ASX ANNOUNCEMENT

30 November 2021

Excellent Preliminary Economic Assessment Results for Candelas Project in Catamarca, Argentina

Highlights:

- **Robust economic results, unleveraged Pre-tax NPV of US$1,225m (8% discount rate) and IRR of 27.9% with a four (4) year payback period**
- **Long life project 25 years of 14ktpa of battery grade lithium carbonate (LCE)**
- **Competitive cash production cost for Li2CO3 of US$4,277/t positioning the Candelas project as a low-cost developer in the lithium industry**
- **Galan now has two (2) PEA study level projects with combined long term production potential of 34ktpa LCE**
- **Long term average real lithium price assumption (2025-2040) of US$18,594/t LCE used as the basis for the economic assessment**
- **Initial capital cost of US$ 408M (US$ 302M direct costs)**
- **Average life-of-mine annual pre-tax EBITDA of US$188m**
- **Scoping Study/PEA completed under the guidance and assistance of engineering consultancy Ad Infinitum**

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is very pleased to announce the results of the Preliminary Economic Assessment (**PEA**) for its 100% owned Candelas Project ("**the Project**") in Catamarca Province, Argentina. The PEA, at a minimum, complies with the Canadian NI 43-101 regulation known as a PEA and is equivalent to a JORC Scoping Study.

The Study estimated a production profile of 14,000 tonnes per annum of battery grade lithium carbonate product including some technical grade product for the first three (3) years. The PEA process has provided significant economic outcomes for the Candelas Project which Galan believes can be optimised and enhanced further to refine the Project's obvious potential.

The preparation of the Project's PEA was managed by Ad Infinitum and Galan's Project Manager for the engineering inputs including the recovery method, project layout and infrastructure, capital cost and operating cost estimates and overall economic evaluation. The other sections of the study were managed by consultants and employees of Galan Lithium Limited.

Key financial highlights are presented in Table 1.

Table 1: Preliminary Economic Assessment Results

Parameters	Units	Values
Lithium Carbonate Production	Tonnes/year	14,000
Project Life Estimate (excluding ramp-up)	Years	25
Capital Cost (CAPEX)	US$M	408
Capital Cost (ex-contingency and indirects)	US$M	302
Average Annual Operating Cost (OPEX)	US$/tonne	4,277
Average Li_2CO_3 Selling Price (2025-2040)	US$/tonne	18,594
Average Annual EBITDA	US$M	188
Pre-Tax Net Present Value (NPV)	US$M	1,225
After-Tax Net Present Value (NPV)	US$M	660
Pre-Tax Internal Rate of Return (IRR)	%	27.9
After-Tax Internal Rate of Return (IRR)	%	20.9
Payback Period (After-Tax)	Years	4.75

Galan's Managing Director Juan Pablo (**JP**) Vargas de la Vega said:

"We are delighted by the strong and competitive results of the Candelas Project PEA. Our projects continue to show healthy economics and upside despite using a conservative long term price assumption at a time when new lithium projects are scarce. Galan now has two potential production fronts combining for a long-term production rate of 34ktpa of LCE. This rate could be even higher once we finish drilling at our flagship HMW project.

We remain excited about the potential value add for our shareholders once we enter the lithium market with prices expected to be +US25k/t LCE. Our projects would now be among the lowest cost of any future producers in the lithium industry, due to their high grade and low impurity setting, green credentials and a low carbon footprint. Galan is excited to be a part of the solution to the global decarbonisation story.

I would like to thank all of Galan's teams in Argentina, Chile and Australia, and the strong support from the Board to take this study forward. Special thanks to the Ad Infinitum team in Chile that understood our challenge and worked with us to deliver the study on time and on budget.

Galan now has a solid commercial base to move forward with a clean, proven, low tech and low energy solution with no JV or non-statutory royalties involved. We also believe we have capability to further review and reduce Opex and Capex. We have learnt so much more about Candelas on this journey and will continue to apply our findings in optimising our next steps at the Pre-Feasibility and/or Definitive Feasibility studies. Importantly, we will also continue to review the possibility to produce lithium chloride concentrate to reduce time to market and capital expenditure at both of our projects.

As a result, we remain determined to bring our projects to market in the shortest possible time so that we can supply lithium for future lithium battery requirements needed for electric vehicles."

Cautionary Statement

The Preliminary Economic Assessment (**PEA**) is a preliminary technical and economic study (equivalent to an enhanced JORC Scoping Study) of the potential viability of the Candelas Lithium Brine Project which is required to reach a decision to proceed with more definitive studies. It is based on preliminary/low-level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves or provide certainty that the conclusions/results of the PEA will be realised. Further exploration and evaluation work and appropriate studies are required before Galan will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case.

The economic analysis results should be treated as preliminary in nature and caution should be exercised in their use as a basis for assessing project feasibility. The PEA was based on material assumptions including assumptions about the availability of funding. While Galan considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PEA will be achieved.

To achieve the range of proposed feasibility studies and potential mine development outcomes indicated in the PEA, additional funding may be required. Investors should note that there is no certainty that Galan will be able to raise funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Galan's existing shares. It is also possible that Galan could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Galan's proportionate ownership of the project.

All of the material included in the mining schedules used in the PEA are within Galan's Indicated Mineral Resources.

Process and engineering works for the PEA were developed to support capital and operating estimates (and following AUSIMM Guidelines for this study level) and given the preliminary and confidential nature of the plant information, the capital cost margin of error is ±30% on the 'factored cases' estimated figures and operating cost is ±30%. Key assumptions used in the PEA are outlined in the body of this announcement. Galan has concluded it has a reasonable basis for providing the forward-looking statements in this announcement.

The Mineral Resources information in this report is extracted from the ASX announcement entitled "High Grade Maiden Lithium Resource Exceeds Expectations" dated 1 October 2019 available at www.galanlithium.com.au and www.asx.com. Galan confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Galan confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

Given the uncertainties involved, all figures, costs and estimates quoted are approximate values and within the margin of error range expressed in the relevant sections throughout this announcement. Investors should not make any investment decisions based solely on the results of the PEA.

Project Background

Location
The Candelas Project ("the Project") is part of the Hombre Muerto basin, one of the most globally prolific salt flats, located in the Argentinean Puna plateau of the high Andes mountains at an elevation of approximately 4,000 m above sea level. The Project is in the geological province of Altiplano Puna, 90 km north of the town of Antofagasta de la Sierra, province of Catamarca, Argentina as shown in Figure 1. The Project is located to the East and South of the Salar del Hombre Muerto. Candelas lies approximately 40km ESE of the Hombre Muerto West project under feasibility study, also by Galan. The Candelas Project is hosted within a ~15km by 3-4km wide structurally controlled basin that has infilled with sediments that host the Li bearing brines.

The Project is in close proximity to other world class lithium projects owned by Orocobre (formerly Galaxy Resources), Posco and Livent. It is around 1,400 km northwest of the capital of Buenos Aires and 170 km west-southwest of the city of Salta (in a straight line).

Tenements
The Candelas Project comprises fourteen exploration permits (Candelas and Jazmin), covering an area of ~24,072 hectares.

Design work shows the Candelas brine wells will be located in the North of the Candelas tenements. The main objective of these wells is the extraction of brine, rich in lithium, from the Salar which is then pumped to the first preconcentration solar evaporation ponds. The preconcentration and precipitation ponds will be located in the east of the Candelas tenements away from the Rio De Los Patos river that feeds the salar.

