




# CORPORATE PRESENTATION

James Bay Development Plan

March 2021

 ASX: GXY  
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# Disclaimer

## Forward Looking Statements

This document contains forward looking statements concerning 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.

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This release was authorised by Mr Simon Hay, Chief Executive Officer of Galaxy Resources Limited

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### Clear Growth Strategy

Galaxy is steadily advancing its world class growth assets towards production



### Proven Operator

Mt Cattlin is a stable and mature operation producing high quality spodumene concentrate



### Sal de Vida a Tier 1 asset

Steadily advancing with project update in April  
Potentially one of the lowest cost lithium producers globally



### James Bay strategically located

James Bay is well positioned to supply into the emerging European and North American EV growth surge



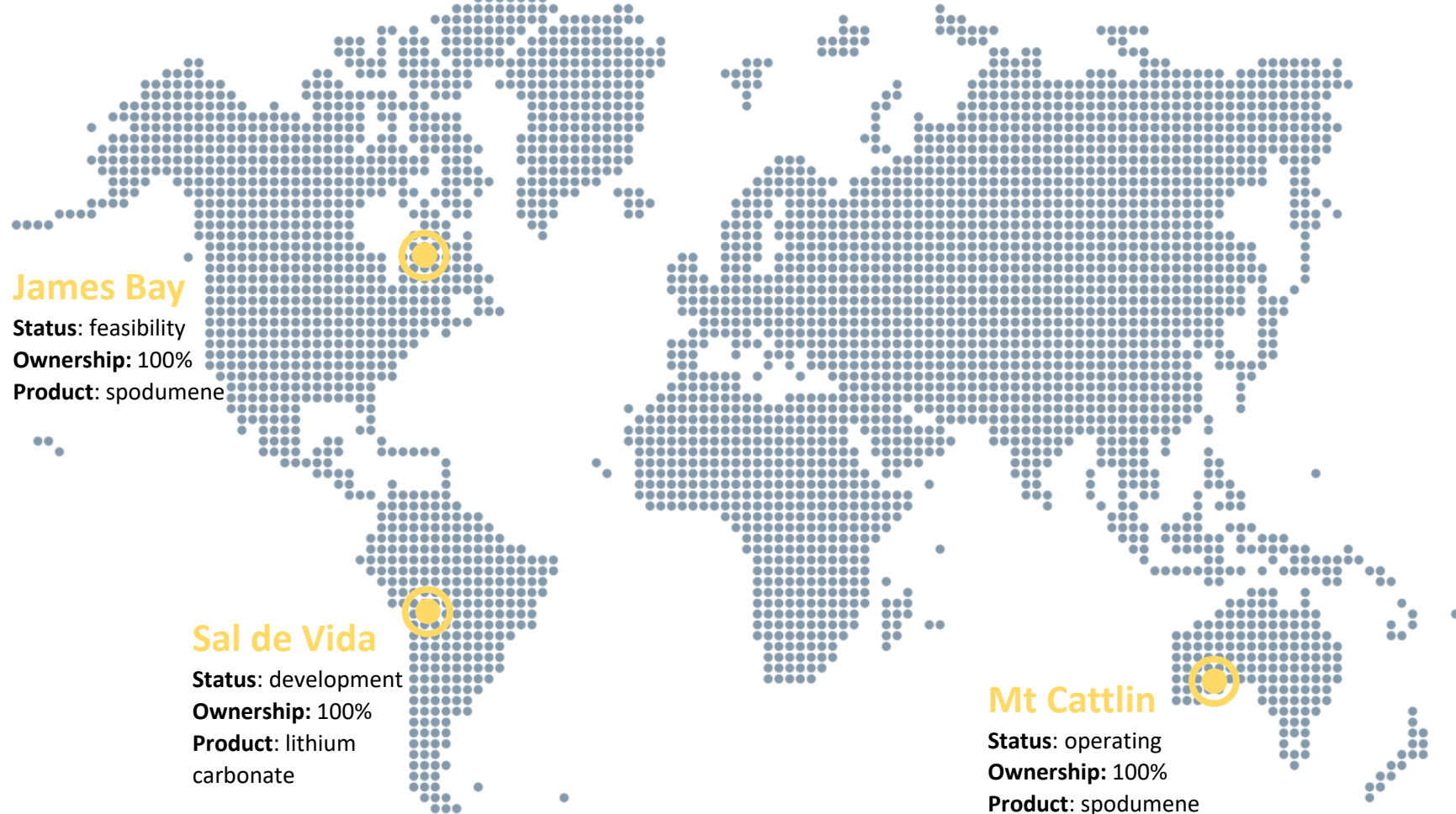
### Strong Balance Sheet

Provides flexibility to invest in growth at the cycle trough



### Successful board and management

Proven track record in developing and operating minerals assets



Creating a sustainable, large scale, global lithium chemicals business to power the future



# Corporate Snapshot

A\$161 million Equity Financing package was successfully completed in late 2020

Proceeds to be applied to Sal de Vida Stage 1 and James Bay

Galaxy is well positioned to accelerate its development plans of its world-class lithium assets

## Financial Information (31 Dec 20)

**US\$215 million**

**Cash and Financial assets**

**Nil**

**Debt**

US\$40 million undrawn debt facility

### Share Holders (31 Dec 20)

Ausbil Investment Mgt	9.5%
Directors & Employees	2.4%
Top 20	37%

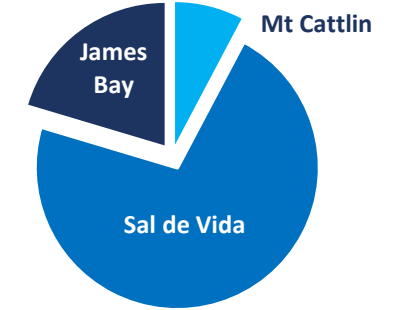
### Share Information (8 March 21)

Share price	A\$	2.24
No. Shares	Million	505
Market Cap	A\$ billion	1.1

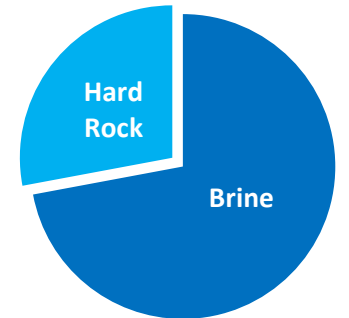
## Share Price Performance (1 year)



