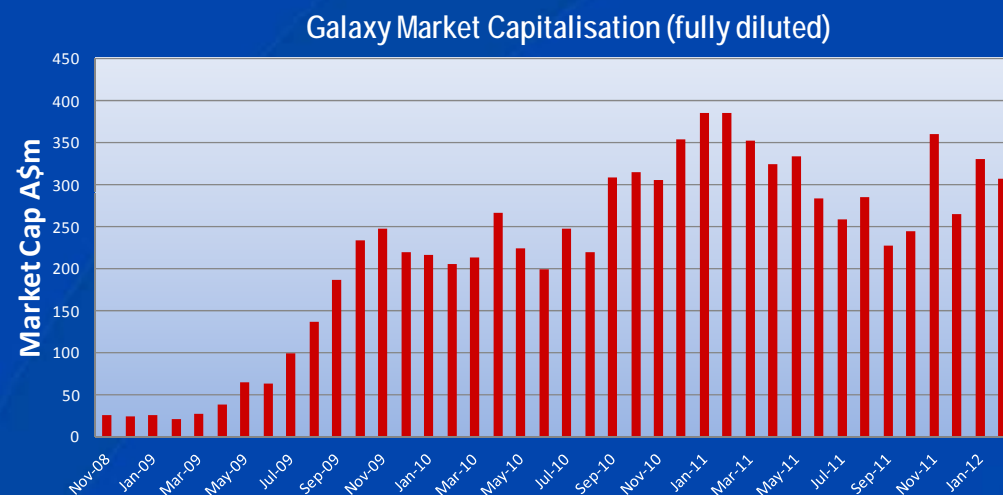


\$500

Revenue per Li unit

# CORPORATE STRUCTURE

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



## Capital Structure

Shares on issue	323 m
Options on issue	60 m
Share price <sup>1</sup>	A\$0.95

**Undiluted market capitalization** A\$309m

**Diluted market capitalization** A\$366m

## Substantial Shareholders

Creat Resources	11.0%
M & G Group	14.9%
Fengli Group	7.0%

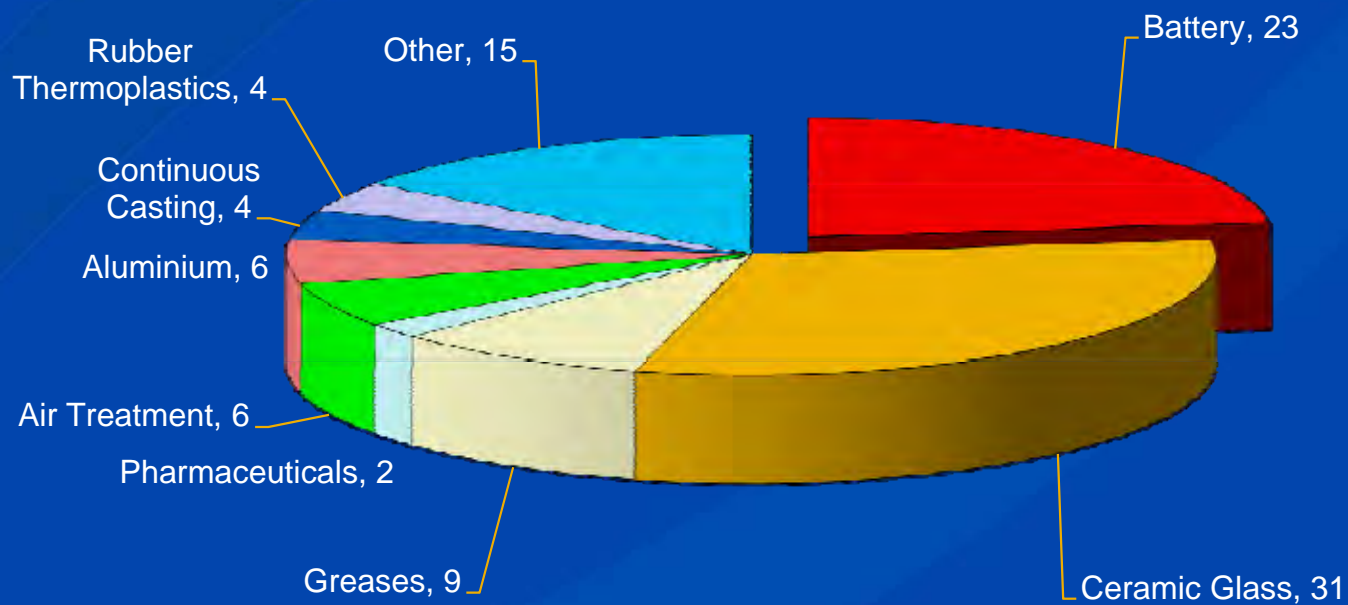
## Substantial Investor

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

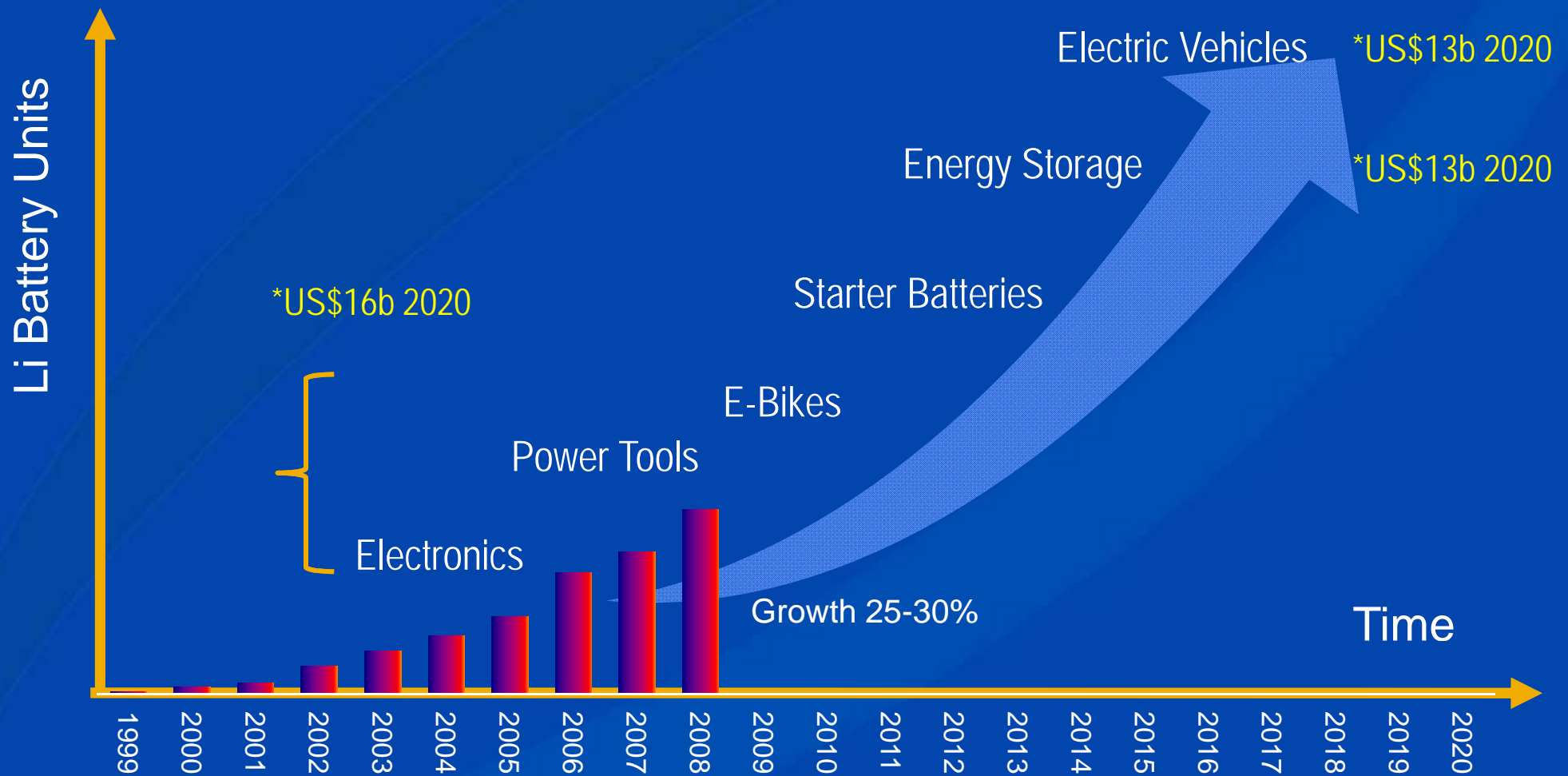
# INDUSTRY OVERVIEW

# LITHIUM CONSUMPTION – BY END USE

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



# GROWTH IN OTHER AREAS BEFORE EVs

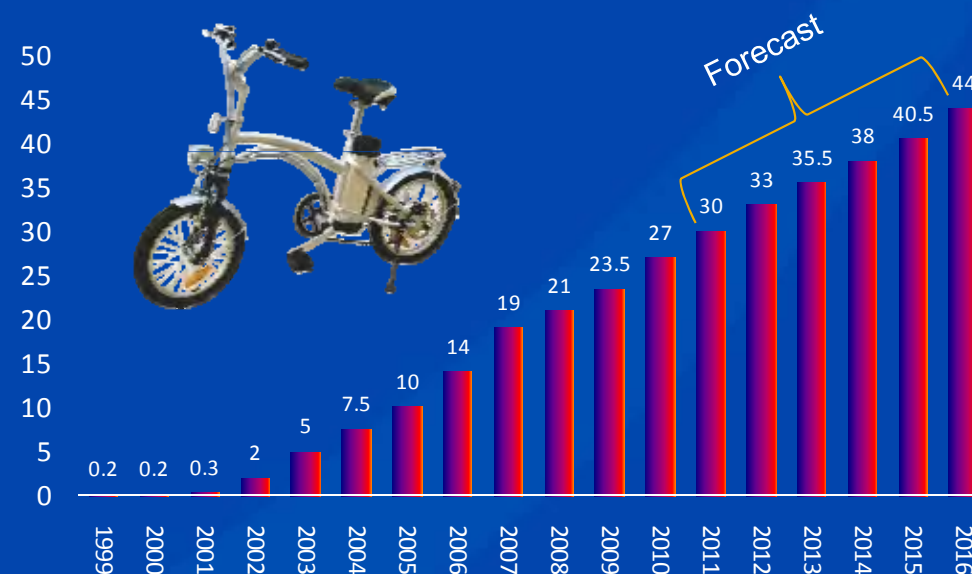