Climate
The climate in the Project area is classified as cold, high-altitude desert with sparse vegetation. Solar radiation is intense (especially during the summer months of October to March) resulting in high evaporation rates. Very strong winds are also typical, reaching speeds up to 80 km/h during the dry season. However, in summer, warm to cool winds normally develop after midday and reduce in strength during the evening hours.

Precipitation data from meteorological sources showed a mean annual precipitation of around 86.4 mm. Precipitation typically occurs between the months of December and March, during which about 82% of annual rain fall occurs. From April to November, it is typically dry with average daily mean temperatures of approximately 5.3°C

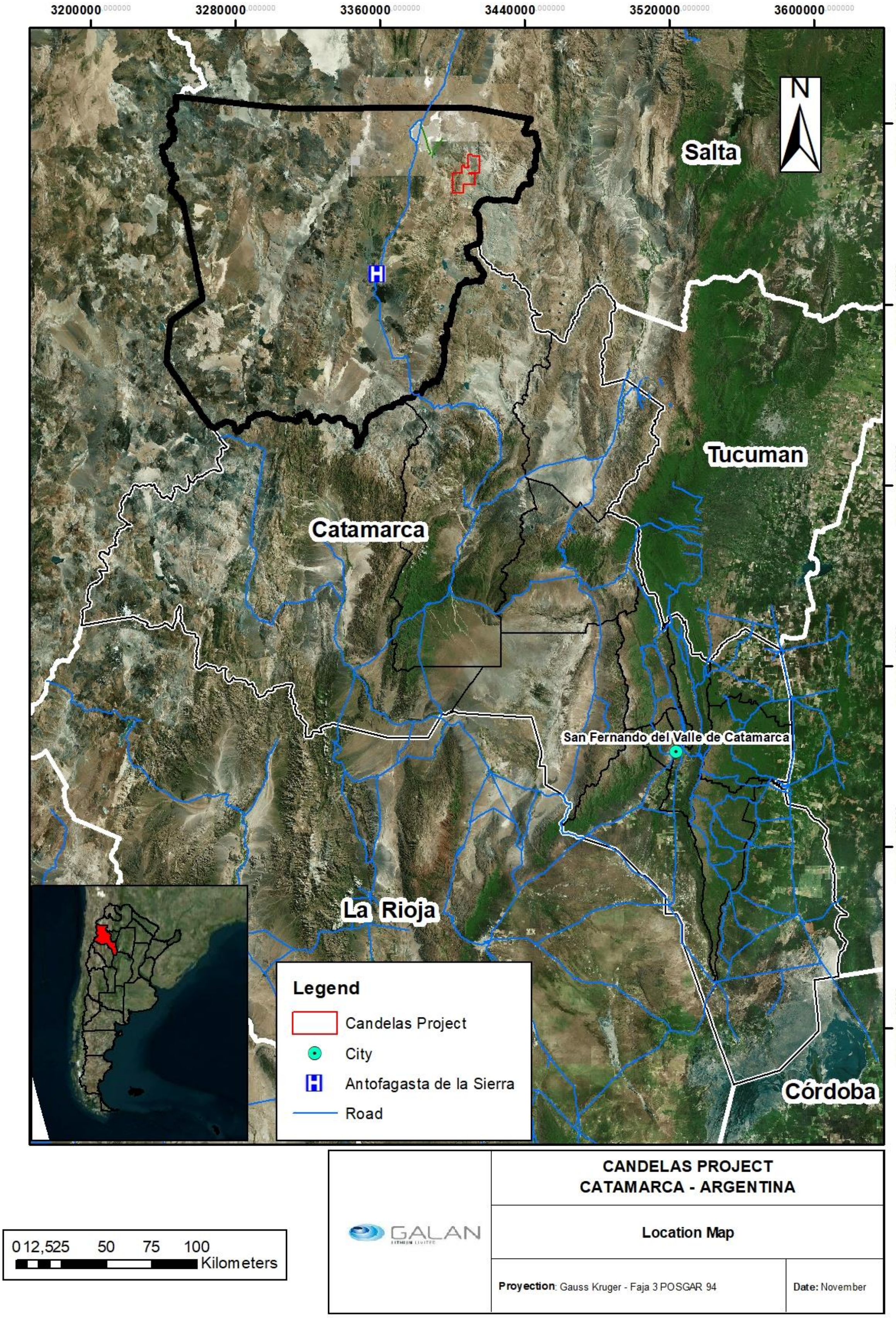

Figure 1: Candelas Project, Hombre Muerto Salar, Catamarca Argentina

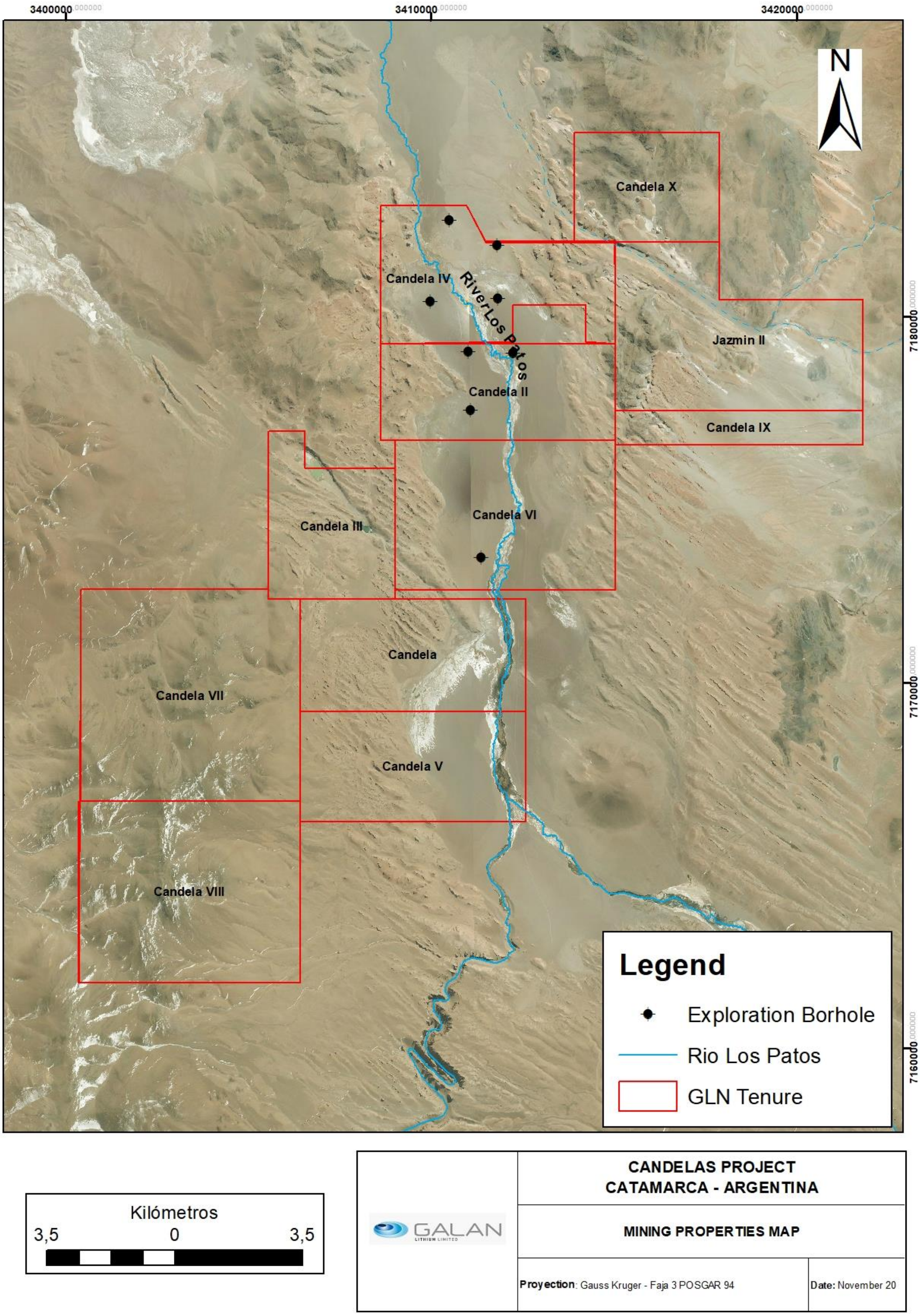

Figure 2: Candelas Tenement Map

Resource Estimate

The mineral resource estimation was undertaken by SRK Consulting (Australasia) (SRK) and was based upon results from drill holes within the Candelas tenement holdings for a total of 3,537 metres. The mineral resource estimates undertaken by SRK were determined for lithium and potassium. Lithium is reported as lithium carbonate (Li_2CO_3) equivalent, and potassium as potassium chloride (KCl). Table 2 below provides a summary of the resource reported in accordance with the JORC Code guidelines. According to SRK, the Candelas Mineral Resource represents geologically well-defined zones of brines hosting high-grade lithium. It is comprised of significant Li bearing hydrogeologic domains. The sedimentological units hosting the Li brines are laterally extensive and show some variation in thickness along strike and depth.

The Mineral Resource estimate (see GLN ASX announcement dated 1 October 2019) displayed in Table 2 was used for the preparation of the PEA of the Candelas Project. The total mine of life production is 25 years to produce around 364kt LCE. The Study uses a predicted Li recovery of 61.6%, hence the total initial resource to feed the project is estimated at 590kt LCE. This represents around 86% of the total resource of Candelas using a cut-off grade of 500mg/l Li.

Table 2: Mineral Resource Statement for Candelas (October 2019)

Resource Category	In situ Li (kt)	Avg. Li (mg/l)	LCE (kt)	Avg. K (mg/l)	In situ K (kt)	KCl Equiv. (kt)
Indicated	167	**672**	**685**	5,193	1,734	3,307

NB.; 500mg/l Li cut-off grade for Candelas. These results refer to the drainable porosity, the specific yield (SY) values used are as follows: Sand – 12.5%, Gravel – 6% and Halite – 4%. There may be minor discrepancies in the above table due to rounding. The conversion for LCE = Li x 5.3228, KCl = K x 1.907.

MINING AND PROCESS METHODOLOGY

Brine Extraction

The brine extraction will be pumped via eleven production wells, including contingency for maintenance purposes. The pumped raw brine will be pumped to a surge pond then onto the first pond of the evaporation ponds system. The total average raw brine flow required to feed the evaporation ponds system is 204 l/s.