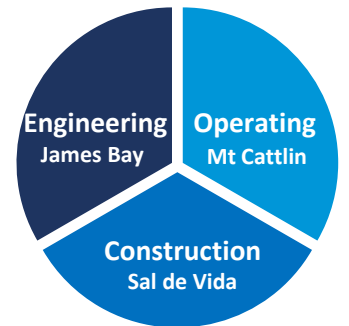
## Large Resource base



## Diverse Feedstock



## All development stages



# James Bay Project Team

*Industry experts with track record of delivering successful international operations*

- ✓ Galaxy team is highly experienced in running multiple projects
  - James Bay – design phase
  - Sal de Vida – construction phase
  - Mt Cattlin – operations
- ✓ Project team to expand to support project development
- ✓ Contractors selected with significant northern Canadian project experience
- ✓ Contractors engaged in early stages likely to continue into engineering stage

## Galaxy Project Team

**Tom Blackwell**  
*Executive –  
Major Projects*



- 20+ years delivering projects through feasibility, execution and commissioning phases
- Appointed to oversee the development and execution of Galaxy's project pipeline

**Brian Talbot**  
*Executive –  
Australian  
Operations*



- 25+ years experience in mining and minerals processing operations mostly in lithium
- Designing, planning and managing profitable mining operations
- B.Chem.Eng degree with honours

**Denis Couture**  
*General Manager –  
James Bay*



- 25+ years experience in the mining industry in Canada
- Specialising in mineral processing for front end Engineering (FEED) and execution project phases
- B.Chem.Eng

**Enej Catovic**  
*Group Processing  
Manager*



- A wealth of experience in flow sheet development, engineering design, commissioning and operations of large processing plants in lithium
- B.Eng with honours

**Gillian Roy**  
*Director,  
Corporate  
Affairs and  
Sustainability*



- 15+ years of experience in the mining resource sector.
- Specialising in Indigenous and community affairs, investor relations and sustainability,
- Responsible for key stakeholder relationships, including the Cree Nation for the James Bay project.



## Key Contractors





# James Bay PEA Results

## Key Physicals (LOM)

**330ktpa**  
Spodumene production

**5.6% Li<sub>2</sub>O**  
Product grade

**~18 year**  
Mine Life

**71%**  
Recovery

**3.7 : 1**  
Strip ratio

**1.4% Li<sub>2</sub>O**  
Resource grade

## Financial Summary

**US\$244 million**  
Development capital

**US\$ 290/ tonne**  
FOB Montreal cash operating costs

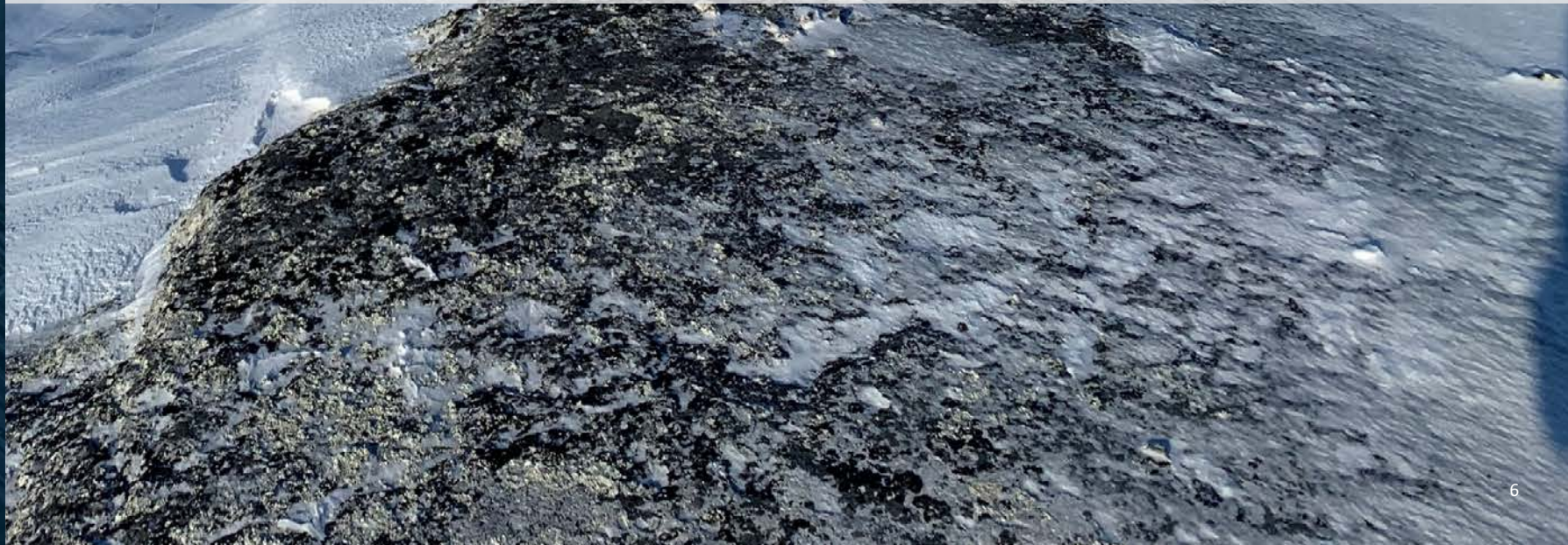
**US\$560 million**  
Pre-tax NPV (8% discount rate)

**39.6%**  
Pre-tax IRR

**2.2 years**  
Pre-tax pay back period

## Project Summary

- ✓ High-grade, hard-rock spodumene deposit located in Québec, Canada
- ✓ Preliminary Economic Assessment (PEA) complete and further engineering has commenced
- ✓ PEA confirms a globally competitive, low-cost operation
- ✓ Viable source of supply to feed emerging EV markets in North America & Europe
- ✓ Well serviced by key infrastructure and hydro power
- ✓ Utilising skills from successful operations at Mt Cattlin
- ✓ Strong stakeholder relations, particularly with Cree First Nations
- ✓ Plans to integrate James Bay with a downstream lithium chemicals producer
- ✓ Discussions with prospective partners will advance promptly with the release of the PEA