# FOCUS ON THE E-BIKE MARKET

- China produces 27 m E-Bikes pa
- 97% - heavy lead acid batteries
- PRC weight restrictions
- 1,500 lead plants shutdown
- Mass conversion to Li Batteries

E Bikes Sales in Asia till 2016



# PRESSURE ON LEAD BATTERIES



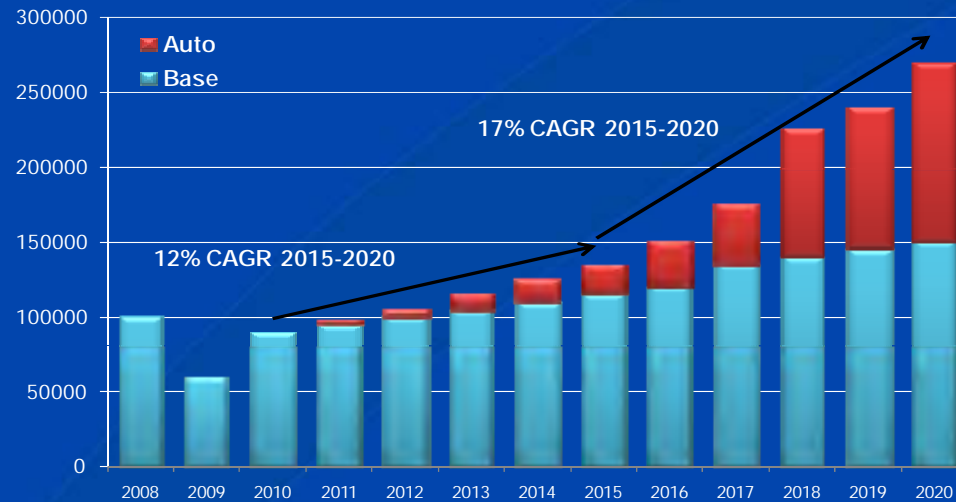
**CHINADAILY**  
Lead-acid battery targeted in clean-up campaign  
(Xinhua)  
Updated: 2011-02-18 22:03



# CHINA MACRO STRATEGY

- ✦ China – Less reliance on oil based transport system
- ✦ Twelve 5 Year Plan – Low Carbon Economy
- ✦ 5m EVs by 2020 (13.6 mil vehicles pa)
- ✦ 50% ownership of EVs & Hybrids by 2030
- ✦ China targeting 20% from renewable source by 2020
- ✦ Beijing Initiatives will drive EV demand
- ✦ “Mass energy storage” key to China’s strategy
- ✦ China – 1.6 MW of wind power installed every hour