Recovery Method

The process defined and designed for the Candelas Project is based on conventional evaporation ponds as preconcentration and purification and a lithium carbonate plant, all defined to produce 14,000tpa of battery grade Li_2CO_3.

The process obtains brine from wells located in the North of the Candelas tenements, within the properties of the Project. This brine will be pumped to the pre-concentration ponds, from where the first pond will be fed. Through the action of solar radiation, wind and other environmental conditions, water will evaporate from the brine, generating a change in the equilibrium point of this liquid, which will prompt the precipitation of salts and the concentration of lithium present in this brine. Two separate reagent additions are designed to facilitate the precipitation of impurities as particular salts thereby not precipitating the lithium present in the brine as much as possible. Once this brine reaches a lithium concentration suitable for the treatment in the lithium carbonate plant, it will be stored in reservoir ponds to be available to feed the Li_2CO_3 Plant. Lithium is lost to the ponds as minor seepage, entrainment and minor co-precipitation.

The Li_2CO_3 Plant in its first stages removes all remaining contaminants in the brine, such as Ca and Mg via two stage precipitation, and finally a polish with an ion exchange resin. When all contaminants are removed, brine will feed a lithium precipitation stage, through the use of soda ash (Na_2CO_3), producing battery grade lithium carbonate after filtering and washing. The overall Li recovery of the process design is 61.6% including the carbonate plant.

Finally, the battery grade Li_2CO_3 is dried, reduced in size and packed, according to clients/market's requirement, and stored in a warehouse to be transported to the final client. Figure 3 presents a simplified Process Diagram of the of the Project, showing the main two (2) areas of the process, these are the evaporation ponds system and the lithium carbonate plant, as well as the main inlet and outlet flows of the process.

The summary of the main areas of the process design criteria are described as follows:

Preconcentration Ponds

The initial ponds are responsible mostly for halite precipitation and natural gypsum. These ponds have a larger area than subsequent ponds as a significant proportion of the evaporation occurs here, and significant precipitation due to the sodium chloride being the main salt present. From one of the preconcentration ponds, a reagent plant will be fed with brine to allow the reaction between brine and reagent to facilitate the precipitation of impurities. Further concentration and precipitation occurs prior to the introduction of a second reagent through a second plant, leading to further precipitation in subsequent ponds. The brine route continues through the evaporation system feeding the next type of ponds, defined as concentration ponds.