# Québec, Canada



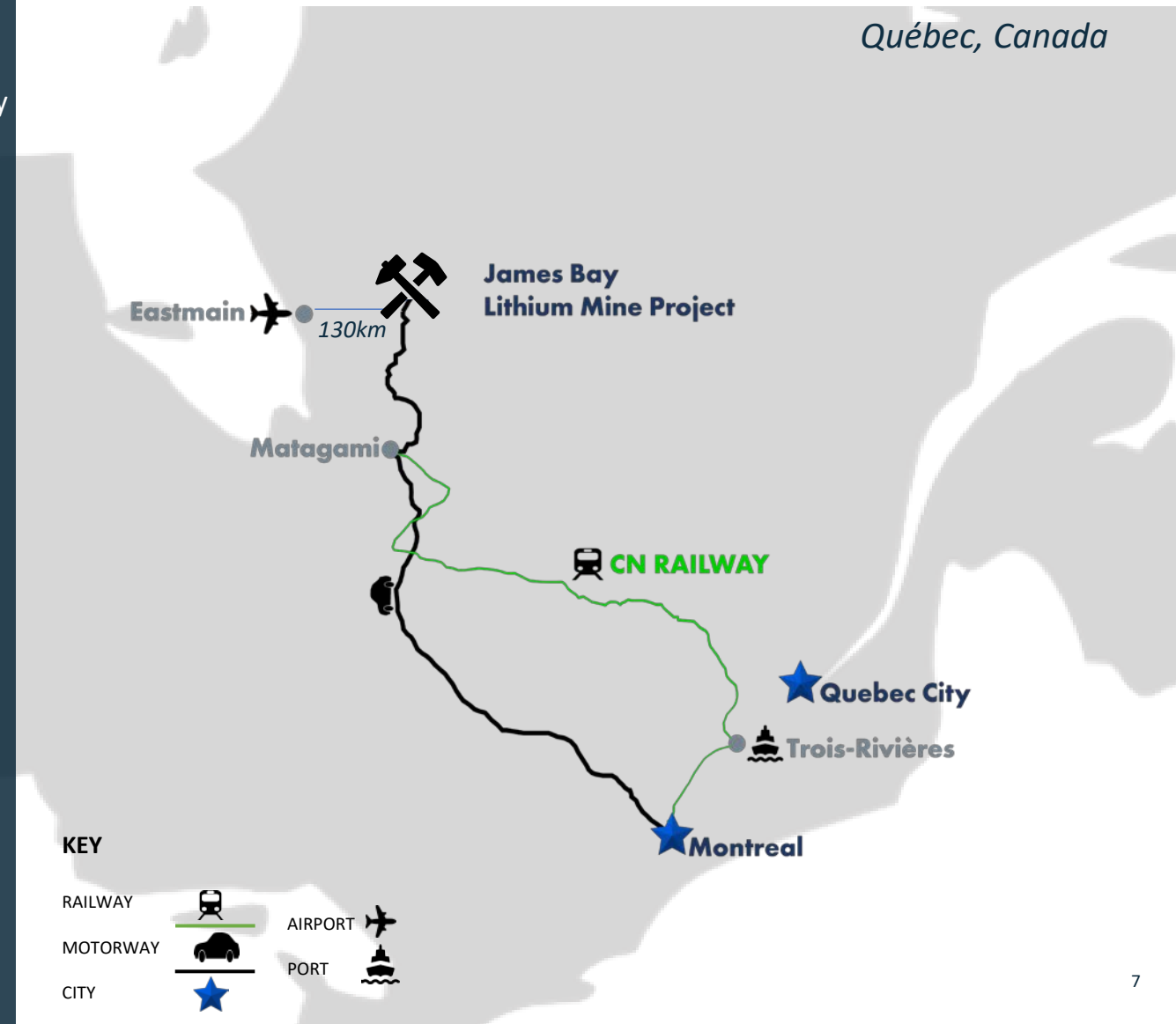
Top-tier mining jurisdiction & emerging battery metals region with great access to key infrastructure and clean energy

## Québec, Canada

- Voted 6<sup>th</sup> best mining jurisdiction in the world – 2020 Fraser Institute Survey
- Provincial plan for the Development of Critical and Strategic Minerals
- Electricity production mostly hydro, > 99.8% renewable
- Canada has a free-trade agreement in place with USA and China

## Project is well serviced by key infrastructure

- **Hydro-Québec Power**  
Process plant will be powered by low-cost, clean energy
- **Major Highway**  
Oversized haulage trucking between site and the town of Matagami
- **Major rail network**  
Product can be railed from Matagami to the port in Trois-Rivières
- **Fuel / accommodation**  
“Relais Routier Km 381” Truck Stop located adjacent to Project site
- **Airport**  
Public airport located in Eastmain, 130km east from James Bay
- **Grand Alliance Program**  
Economic and infrastructure development in the region



# Geology & Mineralisation



Shallow, high-grade mineralisation with favourable characteristics supporting a low-cost operation

## Mineral Resource Estimate

- Resource of 40.3 Mt at 1.4%  $\text{Li}_2\text{O}$  (0.62 %  $\text{Li}_2\text{O}$  cut-off grade)<sup>1</sup>
- Maiden Ore Reserve expected to be declared later in the year

## Mineralisation

- High-grade and outcrops along strike , supporting a low strip ratio and open cut mining
- No basalt and low levels of lepidolite leading to higher recoveries than at Mt Cattlin
- Open to the north and east and further exploration targets have been identified

## Exploration upside

- Preliminary exploration targets have been identified
- Geophysical survey to commence in Q2 to refine drilling targets
- Encouraging results from re-sampling indicates the potential presence of tantalum
- Tantalum will be assayed in future drilling programs