# GLOBAL LITHIUM FORECAST



## FMC Corp Forecast

World Lithium Supply Conference 2011  
Toronto

2-3 times Demand  
Increase by 2020



## Signom Box Forecast

World Lithium Supply Conference 2011  
Toronto



# PRICES



*meeting a lithium future*

06/16/2011

...the  Lithium company

## Chemetall lithium division announces global price increases

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

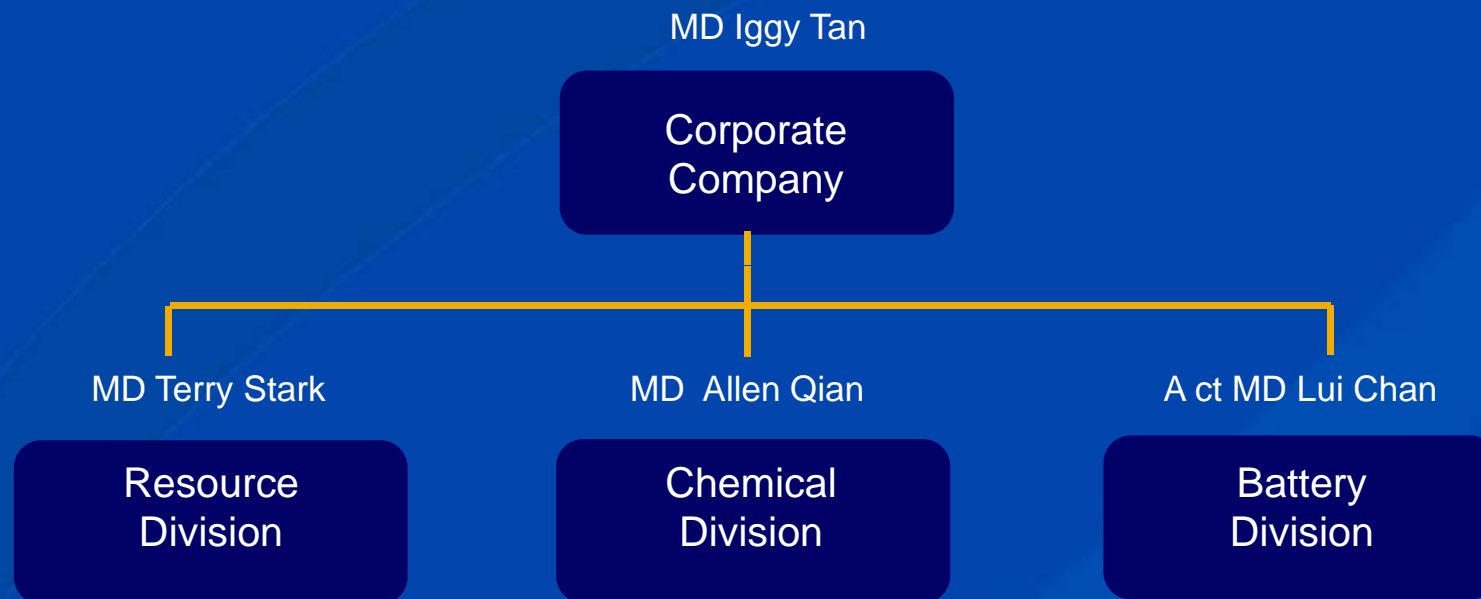
## FMC Lithium Announces Global Price Increases

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

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

# **GALAXY'S BUSINESS RESOURCE, CHEMICAL, BATTERY**

# BUSINESS DIVISIONS



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

## RESOURCE DIVISION





# MT CATTLIN MINE

- ✦ Mt Cattlin commenced late 2010
- ✦ Record construction of <11 months
- ✦ Project on time and on budget (A\$80m)
- ✦ Ramp up continues
- ✦ Produced 63,853 t spodumene in 2011
- ✦ Three shipments during the year
- ✦ Sales of Ta concentrate
- ✦ Above design output 2<sup>nd</sup> half of March 12
- ✦ 4<sup>th</sup> shipment April 12 – Third party sales









Conveyor 1

Process Water

Fine Ore Bin

Waste Bin

Control Room

DMS Plant

Laboratory

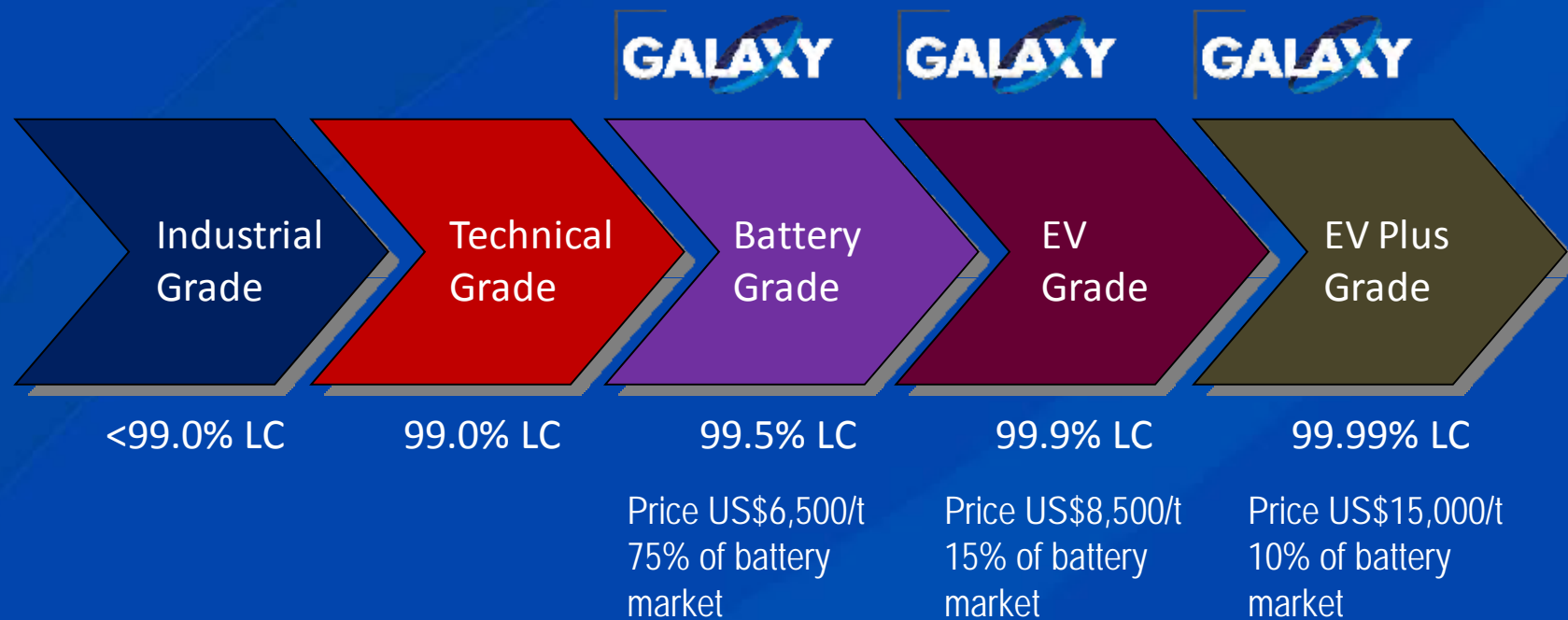
Final Product Stockpile



## CHEMICAL DIVISION



# MARKET SEGMENTATION



# TOTAL LITHIUM INDUSTRY – CHINA 2011



## JIANGSU PLANT IS STRATEGICALLY LOCATED



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

# JIANGSU LITHIUM CARBONATE PLANT



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



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





Ore unloaded at Jiangsu



Area 10 – Ore stockpile area



Senior management team on site



Ore feed conveyor to kiln





Calciner kiln



Galaxy operators cold commissioning



Control room checking bulk I/Os



Pipework and slag filter building





Purification plant



Lithium carbonate production plant



Commissioning in lithium carbonate production plant



Sodium sulphate plant





Lithium carbonate centrifuge



Site laboratory in full operation



Product storage bins



Microniser and packaging building





Laboratory testwork in progress



Laboratory building in background



Packaging building



Microniser unit





Whole plant controlled from central control centre



Highly process controlled plant



Full automatic bagging machine



Automated packing plant



Asia's largest and most sophisticated lithium carbonate producer





# CHINA PRODUCT DISTRIBUTION



# OFFTAKE FRAMEWORK AGREEMENTS

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







## BATTERY DIVISION

# GALAXY'S APPROACH



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

## STATUS OF PROJECT



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

# INTERNATIONAL PARTNERS



Owner  
Galaxy Resources  
Australia



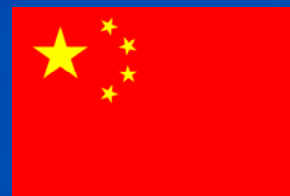
Technology Partner  
K2 Energy Solutions  
USA