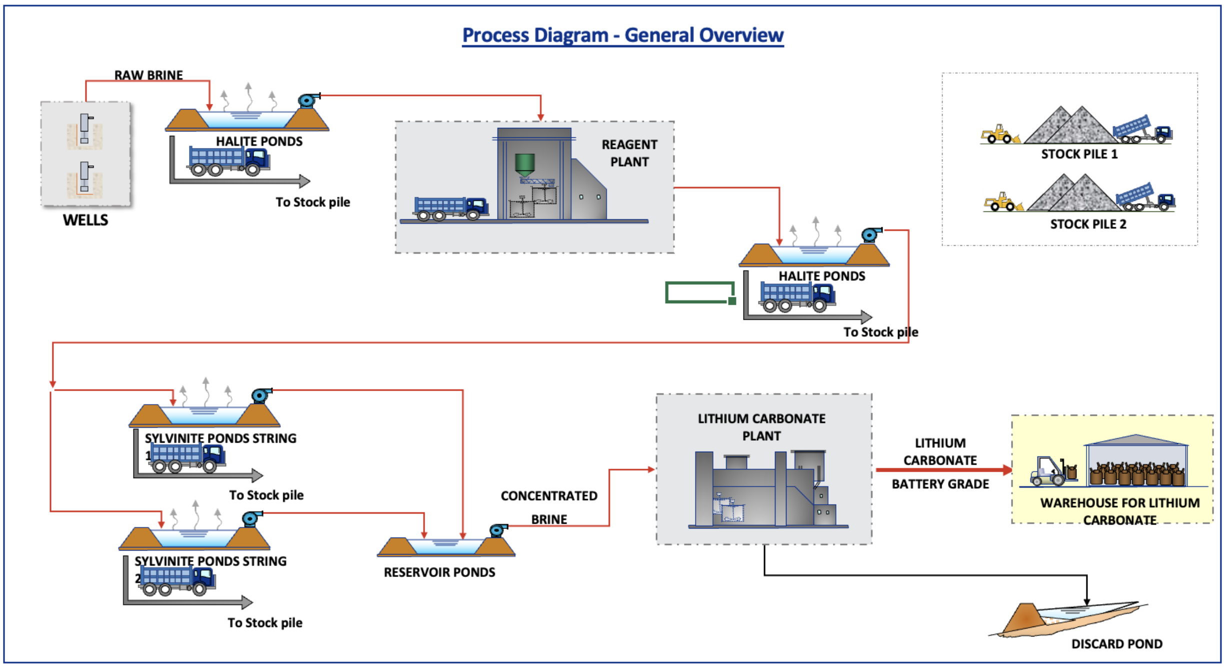

Figure 3: Process Flow Diagram Candelas Project

Concentration Ponds

Ponds that are further down the evaporation process of the brine are fed with concentrated brine coming from the preconcentration ponds, to continue the evaporation process. These ponds are smaller in size and are fed with lower flow values than the preconcentration ponds. In these ponds, halite (NaCl), sylvinite (KCl) carnallite (KMgCl) and other salts precipitate. When the brine reaches a lithium concentration of 5.4% suitable for the lithium carbonate plant, it is pumped to reservoir ponds, which will be used as a buffer pond to feed the Li_2CO_3 Plant.

Lithium Carbonate Plant

The concentrated brine will feed the Li_2CO_3 plant from the reservoir ponds. This brine still contains some contaminants, which must first be removed, to then precipitate and purify the lithium carbonate, to obtain battery grade quality of Li_2CO_3 product.

Concentrated brine feeds the first stage of the Li_2CO_3 Plant, where the brine is mixed in an agitated reactor with a solution of soda ash (Na_2CO_3), which will react with the magnesium and calcium still present in the brine, generating a solid of magnesium carbonate ($MgCO_3$) and calcium carbonate ($CaCO_3$). Mother liquor is also recirculated to this reactor, since its' high content of carbonates (CO_3^{2-}) will reduce the consumption of soda ash. The main objective of this stage is to precipitate as much magnesium as possible. This reaction occurs at 60°C.

Outlet brine from the 1st purification stage, is fed to the 2nd purification stage to remove remaining magnesium and calcium. The brine is fed into an agitated reactor, together with a solution of soda ash and lime slurry, reagents which will react with the contaminants in the brine and precipitate as magnesium hydroxide ($Mg(OH)_2$) and calcium carbonate ($CaCO_3$). This reaction also occurs at 60°C. A polishing filter removes the fine solids.

Further polishing of the solution is achieved with an ion exchange resin, to remove the last of the impurities. After the three stages of impurities removal, the polished, concentrated lithium brine is fed to agitated reactors that operate at 85°C with the addition of a soda ash solution, to precipitate the lithium present in the brine as lithium carbonate. The high temperatures favour the precipitation of Li_2CO_3, and the agitation in these reactors is key for the formation of adequate Li_2CO_3 crystals. From the outlet flow of the reactors, a pulp that contains precipitated solid Li_2CO_3 as well as liquid solution is sent to a filter where the solid Li_2CO_3 product is washed.

Final product is dried, milled and bagged as per customer requirements. Product is stored temporarily on site to load trucks for delivery to customers.

Project Layout & Infrastructure

The Candelas Project has developed a layout allowing for the ponds to not interfere with the aesthetics of the Rio De Los Patos river channel and the main thoroughfare in the region. The brine wells are located within the river channel, whilst the evaporation ponds system, lithium carbonate plant, water wells, camp, etc. are located between 150 and 300 m uphill from the valley floor. The location of the evaporation ponds should be further investigated, Galan would seek for additional favourable terrain to improve the project future economics.

The raw brine flow coming from the wells field will be collected by a tank from where it will be pumped 150 m uphill to the buffer pond. From this first pond, the brine will commence the evaporation sequence through the ponds system.

Figure 4 shows the Candelas Ponds layout

The evaporation ponds system has an effective evaporation area of 509 Ha. The system has been designed to fit with the topography, and the brine flow between ponds will be mainly carried out through gravity where the pumping between ponds will be minimised.

The lithium carbonate plant was located next to the ponds reservoir and close to the main access to the project. The totality of the utilities (water, power, reagent plants, etc.) are located in the same area.

The administration area including the camp, mess, offices, warehouse, etc. is also situated within walking distance of the lithium carbonate plant.

Water Supply

The industrial water source to serve the Project will come from the nearby area of Candelas South where there is ample fresh water supply that has been modelled to be amenable to RO treatment.

Power Supply

Galan has defined that for this Project, diesel generators will provide the electrical energy required for all areas. An estimation of electrical installed power and energy consumption was carried out by Ad Infinitum from the equipment list.

The installed electric power capacity is 10.2 MW at nameplate, before derating for altitude. This power demand is higher than HMW because of the necessity to pump the raw brine flow uphill but Galan will seek for better solutions in the next phase of The Project. Galan is also investigating and analysing the usage of renewable, green power in the next step of the study development of The Project. This alternative, including the use of natural gas, would have the potential to decrease the operating cost and CO_2 footprint of the Project.

Diesel Storage

The Project design has included a dedicated area to accommodate the reception and storage of diesel. This facility is conveniently located close to the electric power plant. The supply of diesel for the salt harvest mobile equipment will be executed through the usage of diesel supply trucks which should be filled also at the dedicated diesel storage and distribution facility.

Workshop

The Project considers a workshop facility to serve the salt harvest mobile equipment fleet and to provide general support for maintenance services of the lithium carbonate plant, reagent plants and other facilities.

Reception, Handling, Storage and Distribution of the Main Supplies

The infrastructure facilities of the Project have included all the items for the reception, handling, storage and distribution of the main supplies, including reagents and diesel. The design of these facilities is based on proven technology used for similar projects and operations within the industry.

Camp and Administration Area

The Project infrastructure considers the camp to accommodate 200 permanent people to run the operations. The administration area also includes the access gate, office, mess, crib room, nursery, entertainment and warehouse.

Sewage and Waste management

The Project infrastructure considers the appropriate facilities to treat the domestic and industrial waste.