<sup>1</sup>. Refer to Appendix for Resource & Reserves Table

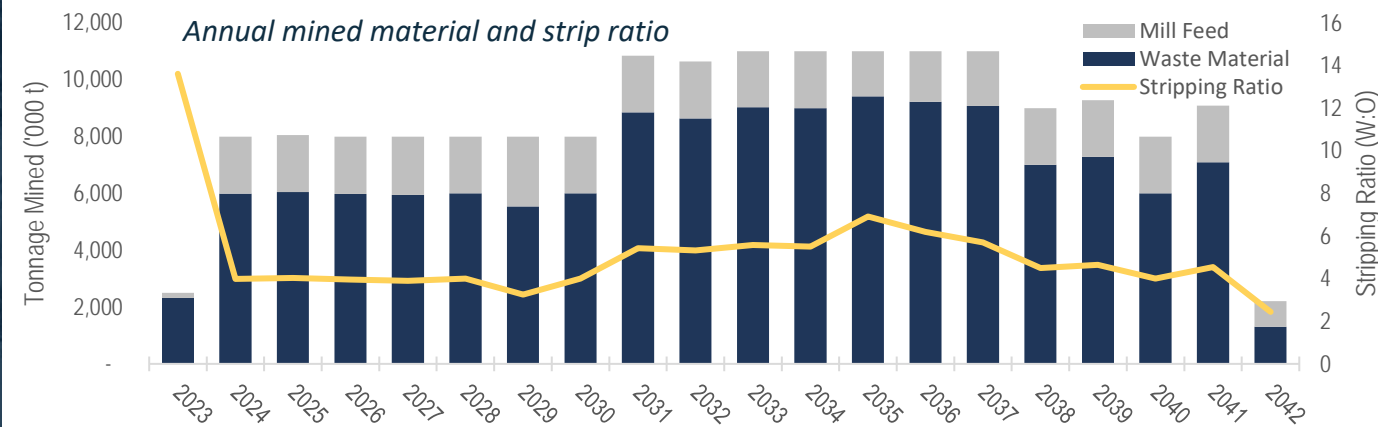




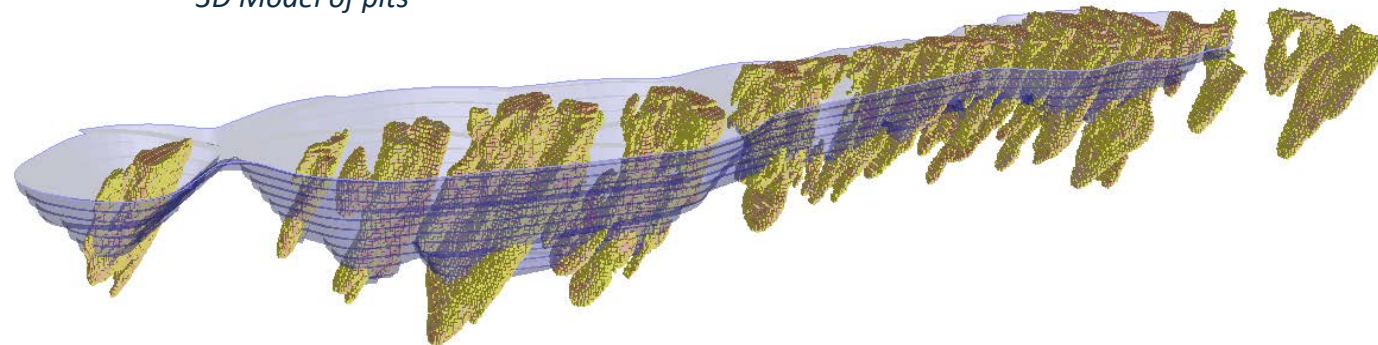
# Mining

Conventional open-pit operation for annual spodumene production of 330ktpa

- 18.3 year mine life
- Conventional drill and blast, excavators and haul trucks
- Preliminary pit design extends 2km with a width of 500m
- 3 pits with the deepest pit at 250m depth
- Lower strip ratio in early years with a gradual increase
- Average head grade of resource after dilution at 1.30%
- Further engineering in 2021 will include a revised mine plan



3D Model of pits





# Processing

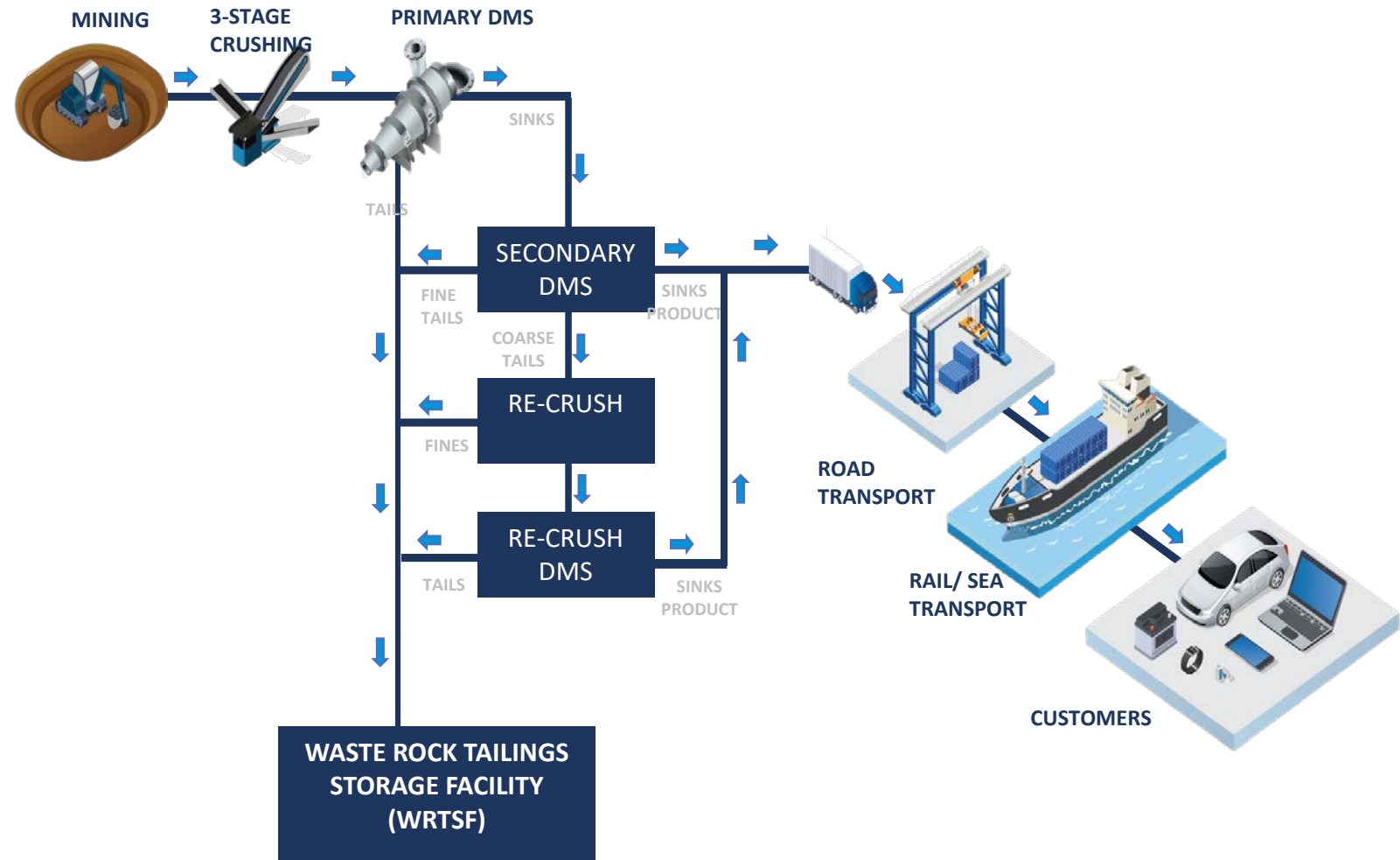
Similar process design and flowsheet to that successfully employed at Mt Cattlin, lowering project risk