Turn Key Partner  
KOBET Consortium  
Korea



EPCM Manager  
M+W Group  
Germany



Plant Location  
Zhangjiagang  
China







Typical KUBT mixers



Typical KUBT mixer



KUBT coating and drying machinery





KUBT rolling and slitting machinery



KUBT rolling and slitting machinery



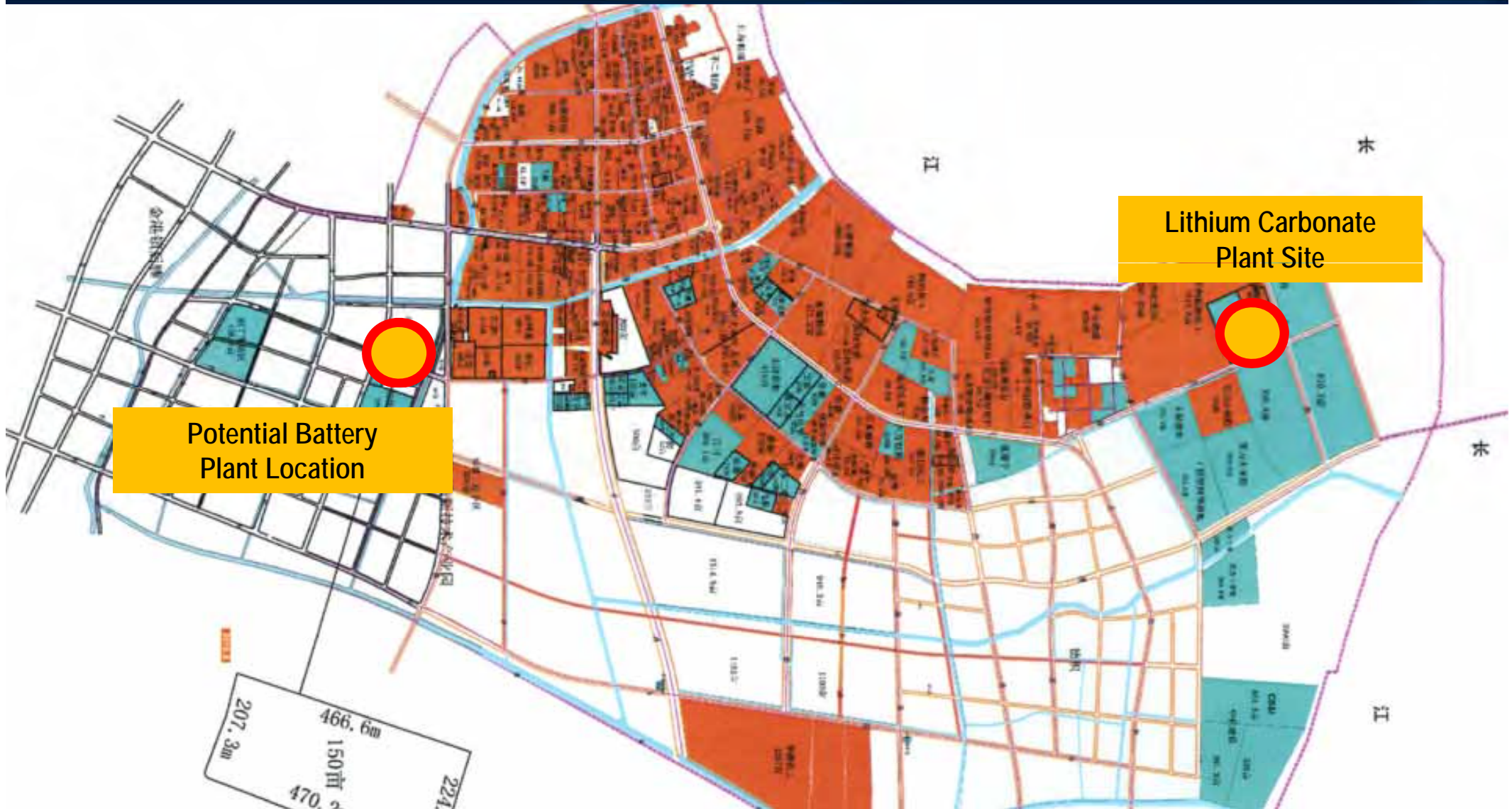
KUBT separator formation machinery



KUBT separator formation machinery



# SITE SECURED





# UPDATED FEASIBILITY STUDY



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

Merger with Lithium One  
to form a Lithium Company of Global  
Significance  
Galaxy (Mergco)

# MERGER RATIONALE

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

# MERGER SUMMARY

- ✦ Merge via a Plan of Arrangement
- ✦ 1.8<sup>1</sup> Galaxy Share for each L1 Share
- ✦ Values L1 at approx C\$1.55 per share
- ✦ C\$112 million on an undiluted basis
- ✦ Offer represents 27% premium to L1's 30 day VWAP (15/3/12)
- ✦ Unanimously supported by both Lithium One and Galaxy Boards
- ✦ Exchangeable share structure
- ✦ Two existing L1 directors, M Rowley and P Matysek to join Galaxy (MergeCo)
- ✦ Directors/Senior officers of L1 - 13% diluted share capital to vote in favour
- ✦ L1 note holders – 100% to vote in favour
- ✦ Galaxy shareholders - 16% undiluted issued capital to vote in favour