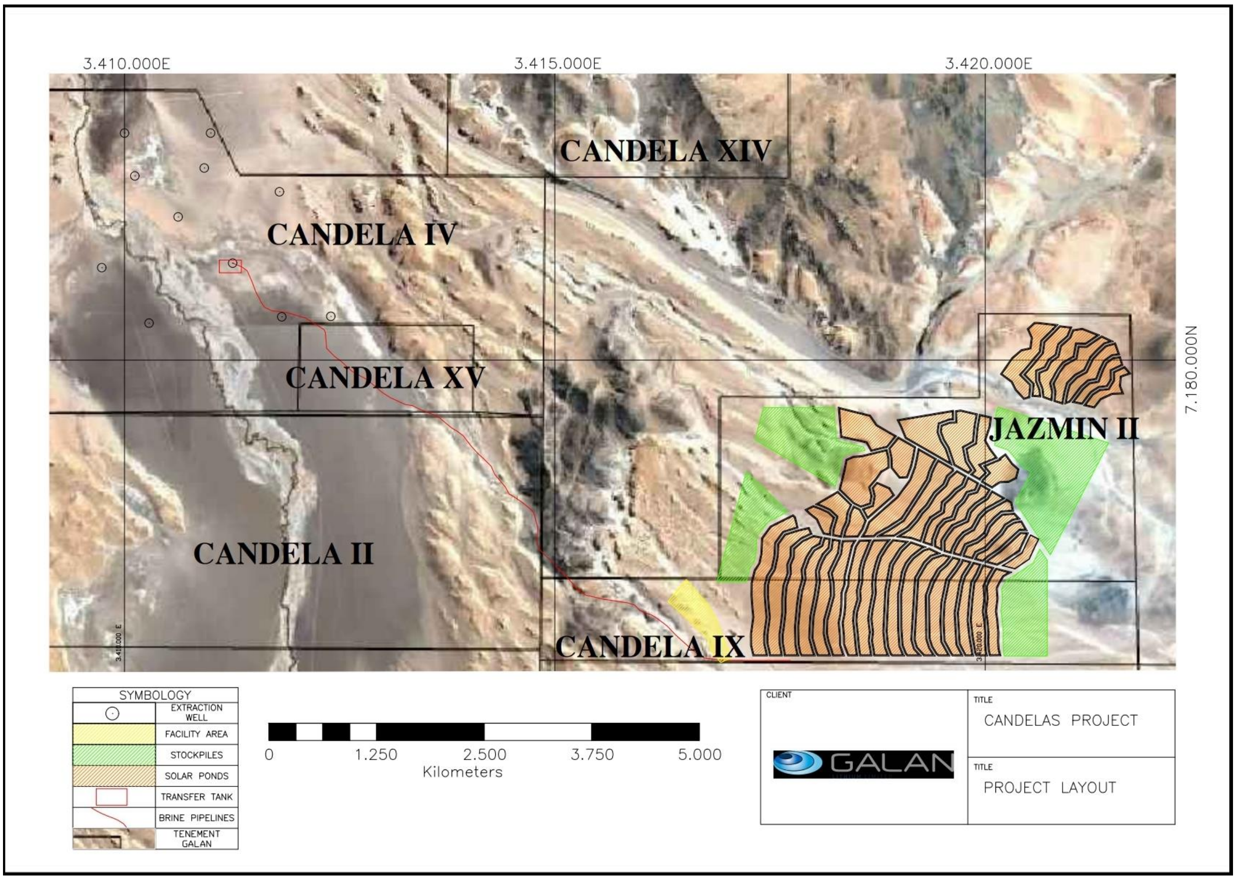

Figure 4: Candelas Ponds Layout

Project Access and Product Transport

There are existing roads allowing an easy access to the Project for personnel, equipment and supplies from Catamarca and Salta provinces. The project should build a main access road of 5 km from the wells field to the main facilities (evaporation ponds system, lithium plant, administration area, etc.).

The import of reagent, equipment and other supplies will be shipped via the Antofagasta port in Chile. The export of the lithium carbonate product will also use the same route. There are two existing border crossings close to the Project, "Paso de Jama" and "Paso de Sico". A rail facility also exists for the transport of equipment and supplies from Pocitos to Antofagasta. Pocitos is located only 130 km north of the Project.

Environmental and Social Studies

The Candelas Project has an existing permit to run exploration and project studies related activities. Galan is analysing the environmental footprint for The Project in order to organize the coming activities.

Market and Contracts

The battery grade lithium carbonate price forecast (for the period 2025-2040) utilised to run the economic evaluation of The Project was taken from the 18th Edition Update 1 - October 2021 (v2) of the Lithium Market developed by Roskill (*). Galan has assumed a conservative view to long term lithium pricing. As a result, Galan has taken a mid-point between the long-term pricing between the 17th and 18th Editions from Roskill of US$18,594/t.

Roskill expects contract prices for lithium carbonate battery grade and hydroxide to remain near to or above US$25,000/t on a long-term real (inflation adjusted) basis. After softening in 2019 and 2020, prices on a nominal basis the long-term lithium carbonate battery grade price is projected to rise to around US$30,000-40,000/t .

Strong demand growth for refined lithium products is forecast to be sustained by expanding production, new market entrants and the draw-down of stockpiled material through to 2026, though a fundamental supply deficit is expected to form in the late 2020s. Significant further investment in expanding production capacity at existing operations, in addition to new projects and secondary lithium sources will be necessary to meet projected demand growth through to 2030.

Figure 5 displays the forecast of the lithium carbonate price.

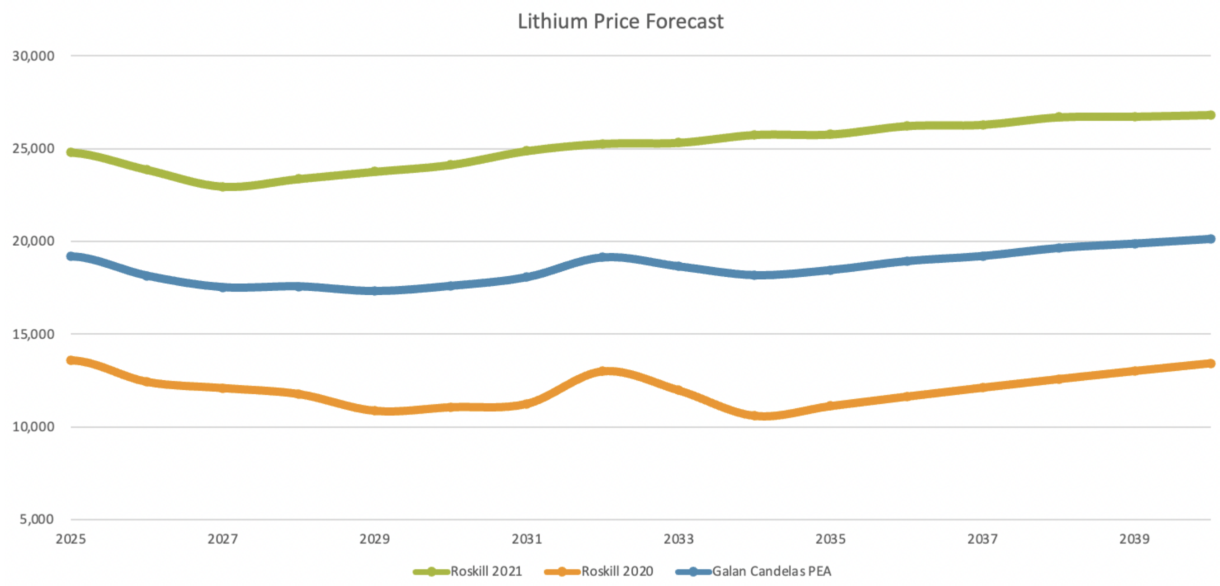

Figure 5: Long Term estimate of the Contracted Price of Battery Grade Li_2CO_3 Developed by Roskill

The average lithium carbonate price for the period 2025-2040 is US$18,594/t. This price is estimated on a real base, excluding the impact of the inflation.

(*) Roskill was formed in 1930 and have a rich heritage in understanding complex commodity supply chains and global trends and translating our knowledge into meaningful insights.
The company's global team is headquartered in London and boasts representation across six continents. Roskill were acquired by Wood Mackenzie in June 2021, combining the two companies' capabilities in order to provide comprehensive, integrated analysis, data, and insight from across the value chain.

Capital (CAPEX) Estimate

Scope of the Capital Cost Estimate

The estimation includes direct and indirect project costs, owner costs and contingency.