## Process flowsheet

- 2mtpa process plant designed to produce spodumene concentrate grading up to 6.0%  $\text{Li}_2\text{O}$
- Operational flexibility to achieve 5.6%  $\text{Li}_2\text{O}$  product grade and 71% recoveries
- Conventional 3-stage crushing followed by dense medium separation (DMS)
- Only DMS is required due to coarse crystal size, similar to Mt Cattlin
- Potential for a tantalum circuit to be included
- Galaxy has significant experience in producing tantalum as a by-product

## Final Product Grade

- Project economics based on producing 5.6% product grade to meet market demand
- 5.6%  $\text{Li}_2\text{O}$  grade increases recoveries by 6%, tonnage by 18% and revenue by 12% at current spodumene pricing
- Galaxy retains ultimate flexibility to produce final product grade consistent with market demand and potential downstream partner(s)

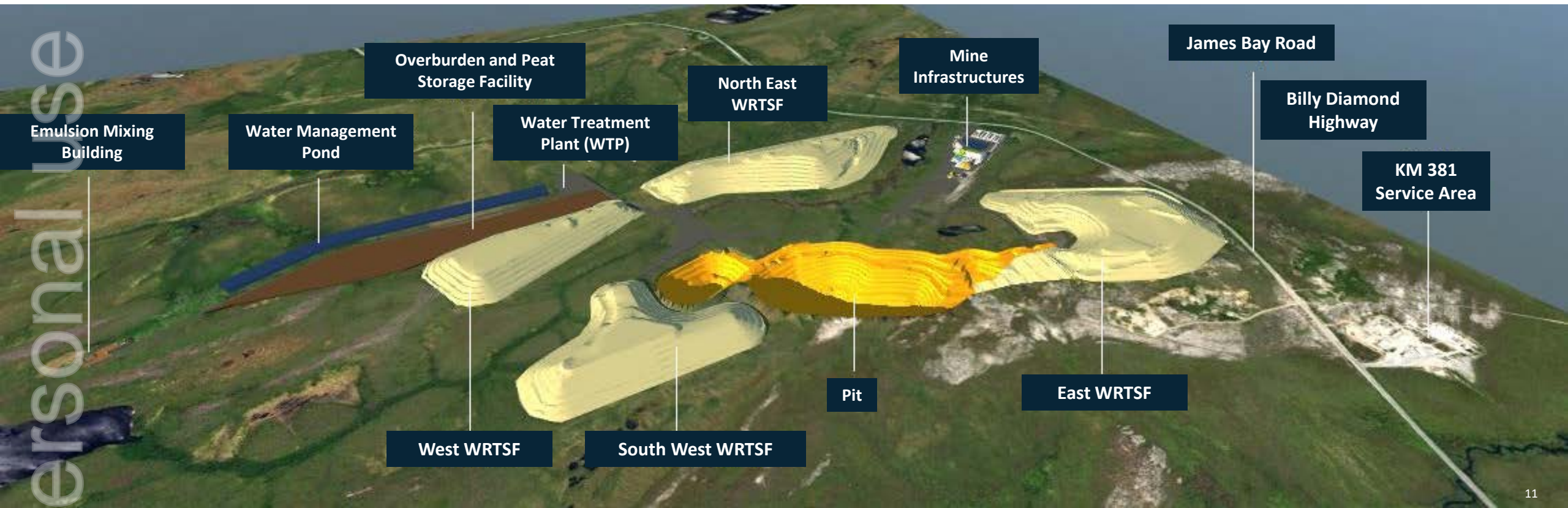




# Project layout and infrastructure

## Site powered by low-carbon energy and designed to reduce footprint & environmental impacts

- James Bay is accessible all year-round via Billy Diamond Highway – process plant and site infrastructure adjacent to hwy
- Waste rock piles located adjacent to the open pit - minimising hauling distance & fuel consumption
- Storage area locations selected to reduce environmental impact
- Process-plant and key infrastructure powered by Hydro-Québec's 69kV substation
- Km 381 truck stop can accommodate ~200 people and potentially be utilised during construction





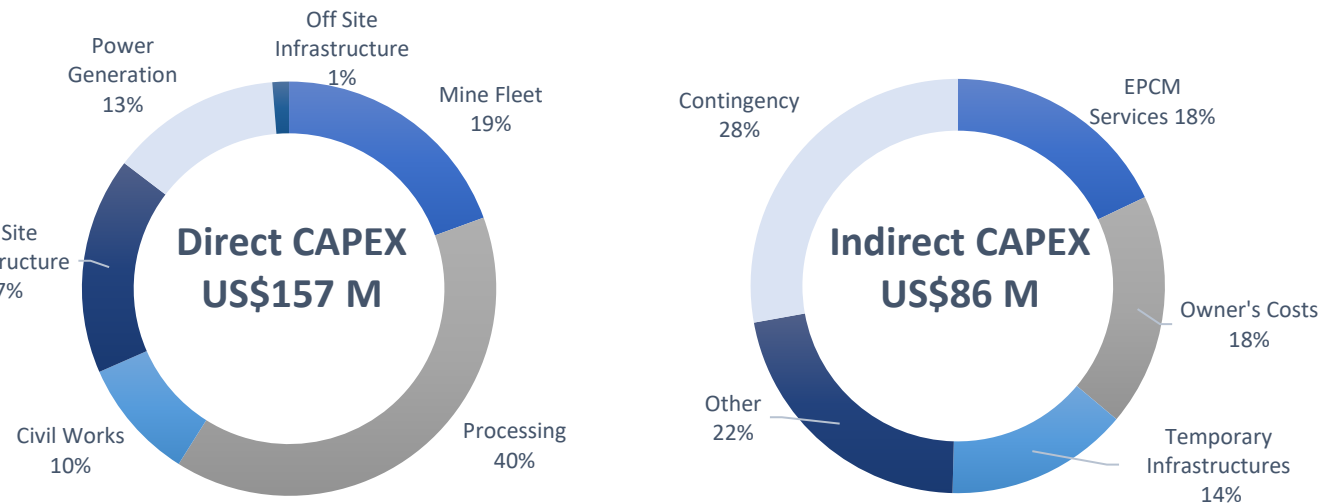
# Capital and Operating Cost Estimates



Mt Cattlin experience utilised in design phase and high-quality ore body drives low operating costs