# RESEARCH REPORTS ON L1

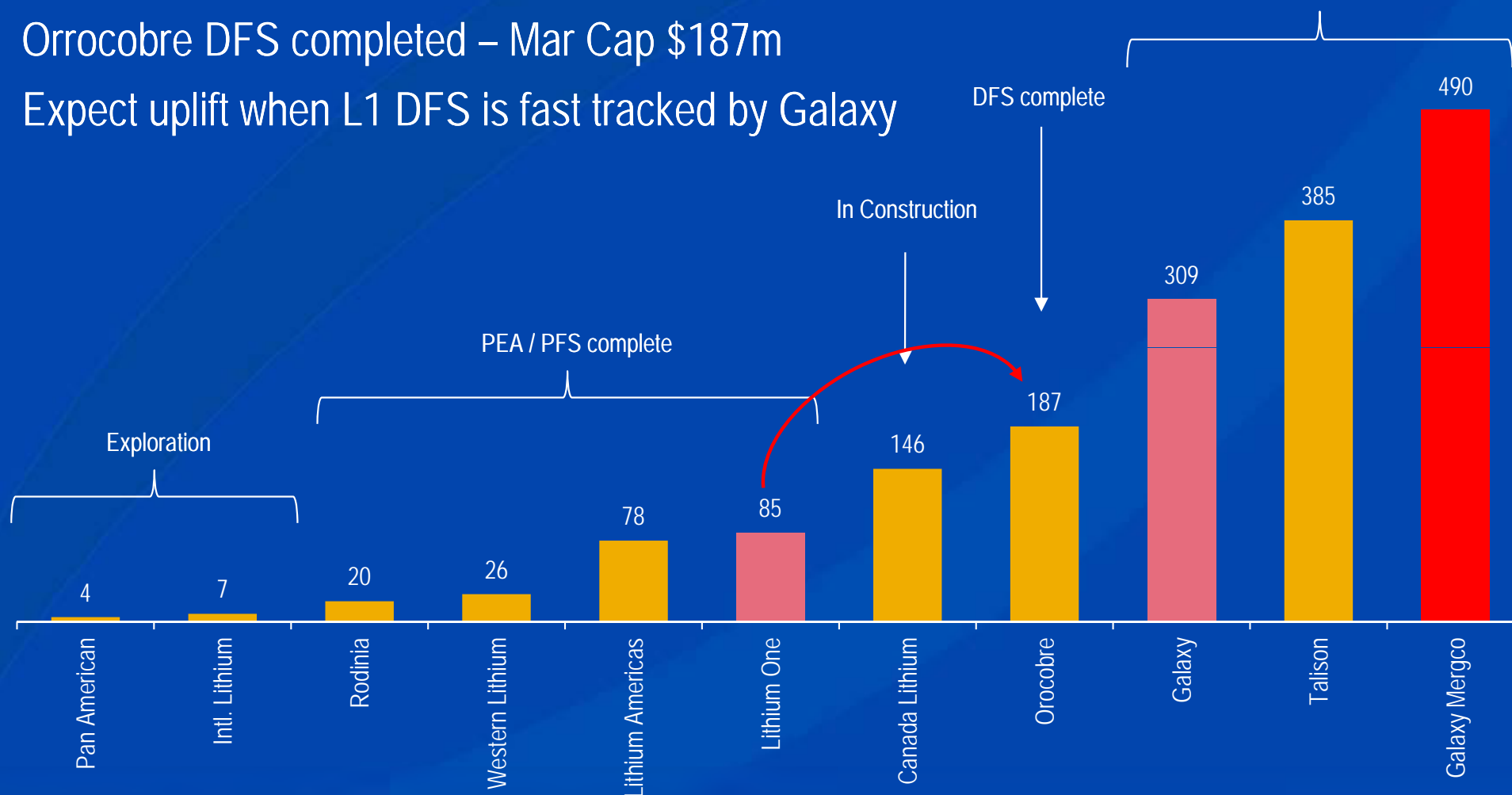
Research Company	Date	Comment	Target Price C\$
Byron Capital	Mar-11	Pre PEA	2.45
Clarus Securities	Mar-11	Pre PEA	3.00
Cormark Securities	Jun-11	Pre PEA	2.40
Clarus Securities	Jun-11	Pump Tests	3.00
Mackie Research	Dec-11	Initiating	2.60
Stifel Nicolaus	Feb-12	PEA Completed	2.30
Byron Capital	Jan-12	PEA Completed	3.25
Byron Capital	Feb-12	C\$9.8m Raising	3.00
Average			2.75

# LITHIUM ONE AT PRE DFS VALUE

L1 Mar Cap is \$85 m - DFS to complete end 2012

Orrocobre DFS completed – Mar Cap \$187m

Expect uplift when L1 DFS is fast tracked by Galaxy

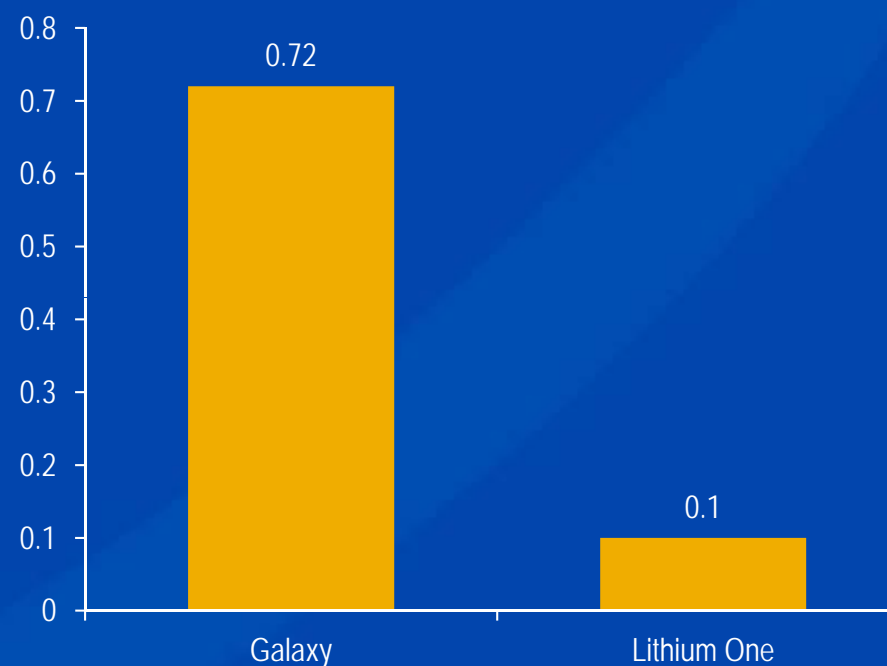


# PREMIUM AND ENHANCED LIQUIDITY

Premiums<sup>1</sup> (C\$/share, %)



Average Daily Traded Value<sup>2</sup> (A\$m)