Technical Scope

The present study addresses the design at a PEA level for the construction of a battery-grade Lithium Carbonate Production Plant, which mainly considers brine extraction wells, solar evaporation ponds, brine treatment plant, purification plant for magnesium, calcium and boron, lithium carbonate plant, drying, micronizing, packing and storage of lithium carbonate for an annual production of 14,000 tonnes.

General

To estimate the CAPEX of all items included in the project scope, the following calculation base has been used:

- Direct Construction and Assembly Costs: considers procurement or supply, assembly labour, construction equipment, permanent construction materials and consumables, as well as Indirect Contractor costs such as mobilisation and demobilisation of construction equipment and temporary facilities, administration and supervision, transportation and feeding of personnel, general expenses and contractor profits.

- Indirect Project Costs: consider freight and insurance, capital spare parts, entry rights, supplier representatives, first filling, engineering and studies, services and EPCM, start-up and owner costs.

- Contingency: estimate based on a percentage of the total cost, according to cost engineering standards.

All the costs of the estimate are expressed in US dollars (US$). The US$-Argentinian Peso exchange rate used in the PEA was 1 US $ = 99.4 ARS (23 October 2021).

This rate was taken from the official website of the Banco de la Nación de la República Argentina.

The contingency was calculated as a percentage of the total cost according to engineering standards. Due to the level of engineering development, a contingency of 25% is defined for this project.

The following items were excluded from the CAPEX estimate:

- Depreciation and amortisation.
- Financial costs.
- Costs or provisions for escalation.
- Costs for processing permits.
- Working capital.
- Costs for closure of works.

The CAPEX is based on information available in October 2021. The capex estimate should cover the precision range established for a PEA study (profile), as defined by NI43-101. Typical range of precision for PEA studies (profile): ± 30 - 50%. For this study an accuracy of + 30%, -15% is considered.

The origin of prices for costs of equipment, materials and third-party subcontracts have been obtained from reference data taken from similar projects.

The origin of quantities was obtained from similar engineering designs carried out for other projects and referential estimates/factorisations.

The following information is used to estimate CAPEX:

- Ad Infinitum methodologies and procedures.
- Equipment List.
- Preliminary execution strategy and benchmark construction programs.
- Estimates of materials and works carried out for the project and other reference projects.
- Ad Infinitum database.
- Other background and definitions of Galan.

For the Candelas Project, no equipment or material quotes were sourced to estimate CAPEX. The information used is only based on information from the Ad Infinitum database, as well as reference prices of other projects recently carried.

Capex Estimate Results

The total investment cost of the project is estimated at US$M 407.7 which is broken down into direct, indirect and contingency costs. This value includes the following estimates:

- Direct project costs equal to US$M 302.0, equivalent to 74.1% of the total CAPEX value.
- Indirect project costs equal to US$M 30.2, equivalent to 7.4% of the total value of CAPEX.
- Project contingency equal to US$M 75.5, equivalent to 18.5% of the total value of CAPEX.

Table 3 presents a summary of the capital cost estimate (CAPEX) required for the implementation of the Candelas Project in accordance with the scope developed and all the information available in this stage.

Table 3: Capital Cost Estimate of Candelas Project

Description	**US$ M**
Brine Wells and Brine Transport	20.6
Evaporation Ponds System	143.2
Ponds Reagent Plant	11.2
Lithium Carbonate Plant	51.9
Lithium Carbonate Reagent plants	12.3
Utilities	29.1
Infrastructure	33.7
Total Direct Cost	**302.0**
Total Indirect Cost	30.2
Total Capex without contingency	**332.2**
Contingency (30%)	75.5
Total Capex	**407.7**

Operating Cost (OPEX) Estimate

The scope for the Candelas Project considers the development of engineering documents that are necessary for the elaboration of a study at the PEA level, specifically for a Lithium Carbonate Plant, which will produce 14,000 tpa of battery grade Li_2CO_3.

The estimate of the operating cost considered base information provided by Galan and third parties, engineering deliverables developed by Ad Infinitum and price inputs from representative sources of the current market which were validated by both Ad Infinitum and Galan.

For this study, an accuracy of + 30%, -15% is considered for OPEX costs.

The battery limits to be considered for the development of the operating cost estimate are:

From : In situ brine feed from Candelas brine wells.
To : Final product of Lithium Carbonate, battery grade CIF to China

The following general definitions are to be considered in this announcement:

- Direct operational costs: expenses associated with the project that are directly associated with the main production of the process. These expenses include supply and consumption, mainly related to reagents and energy, as well as workforce, personnel costs (salary), food services, lodging for personnel, among others.

- Indirect operational costs: all general business and administrations associated expenses that support the operation of the plant. Among these are the rental of offices, administration personnel costs (overhead salary) and personnel transport.

Based on all information developed, an OPEX estimation was calculated for the project.

The OPEX is presented in Table 4.

Table 4: Operating Cost Estimate of Candelas Project

Description	**US$/t LCE**
Reagents	1,344
Water	60
Salt Harvesting and Stockpiles	466
Power and Diesel	892
Wages	361
Transport	204
Camp and Mess	184
Maintenance	465
Direct Costs	**3,976**
G&A	301
Total	**4,277**

A brief explanation of the operating cost items are as follows:

Reagents
This cost item contains the totality of the reagents require for the operation of both the evaporation ponds system and lithium carbonate plant.

Salt Removal and Transport
This cost item includes the extraction of the precipitated salts from the ponds and the subsequent transport of this material to the designated stockpiles.

Power and Diesel
The energy consumption is associated with all electrical consumption required for the Project. Diesel is required for site vehicles and salt harvesting. As described above, the power is considered to be diesel with future studies looking to harness renewables for much of the site power needs.

Manpower
Both the number of personnel or manpower considered for the project but excluding the salt harvesting personnel which is included in the salt removal and transport cost item and the G&A personnel which is included in the general & administration item.

Transport
The transport costs consider the transport of the final product from the warehouse located on site to the shipping location of Antofagasta port in Chile.

Catering and camp services
This item includes all costs related to catering for personnel located on site, as well as the camp services that must be considered for the workforce that works in shifts.

Maintenance
The maintenance costs calculated for the Project are related to a relative annual maintenance cost associated with each area.

Candelas Project Within the Lithium Cost Curve

The lithium carbonate equivalent cost curve was prepared by Roskill based on the information updated to September 2021.

The All-in Production cost includes the cash operating cost plus the sustaining capex and royalty cost adjusted to a lithium carbonate price of US$12,500/t.