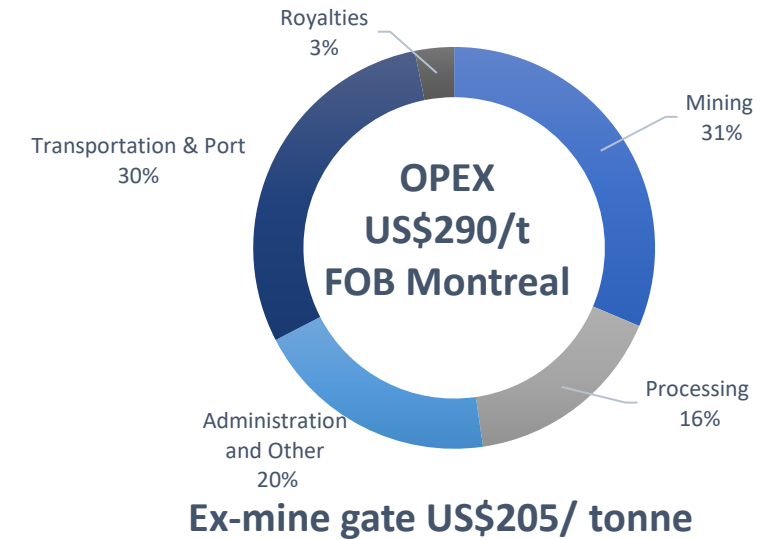
## CAPEX

Total CAPEX US\$244 million



## OPEX

Total OPEX US\$290/ tonne





# Project Economics



Robust financial outcomes with a number of opportunities identified to further reduce CAPEX & OPEX



## Financial Summary

**US\$244 million**

Development capital  
(+/- 30%)

**US\$ 290/ tonne**

Cash operating costs  
FOB Montreal (+/- 30%)

**US\$560 million**

Pre-tax NPV  
(8% discount rate)

**39.6%**

Pre-tax IRR

**2.2 years**

Pre-tax payback period



## Opportunities & 2021 Optimisation Activities

In addition to further engineering, the following activities will be undertaken in 2021 to realise further value:

- Review and optimisation of the mine plan and material movements;
- Coordination between each potential logistics and transport suppliers to evaluate alternative transport methods;
- Investigation into the automation of drilling and haulage to boost productivity;
- Ongoing discussions with Hydro-Québec to optimise delivery of power to site; and
- Ongoing discussions with stakeholders to determine infrastructure benefits from the Grand Alliance Project.



# Social Responsibility & Environment



Targeting low carbon operations by maximising renewable energy sources



## Permitting

- Environmental and Social Impact Assessment (ESIA) will be re-submitted in early Q2
- Resubmission reflects optimised changes
- Discussions on track and well-advanced



## Community Engagement

- Strong relations with the Cree Nation of Eastmain
- Impact and Benefits Agreement discussions continue
- Engagement with all stakeholders
- Creation of ~300 full-time positions



## Environment

- Plant powered by 100% clean energy
- Targeting even lower site and transport emissions
- Examining electric surface mining fleet
- Investigating additional renewable energy sources for power
- Targets minimal carbon footprint ex-mine gate



### Cree Walking Out Ceremony

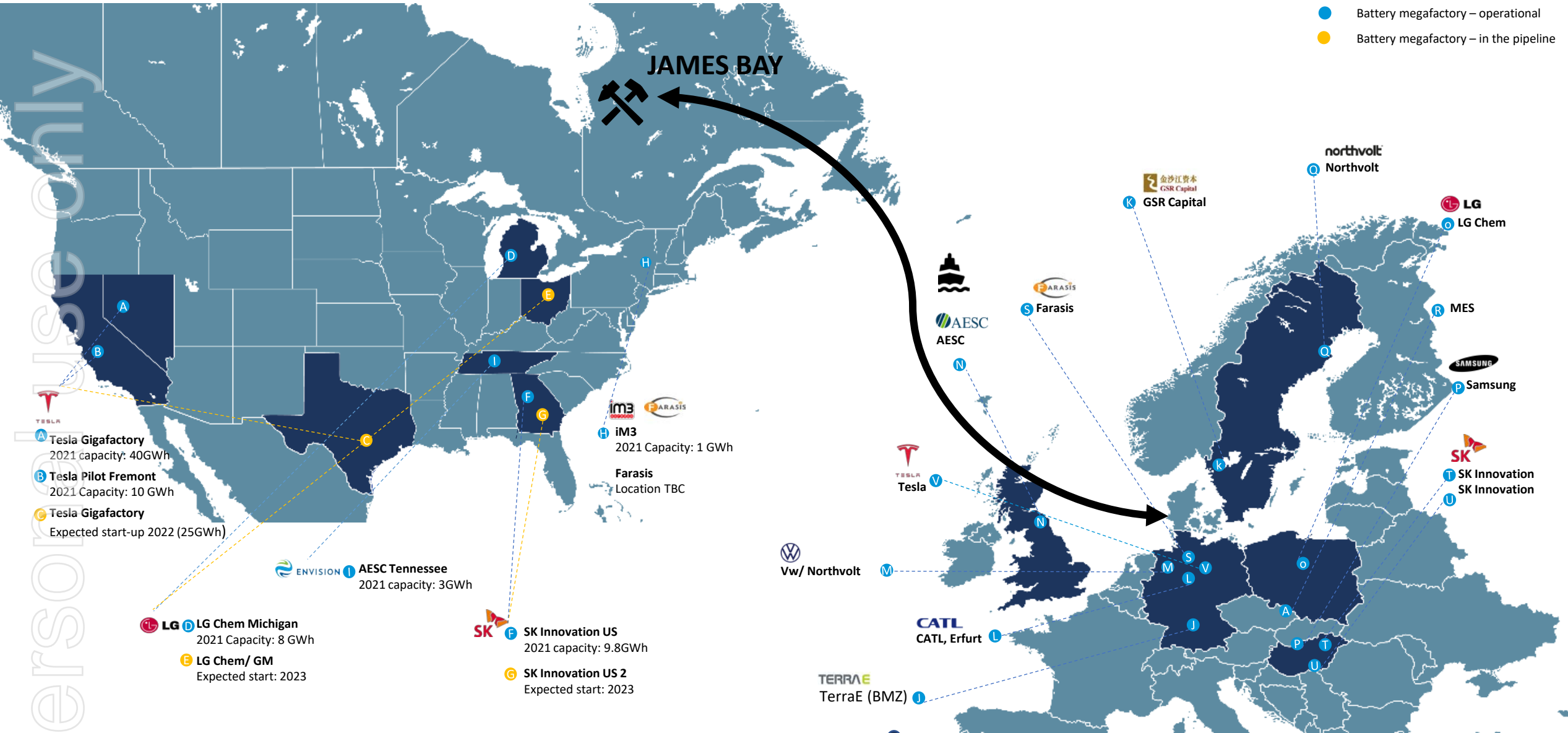
“A tradition that has been passed on for generations, one of first teachings to a young child of the importance of culture and respect. The child’s first steps out of a traditional teepee signifies movement towards adulthood as a provider and caregiver. Teaching Cree tradition and culture is of outmost importance. Tradition teaches unconditional respect for mother nature in all forms. When we take, we offer our gratitude and thanks to mother nature.”