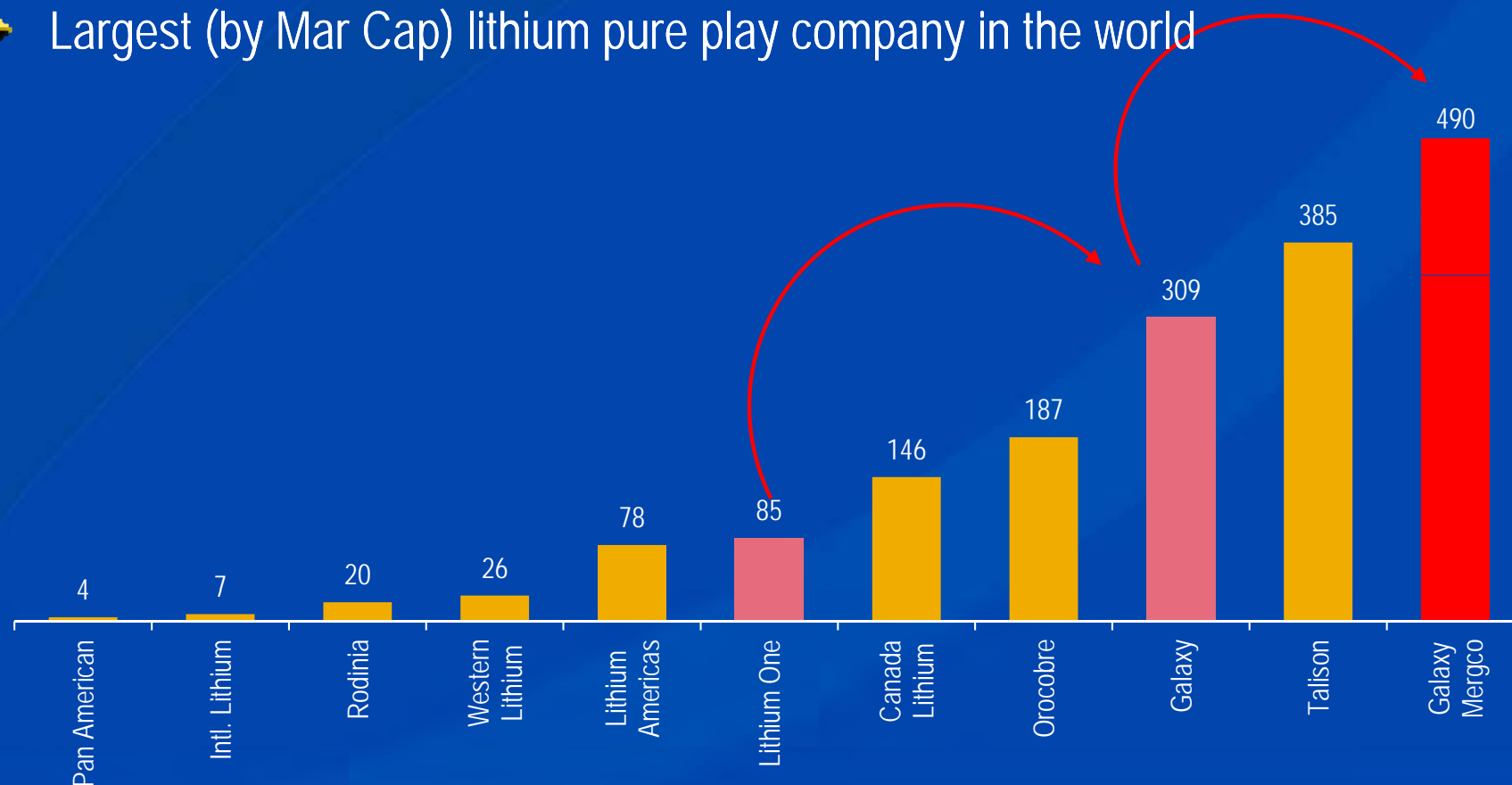


# CAPITAL RAISING

- ◆ Pre-cursor to merger – Galaxy to raise a minimum of A\$50 million
- ◆ Will consider over subscriptions
- ◆ To strengthen balance sheet and working capital of Mergco
- ◆ Accelerated development of Sal de Vida
- ◆ Working capital for the Mt Cattlin and Jiangsu
- ◆ Mt Cattlin mine extension
- ◆ Debt servicing, capital raising fees and merger costs
- ◆ Capital raising is not conditional on the merger with Lithium One proceeding

# GALAXY MERGECO MAR CAP

- ✦ Galaxy Mergeco with min \$50 m capital raising
- ✦ If raising is successful, will result in a A\$0.5 billion company
- ✦ Largest (by Mar Cap) lithium pure play company in the world



## BENEFITS FOR GXY SHAREHOLDERS

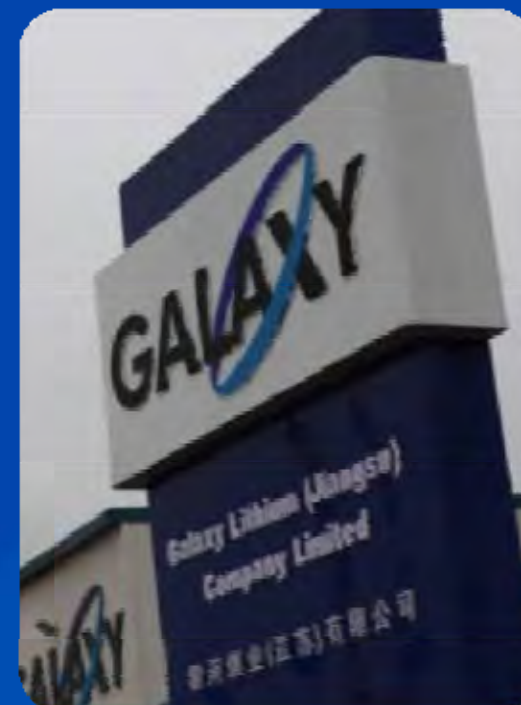
- ✦ Enhance scale and diversification
- ✦ Exposure to world's best undeveloped brine project
- ✦ Low cost brine with potash potential
- ✦ Consolidate ownership of James Bay
- ✦ Korean strategic partners & funding
- ✦ Global presence
- ✦ Business synergies





## BENEFITS FOR L1 SHAREHOLDERS

- ◆ Realize an attractive premium
- ◆ GXY's lithium production experience
- ◆ Bigger group with strong brand image
- ◆ Expertise in bringing lithium projects into production
- ◆ Technical marketing infrastructure and expertise
- ◆ Existing offtake / customer relationships
- ◆ Strong presence in Asian Pacific growth markets
- ◆ First mover advantage
- ◆ Ability to fast track Sal De Vida development
- ◆ Exchange share structure – No tax implications



# Lithium One's Assets

# LITHIUM ONE'S ASSETS

## Sal de Vida



### Resource Statement

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



## James Bay



### Resource Statement

Ind. resource of 11.8Mt at 1.3%  $\text{Li}_2\text{O}$   
Inf. resource of 10.5Mt at 1.2%  $\text{Li}_2\text{O}$