Figure 6 displays the lithium carbonate equivalent cost curve and the location of the Candelas Project as well as HMW project within the industry cost curve. The cost curve shows that Galan's Projects could be a low-cost competitive solution as both projects sit within the first half of the cost curve

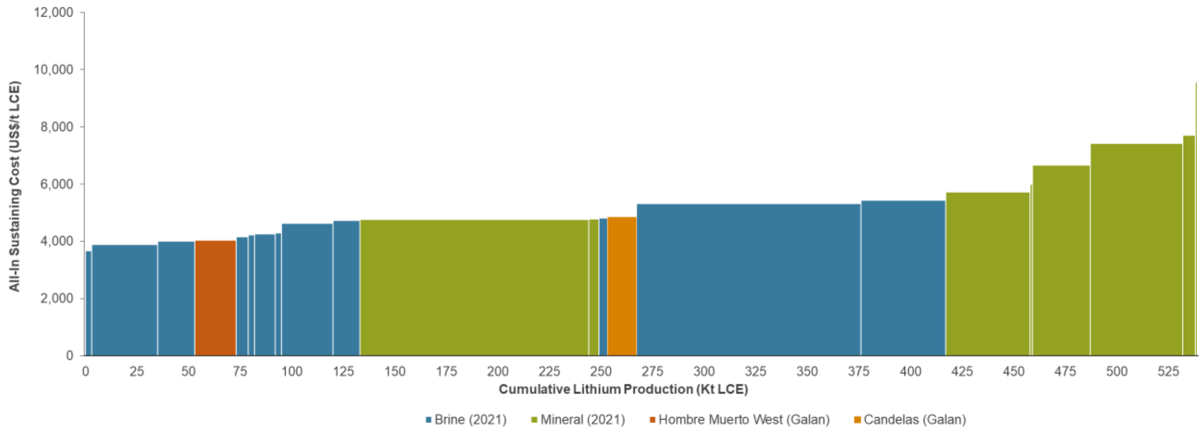

Figure 6: Lithium Production Cost Curve (source: Roskill – Lithium Cost Model Service)

Note: 2021 costs have been adjusted to reflect a royalty rate for a lithium carbonate price of US$12,500/t with Candelas costs inclusive of royalty rate at the price received.

Project Timetable

Galan has defined a base program to perform additional studies for Candelas Project prior to make any investment decision. These studies may involve a PFS and FS stages. In parallel, the definition and completion of the EIA study and subsequent application for the exploitation permit will be conducted.

The base of this Study has assumed to be a stand-alone and independent from the Study and/or potential development of the HMW project. Galan needs to review and rank which project would be developed first. Furthermore, the Galan has now two potential production fronts and would also review to integrate Candelas Project with the more advanced HMW Project.

The commencement of the construction is assumed for Q1 of 2025 subject to the approval of the exploitation permit and successful completion of the financing activities. The construction and commissioning should take two years to allow the project the start of production early 2027.

Economic Evaluation

The economic evaluation of the Candelas Project was conducted by Galan and Ad Infinitum following the industry standards for this type of exercise. A discount rate of 8% was utilised for running the evaluation.

The forecast of lithium carbonate prices for the period 2025-2040 utilised for the economic evaluation was provided by Roskill. The lithium carbonate price for the period beyond 2041 a continuation of this price.

The tax and royalty assumptions were provided by Galan.

No potential potassium credits were included in the economic evaluation.

The key assumptions and results of the economic evaluation are displayed in Tables 5 and 6 respectively.

Table 5: Key Assumptions Utilized for the Economic Evaluation

Assumption	Units	Values
Lithium Carbonate Production	tonnes/year	14,000
Project Life Estimate	Years	25
Discount Rate	%	8
Royalty	%	3
Corporate Tax	%	35
Dividend Payment Withholding Tax	%	7
Capital Cost (CAPEX)	US$M	408
Sustaining Capital	US$M	99
Average Annual Operating Cost (OPEX)	US$/tonne	4,277
Average Li_2CO_3 Selling Price (2025-2040)	US$/tonne	18,594
Weighted Average Li_2CO_3 Selling Price LoM	US$/tonne	19,392

Table 6: Economic Evaluation Results of Candelas Project

Parameters	Units	Values
Average Income	US$M	261
Average Provincial Royalty	US$M	8
Average Operating Expenses	US$M	58
Average Corporate and Withholding Taxes	US$M	70
Average Annual EBITDA	US$M	188
Average Annual Operational Free Cash Flow	US$M	126
Pre-Tax Net Present Value (NPV)	US$M	1,225
After-Tax Net Present Value (NPV)	US$M	660
Pre-Tax Internal Rate of Return (IRR)	%	27.9
After-Tax Internal Rate of Return (IRR)	%	20.9
Payback Period (After-Tax)	Years	4.75

Sensitivity Analysis

The sensitivity of the economic evaluation of Candelas Project was analysed for the most important parameters. Tables 7 and 8 display the variation of the NPV and IRR respectively when the most important parameters fluctuate within the range of -25% and +25%.

Table 7: Sensitivity of the NPV After Tax

Driver Variable	Base Case Value		NPV After Tax				
			Percentage of Base Case Value				
			75%	90%	100%	110%	125%
CAPEX	US$ m	408	735	692	660	628	586
Li_2CO_3 Price	US$/tonne	19,392	337	533	660	792	982
Li_2CO_3 Production	Tonnes/annum	14,000	396	540	660	759	907
OPEX	US$/tonne	4,277	741	692	660	628	585

Table 8: Sensitivity of the IRR

Driver Variable	Base Case Value		IRR				
			Percentage of Base Case Value				
			75%	90%	100%	110%	125%
CAPEX	US$M	408	25.5%	22.6%	20.9%	19.5%	17.8%
Li_2CO_3 Price	US$/tonne	19,392	15.4%	18.9%	20.9%	23.0%	25.8%
Li_2CO_3 Production	tonnes/annum	14,000	16.8%	19.1%	20.9%	22.4%	24.6%
OPEX	US$/tonne	4,277	22.3%	21.5%	20.9%	20.4%	19.6%

Next Steps

Galan sees a great potential in improving on the results of the Preliminary Economic Assessment of the Candelas Project. The following activities could unlock additional value:

- Drilling wells and running brine pumping tests to include in hydrogeological model of Candelas
- Initiate evaporation test work
- Seek alternative locations for the evaporation ponds system
- Analyse options for reducing the energy consumption
- Optimise the project layout for capital reductions
- Evaluate the option of producing lithium chloride concentrate only
- Analyse potential synergies between Candelas and Hombre Muerto West Projects

The Galan Board has authorised this release.

For further information contact:

Juan Pablo ("JP") Vargas de la Vega
Managing Director
Email: jp@galanlithium.com.au
Tel: +61 8 9322 6283

Terry Gardiner
Non-Executive Director
Email: TGardiner@galanlithium.com.au
Tel: + 61 4000900377

About Galan

Galan is an ASX listed company exploring for lithium brines within South America's Lithium Triangle on the Hombre Muerto salar in Argentina. Hombre Muerto is proven to host the highest grade and lowest impurity levels within Argentina and is home to Livent Corporation's El Fenix operation and Galaxy Resources and POSCO's Sal de Vida projects. Galan has three projects:

Candelas: a ~15km long by 3-5km wide valley filled channel which project geophysics and drilling have indicated the potential to host a substantial volume of brine and over which a maiden resource estimated 685kt LCE (Oct 2019). Furthermore, Candelas has the potential to provide a substantial amount of processing water by treating its low-grade brines with reverse osmosis, this is without using surface river water from Los Patos River.

Hombre Muerto West (HMW): a ~14km by 1-5km region on the west coast of Hombre Muerto salar neighbouring Livent Corp to the east. HMW is currently comprised of seven concessions – Pata Pila, Rana de Sal, Deceo III, Del Condor, Pucara, Catalina and Santa Barbara. Geophysics and drilling at HMW demonstrated a significant potential of a deep basin. In March 2020, a maiden resource estimate delivered 1.1Mt of LCE for two of the largest concessions (Pata Pila and Rana de Sal). That resource now sits at 2.3Mt of LCE with exploration upside remaining for the rest of the HMW concessions not included in the current indicated resource.