- *Raymond Shanoush, Galaxy Community Liaison Officer*

# Rapid build-out of North American and European EV supply chains



Li-ion battery demand in these regions is forecast to grow from 82 GWh in 2020 to 367 GWh by 2025





# A low cost spodumene project strategically located



James Bay is in proximity to rising demand in these emerging EV supply chain growth regions

## Galaxy to take a portfolio approach to offtake and partnering strategy

- Galaxy's strategy is to integrate James Bay with a downstream lithium chemicals producer
- Discussions are underway with a number of well-advanced prospective producers and release of the PEA will accelerate negotiations to the next stage
- In parallel, Galaxy will advance product decisions and offtake/partnering choices for the Sal de Vida project
- Galaxy ideally placed to produce and supply both lithium carbonate and lithium hydroxide to tier one customers in high growth regions

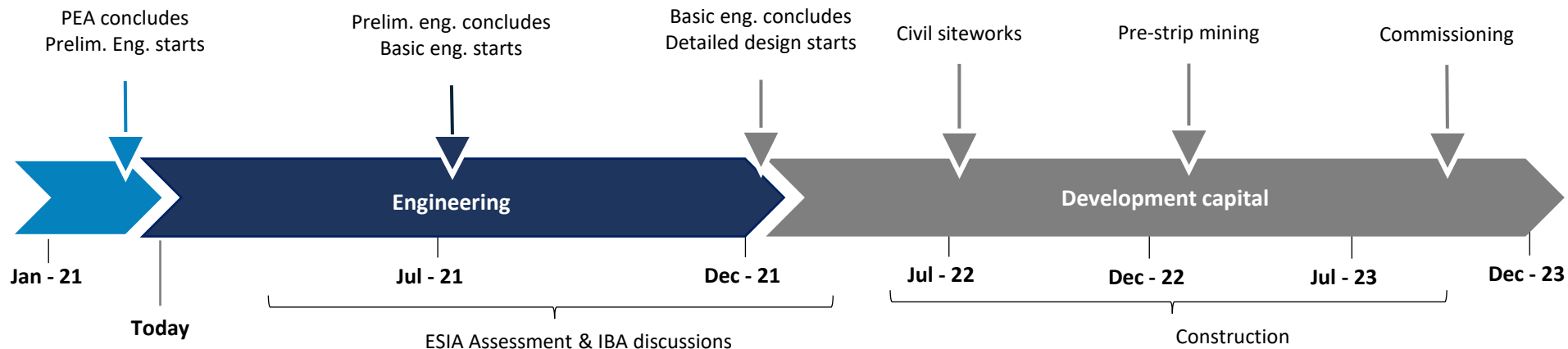
- Battery megafactory – operational
- Battery megafactory – in the pipeline



# James Bay – roadmap to production



Galaxy is developing the project over the next 3-4 years and is on track to achieve construction ready status by end of 2021



## Engineering to construction ready status

- Engineering designs, equipment and plant configurations, detailed mine planning and scheduling
- Assessment and selection of a delivery strategy
- Progression of ESIA and regulatory approvals
- Sustaining initiatives for local stakeholders
- Discussions with potential downstream and offtake partners
- US\$8-10 million capital spend in 2021

## Development Capital Phase

- Completion of detailed design
- Development of construction work packages
- Procurement of long lead items
- Construction activities, mining of the starter pit, pre-commissioning of the plant
- Additional off-site and non-process infrastructure activities
- Current, high level development plans show first production in early 2024

