

Perhaps the last AGM of Galaxy Resources as we know it

Company/ASX Code	Galaxy Resources Ltd / GXY
AGM date	Thursday 20 May 2021
Time and location	2pm (WST) Karingal Room, The Melbourne Hotel, 33 Milligan St. Perth and View Only Live Webcast (see www.gxy.com for details)
Registry	Computershare Investor Services Ltd
Webcast	Yes
Poll or show of hands	Poll on all items.
Monitor	Alan Dickson
Pre AGM-Meeting?	No

The monitor (or his associates) involved in the preparation of this voting intention does have a shareholding in this company.

Item 1	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

Shortly after the Notice of AGM was posted Galaxy made an announcement that it proposed to combine its assets with those of Orocobre, a fellow proposed lithium brine operation also in Argentina. The scheme booklet is expected to be sent out in late June with a planned implementation date in mid-August.

Galaxy Resources are in a sound financial position with cash and financial assets of US\$210.4M, largely as a result of a capital raising of A\$161.1M in Nov/Dec 2020. Most of which was raised by a means of a placement, but retail shareholders had the opportunity to add to their holding with a 1 for 14 non-renounceable entitlement offer with option to apply for additional shares.

The only producing mine was the Mt Cattlin operation. The Lithium Concentrate price dropped again to average US\$352/t.(compared to US\$502 in 2019 and US\$927 in 2018). The company continued to supply its customers but at a reduced rate, except for a delayed delivery from the previous year. The mine adjusted its throughput plan to 50% to 55% of name plate capacity. This was achieved with campaign treatment. The mine ran at an operating loss. To control costs mining was curtailed at the end of a contract and not resumed for several months. During this time, an ore sorter was installed to be able to improve the recovery from previous lower grade stockpiles. This source of feed accounted for about 20% of the plants reduced throughput of 1.09Mt. The lithium concentrate market improved in the last quarter and production is back to normal.

The Sal de Vida property in Argentina is progressing very well with a break-through in the pilot treatment such that battery grade lithium carbonate was achieved post year end, thus changing the potential product for sale and hence future offtake agreements, as well as increasing potential prices to be achieved. This project will need capital for its Stage 1 development hence the need for the capital raising.

The James Bay project in Canada is also continuing with studies. Both these projects are potentially being partially delayed due to the Covid-19 virus shutdowns.

Share prices fluctuated greatly throughout the year, with no dividends paid and the share price dropping from \$0.918 on 31st Dec 2019 to \$0.678 on 12th Mar 2020 (Covid induced?) recovering to finish the year at \$2.23 on 31st Dec 2020. Shares are currently at \$3.86 (26th Apr 2021), partly due to improved lithium price and partly due to planned merger.

Item 2	Resolution 1 - Adoption of Remuneration Report
ASA Vote	For

Summary of ASA Position

The board and KMP took 20% pay cuts for the 2nd Quarter in 2020 as foreshadowed at last year's AGM. From July 2020 to July 2021 this cut in cash payments continued with the shortfall proposed to be made up in Performance Rights (see Resolutions 4 – 8 below), thus reducing the cash drain on the company. Similarly, STI payments were paid by Performance Rights (= shares). It was considered inappropriate to pay executives cash bonuses where the company had been receiving JobKeeper payments during 2020 (\$2.3M). The STI were based on Corporate Scorecard objectives as well as individual KMP goals, the company ones involved 11 different objectives. The LTI were based on project metrics and Relative Total Shareholder Return (RTSR). The project metrics are longer term and were not achieved during the year and the RTSR result can only be assessed on 31 December 2023.

Item 3	Resolution 2 - Re-election of Florencia Heredia as a director
ASA Vote	For

Summary of ASA Position

Florencia brings gender diversity and South American legal expertise to the board. The ASA is disappointed that in the 3 years since appointment she has not acquired shares in the company. Perhaps this will change if Resolution 8 is carried. We believe Florencia adds to the board with her broad experience and support her re-election at this stage, particularly with the potential merger with another company operating in Argentina.

Item 4	Resolution 3 – Ratification of Prior Issue of Shares – Placement Shares
ASA Vote	For

Summary of ASA Position

The ASA were disappointed this raising was not carried out as an offer to all shareholders rather than a large placement component, particularly as there was real rush for the raising. It is, however, acknowledged that retail shareholders were allowed to take part in the 1 for 14 entitlement offer with allowance for over subscription. All those that did apply were given their entitlement and all the oversubscriptions they sought.

Item 5 to 9	Resolution 4 -8 Issue of Performance Rights to Non-Executive Directors: Res 4 Martin Rowley, Res 5 John Turner, Res 6 Peter Bacchus Res 7 Alan Fitzpatrick. Res 8 Florencia Heredia
ASA Vote	For

Summary of ASA Position

The decision to issue Performance Rights (in effect shares) to Directors can only be done at the approval of the shareholders. This was done to reduce the cash cost to the company by \$140,000. As it turned out because the share price has rocketed, the directors will do very well out of this. But this wasn't the intention, and no one could know how the lithium market would fare during the year. We, therefore, support these resolutions.

Item 4	Resolution 9 – Issue of Performance Rights to Executive Director – Anthony Tse
ASA Vote	For

Summary of ASA Position

These rights are based on the Incentive Award Plan. Being an Executive Director the issue of these Performance Rights requires the approval of the Shareholders. The Incentive Award Plan was modified to issue Performance Rights instead of cash to preserve cash in the company. At the time of calculation this amounted to US\$135,000 being 45% of Mr Tse Fixed Annual Remuneration of US\$300,000 and will vest in 3 equal tranches on 1 March '22, 1 March '23 and 1 March '24.

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