# SAL DE VIDA – LOCATION

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



## SAL DE VIDA – HIGHLIGHTS

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





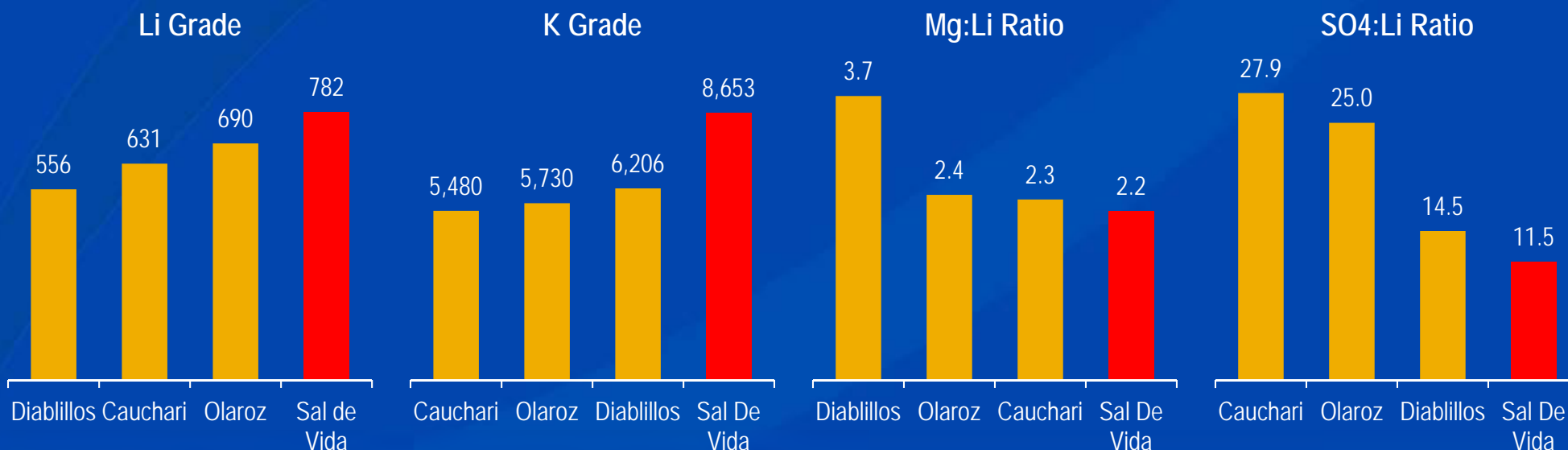




# SAL DE VIDA – RESOURCE

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

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





# SAL DE VIDA – PEA

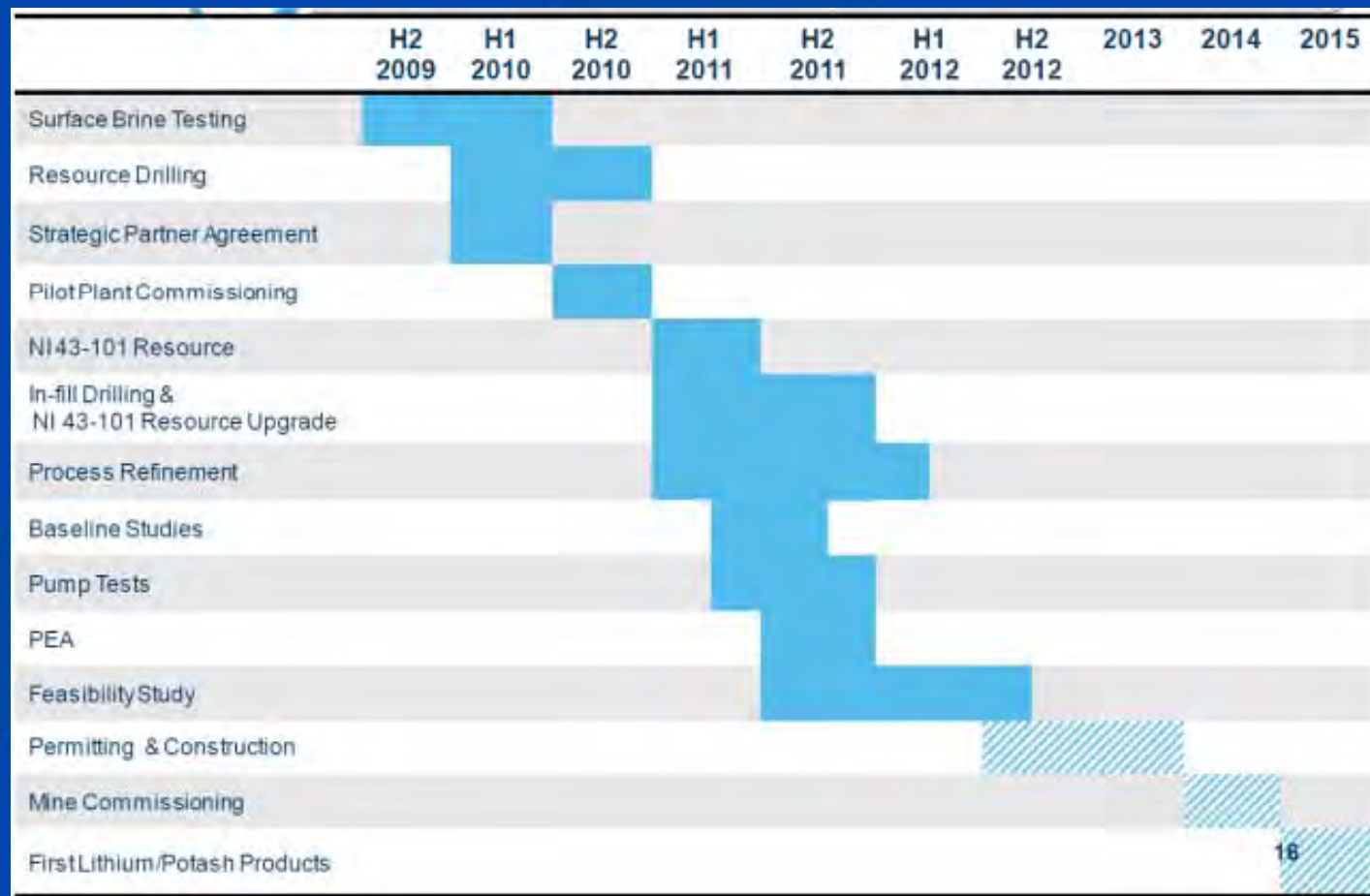
PEA released in October 2011, derived a pre-tax NPV<sub>8</sub> of **US\$1.07 billion**