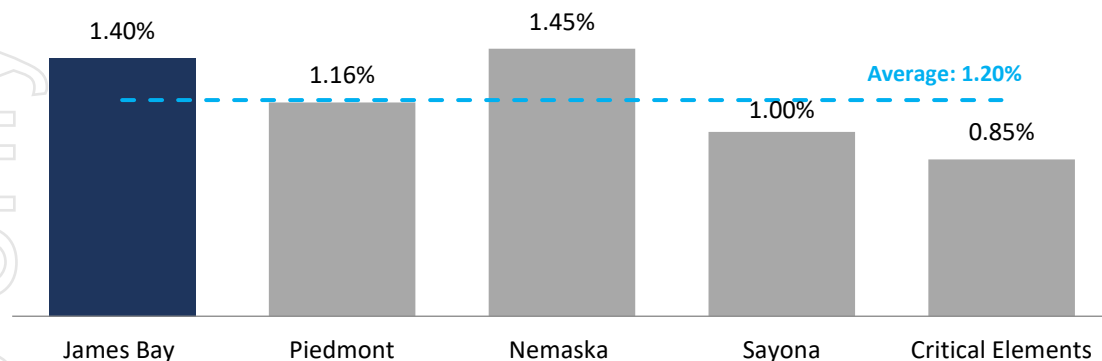


# James Bay, the most competitive asset compared to regional peers

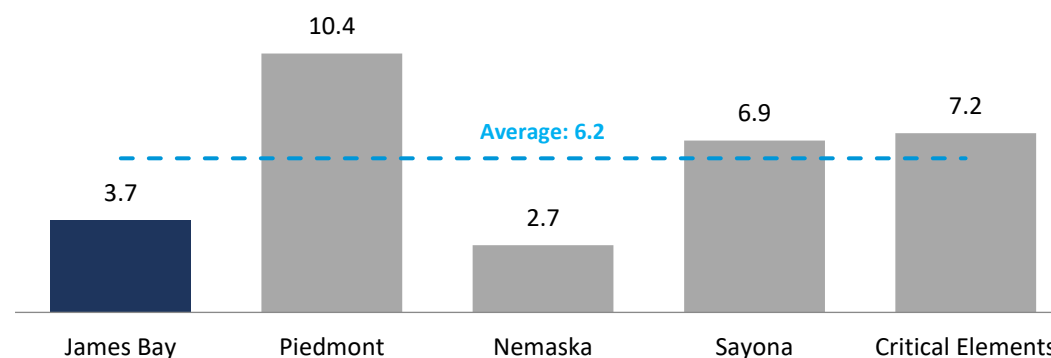


A low-cost operation to be developed by successful hard rock producers

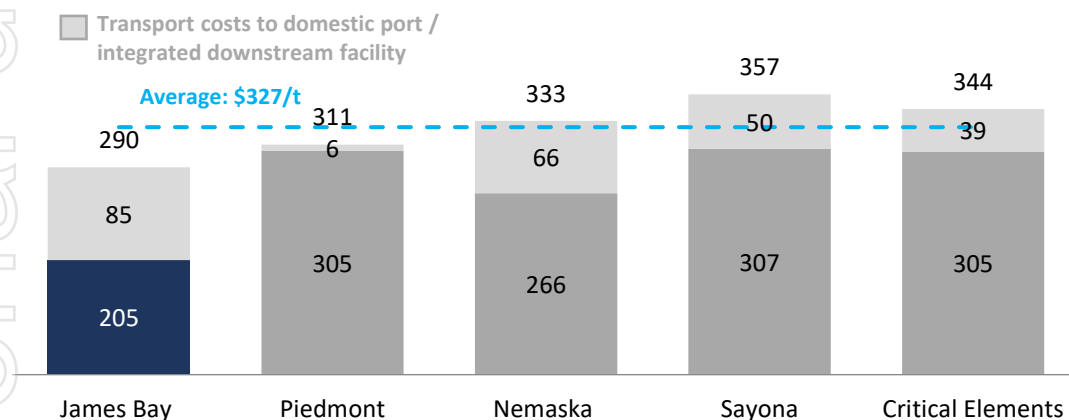
## Resource Grade (% Li<sub>2</sub>O)<sup>1</sup>



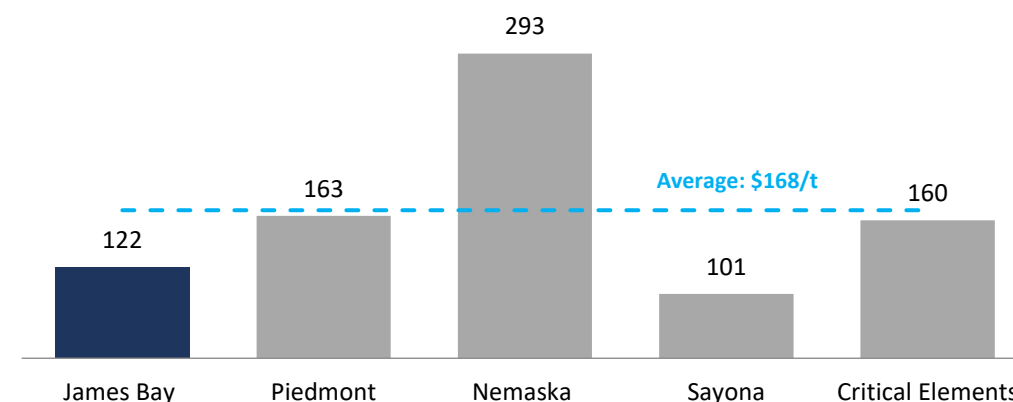
## Strip Ratio (ore:waste)<sup>1</sup>



## LOM Cash Costs (US\$/t spodumene concentrate)<sup>2</sup>



## Capital Intensity (US\$/t milling capacity)<sup>3</sup>



1. Information sourced from company filings. Measured and Indicated categories only (Inferred Resources excluded). Minalbe by open pit only (underground Resources excluded)
2. Information sourced from company filings. Cash costs include royalties and transport to domestic port (or integrated downstream facility) and exclude by-product credits.
3. Information sourced from company filings. Capital intensity calculated as upfront capital and working capital requirements divided by ore milling capacity of upstream concentrator plant

# James Bay: Mineral Resource



Table 1: James Bay Mineral Resource

Category	Tonnage Mt	Grade % Li <sub>2</sub> O	Contained Metal ('000) t Li <sub>2</sub> O
Indicated	40.30	1.40	564.2
<b>Total</b>	<b>40.30</b>	<b>1.40</b>	<b>564.2</b>

Notes to Table 1: Reported at a cut-off grade of 0.62 percent Li<sub>2</sub>O inside conceptual pit shells optimised using spodumene concentrate price of US\$905 per tonne containing 6.0% Li<sub>2</sub>O, metallurgical and process recovery of 70%, overall mining and processing costs of US\$55 per tonne milled and overall pit slope of 50 degrees. All figures rounded to reflect the relative accuracy of the estimates.

## Competent Persons Statement

Any information in this Presentation that relates to James Bay Mineral Resources is extracted from the ASX announcement, entitled “James Bay Resource Update” dated 4 December 2017 which is available to view on [www.gxy.com](http://www.gxy.com) and [www.asx.com.au](http://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 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.

Technical information relating to the Company’s James Bay project contained in this release is derived from, and in some instances is an extract from, the technical report entitled “Preliminary Economic Assessment - James Bay Lithium Project” dated 9 March 2021 (Technical Report) which has been prepared by G-Mining Services Inc., and has been reviewed and approved by, as it relates to geology, drilling, sampling, exploration, QA/QC and mineral resources: Glen Cole, P. Geo (SRK Consulting Canada Inc.); as it relates to site infrastructure, capital cost and operating cost estimate: Joel Lacelle, P. Eng. (G-Mining Services Inc.); as it relates to mining, related infrastructure, mining cost, financial modeling and economic analysis: Antoine Champagne, P. Eng. (G-Mining Services Inc.); as it relates to mineral processing and related infrastructures: Christopher Larder, Eng. (Wave International); as it relates to waste rock and tailings management related infrastructures: Darrin Johnson, Ontario P. Eng. (Golder Associated Ltd.); as it relates to water management infrastructure: Joao Paulo Lutti, Eng. (Golder Associated Ltd); as it relates to environmental and permitting: Simon Latulippe Eng. (WSP Canada Inc.); in accordance with National Instrument 43-101 – Standards for Disclosure for Mineral Projects. The Technical Report will be filed within 45 days of this release and will be available for review under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Any information in this Presentation relating to a production target or forecast financial information derived from a production target is extracted from the ASX Announcement entitled “James Bay Development Plan” dated 9 March 2021 which is available to view on [www.gxy.com](http://www.gxy.com) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that all the material assumptions underpinning the production target, and the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.