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

Source: Lithium One Presentation – Lithium Conference Argentina 2012



# SAL DE VIDA TIMELINE

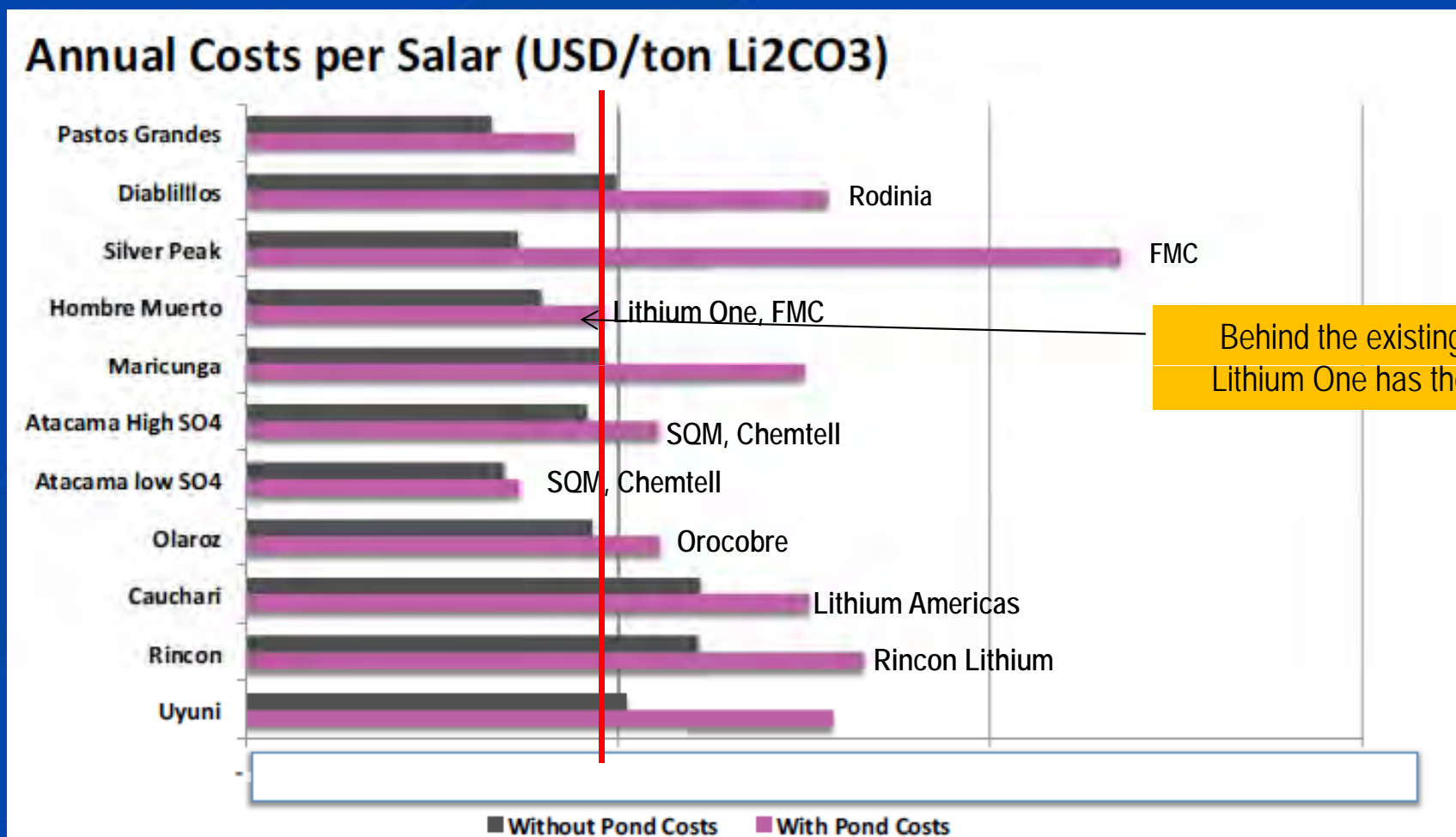


## SAL DE VIDA – STRATEGIC PARTNERSHIP

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

# SIGNOMBOX ANALYSIS

Sal De Vida has the potential to be the low cost production facility





# MERGECO + RAISING KEY STATISTICS

Item	Galaxy	Lithium One	Lithium One acquisition (pro-forma adjustments)	Pro-forma Galaxy Mergeco
Share price <sup>1</sup>	A\$0.95	C\$1.25	A\$0.829 <sup>2</sup>	A\$0.95
Shares (million)	323.3	70.4	130.0 <sup>3</sup>	513.5
Options / warrants (million)	59.9	4.9	-	59.9
Undiluted market cap	A\$308.7m	C\$88.0m	A\$107.7m	A\$490.3m
Cash (as at 31 December 2011)	A\$18.0m	C\$10.7m <sup>4</sup>	A\$6.0m <sup>5,6</sup>	A\$71.5m <sup>7</sup>
Debt (as at 31 December 2011)	A\$99.6m <sup>8</sup>	C\$5.0m <sup>8</sup>	A\$4.8m <sup>5</sup>	A\$104.4m
Production capacity (tpa LCE)	17,000	25,000 <sup>9</sup>	25,000 <sup>9</sup>	42,000

Notes:

- 1: 5 day VWAPs as at 29 March 2012 for Galaxy and 28 March 2012 for Lithium One
- 2: Galaxy 30 day VWAP prior to submission of a non-binding indicative offer to Lithium One on 15 March 2012
- 3: Galaxy shares issued for Lithium One shares (at a ratio of 1.8 to 1) and for Lithium One options / warrants (based on in-the-money value)
- 4: Includes proceeds from C\$9.8 million capital raising completed on 24 February 2012
- 5: Converted at AUD:CAD exchange rate of 1.04
- 6: Less estimated merger costs of 4%
- 7: Includes proceeds of A\$50 million capital raising at A\$0.83 less 5% transaction costs
- 8: For Galaxy A\$99.6 million in debt includes A\$66.1 million of convertible bonds, for Lithium One C\$5.0 million is solely convertible notes
- 9: 100% basis. Lithium One holds a 70% equity share of Sal de Vida

# COMBINED ASSET PORTFOLIO

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

## James Bay (Lithium One / Galaxy)

- ✦ Ownership consolidated to 100%
- ✦ Feasibility stage hard-rock project
- ✦ Ind. resource of 11.8Mt at 1.3% Li<sub>2</sub>O
- ✦ Inf. resource of 10.5Mt at 1.2% Li<sub>2</sub>O
- ✦ Feasibility to be fast-tracked

## Jiangsu Plant (Galaxy)

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

## Lithium-Ion Battery Project (Galaxy)

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

## Sal de Vida (Lithium One)

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

## Mt Cattlin (Galaxy)

- ✦ 100% owned hard-rock mine
- ✦ Resource of 18.2Mt at 1.08% Li<sub>2</sub>O
- ✦ 137,000tpa spodumene for 18 yrs
- ✦ Produced 63kt Spodumene in 2011
- ✦ A\$80 million



# MERGER TIMELINE

✦ Announcement of Arrangement	30 March 2012
✦ Completion of Circular	20 April 2012
✦ Record Date	20 April 2012
✦ Interim Court Order (Lithium One)	23 April 2012
✦ Mail Circular and Meeting Materials	25 April 2012
✦ Galaxy Shareholder Meeting	17 May 2012
✦ Lithium One Shareholder Meeting	25 May 2012
✦ Final Court Order (Lithium One)	28 May 2012
✦ Pre-closing	30 May 2012
✦ Closing Date	31 May 2012

Subject to change



# BUILDING A GLOBAL LITHIUM COMPANY

#### Note 1 – Ratio Adjustment

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

#### Note 2 – The Preliminary Economic Assessment Cautionary Note

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

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

#### Note 3 – Voting Thresholds Required

For the transaction to proceed, it requires:

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

## **Competent Persons & Qualified Persons**

### *Mt Cattlin*

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Robert Spiers who is a full time employee of Hellman and Schofield Pty Ltd and Dr Mike Grigson who is a full time employee of Arc Minerals. Mr Spiers and Dr Grigson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Spiers and Dr Grigson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Ore Resources is based on information compiled by Mr Roselt Croeser who is a full time employee of Croeser Pty Ltd. Mr Croeser has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Croeser consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### *James Bay*

#### **Competent Person**

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

#### **National Instrument 43-101 - Qualified Person**

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



## **Competent Persons & Qualified Persons (continued)**

### *Sal de Vida*

#### **Competent Persons**

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

#### **National Instrument 43-101 - Qualified Person**

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

### **Caution Regarding Forward Looking Information**

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

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

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

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

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

### **Not For Release in US**

This announcement has been prepared for publication in Australia and may not be released in the U.S. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement 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. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.