Greenbushes South Lithium Project: Galan has an Exploration Licence application (E70/4629) covering a total area of approximately 43 km2. It is approximately 15kms to the south of the Greenbushes mine. In January 2021, Galan entered into a sale and joint venture with Lithium Australia NL for an 80% interest in the Greenbushes South Lithium project, which is located 200 km south of Perth, the capital of Western Australia. With an area of 353 km2, the project was originally acquired by Lithium Australia NL due to its proximity to the Greenbushes Lithium Mine ('Greenbushes'), given that the project covers the southern strike projection of the geological structure that hosts Greenbushes. The project area commences about 3km south of the current Greenbushes open pit mining operations.

Figure 7: HMW Project looking north from Pata Pila

Competent Persons Statements

Competent Persons Statement 1

The information contained herein that relates to exploration results and geology is based on information compiled or reviewed by Dr Luke Milan, who has consulted to the Company. Dr Milan is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Milan consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

Competent Persons Statement 2

The information contained herein that relates to project background, brine extraction method, recovery method, project layout and infrastructure, capex estimate, opex estimate and economic evaluation have been directed by Mr. Marcelo Bravo. Mr. Bravo is Chemical Engineer and managing partner of Ad-Infinitum Spa. with over 25 years of working experience and he is a Member of the Chilean Mining Commission and has sufficient experience which is relevant to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bravo consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

Competent Persons Statement 3

The information in this report that relates to the Mineral Resources estimation approach at Candelas and Hombre Muerto West was compiled by Dr Cunningham. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

JORC Code, 2012 Edition – Table 1
Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Drill core was recovered in 1.5 m length core runs in core split tubes to minimise sample disturbance. Core recovery was carefully measured by comparing the measured core to the core runs. • Drill core was undertaken along the entire length of the holes to obtain representative samples of the stratigraphy and sediments that host brine. • Water/brine samples from target intervals were collected by either the Packer or Bailer tests. Bailer tests; purge isolated sections of the hole of all fluid a total of five times to minimise the possibility of contamination by drilling fluid (fresh water), although some contamination (5-15%) may occur. The hole is then allowed time to refill with ground water. On the fifth purge the sample for lab analysis is collected. The casing lining the hole ensures contamination with water from higher levels in the borehole is likely prevented. Packer tests utilise a straddle packer device which isolates a discrete interval and allows for sampling purely from this interval. Samples were taken from the relevant section based upon geological logging and conductivity testing of water. • Water/brine samples were collected from multiple intervals as listed in tables 1 and 2. • Conductivity tests are taken on site with a field portable Hanna Ph/EC/DO multiparameter. • Density measurements were undertaken on site with a field portable Atmospheric Mud Balance, made by OFI testing equipment.

Criteria	JORC Code explanation	Commentary
		• Downhole geophysical profiling was conducted using a Ponti Electronics MPX-14Multiplex Well Logger.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	• Diamond drilling with internal (triple) tube was used for drilling. The drilling produced core with variable core recovery, associated with unconsolidated material. Recovery of the more friable sediments was difficult, however core recovery by industry standards was very good. • Fresh water is used as drilling fluid for lubrication during drilling.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Diamond drill core was recovered in 1.5m length intervals in triple (split) tubes. Appropriate additives were used for hole stability to maximise core recovery. The core recoveries were measured from the core and compared to the length of each run to calculate the recovery. • Brine samples were collected over relevant sections based upon the geology encountered and ground water representation. • Brine quality is not directly related to core recovery and is largely independent of the quality of core samples. However, the porosity and permeability of the lithologies where samples are taken is related to the rate of brine inflow.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged.	• The core is logged by a senior geologist and contract geologists who are overseen by the senior geologist who also supervised the taking of samples for laboratory analysis. • Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies. Cores are split for sampling and are photographed.

Criteria	JORC Code explanation	Commentary
		• All core was logged by a geologist
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	Bailer sampling: • Utilises a stainless steel hollow 3m-long tube with a check valve at the bottom. The hole was first purged by extracting a calculated volume of liquid (brine and drilling mud) to ensure that sampled brine corresponds to the sampled depth. Once the calculated volume was extracted and brine was clear, samples were collected in plastic bottles and delivered to the laboratories. The lower part of the sampling hole section was temporarily sealed during purging and sampling. A total of 1 Bailer samples were obtained. Double packer sampling: • Water/brine samples were collected by purging isolated sections of the hole of all fluid in the hole, to minimise the possibility of contamination by drilling fluid, then allowing the hole to re-fill with ground waters. Samples were then taken form the relevant section. • Duplicate sampling is undertaken for quality control purposes Airlift sampling: • Utilises an airline that delivers compressed air to the end of the drill string (drill bit) within the drill hole. The compressed air is pumped into the air line and this lifts the water/brine sample up the rod string and is subsequently captured at the surface.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis	• The Alex Stewart International laboratory located in Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected. • The Alex Stewart International laboratory is ISO 9001 and ISO 14001 certified and is specialised in the chemical analysis of brines and

Criteria	JORC Code explanation	Commentary
	including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	inorganic salts, with considerable experience in this field. • The SGS laboratory was used for secondary check analyses and is also certified for ISO 14001
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Field duplicates, standards (synthetic brines) and blanks are used to monitor potential contamination of samples and the repeatability of analyses. • Sub-sample duplicates are also being transported to a second reputable industry standard laboratory in country for check analysis • Duplicate brine samples were submitted to the same laboratory to confirm laboratory repeatability as part of the Quality Assurance and Quality Control (QA/QC) procedure. To date, a total of four duplicate samples were submitted during the exploration program • Comparison of the duplicate samples suggests that the samples are being analysed similarly; large differences between the results for the duplicate samples do not occur. In addition to the duplicate samples, a total of 13 blank samples, and 11 standard samples were submitted during the program. None of the blank samples reported lithium concentrations above the detection limit, and the average error for the lab results compared to the 11 standard sample values were all within control. • Based on the results of the duplicate, blank and standard samples, it was concluded the laboratory results were sufficiently precise and accurate for mineral resource estimation

Criteria	JORC Code explanation	Commentary
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• The survey locations were located using modern Garmin handheld GPS with an accuracy of +/- 5m. • For accuracy and certainty drill holes are located with two GPS devices one using latitude and longitude and the other map coordinates. • The grid System used by Quantec: POSGAR 94, Argentina Zone 3 • Topographic control was obtained by handheld GPS, and the topography is mostly flat with very little relief. SRTM was used for modelling purposes.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Water/brine samples were collected within isolated sections of the hole based upon the results of geological logging.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The brine concentrations being explored for generally occur as sub-horizontal layers and lenses hosted by sand, silt, clay, gravels and some conglomerate. Vertical diamond drilling is ideal for understanding this horizontal stratigraphy and the nature of the sub-surface brine bearing aquifers.
Sample security	• The measures taken to ensure sample security.	• Data was recorded and processed by trusted employees, consultants and contractors to the Company and overseen by senior management ensuring the data was not manipulated or altered. • Samples are transported from the drill site to secure storage at the camp on a daily basis.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• SRK has audited the exploration database and operation at the

Criteria	JORC Code explanation	Commentary
		Candelas Licence area including reviews of sampling techniques and data as part of their JORC mineral resource estimate report.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The Candelas Lithium Project consists of numerous licences located in Catamarca Province, Argentina. The tenements are owned by Blue Sky Lithium Pty Ltd ('Blue Sky'). The Company and Blue Sky executed a Share Sale Agreement whereby Galan Lithium Limited purchased 100% of the issued share capital of Blue Sky.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• There has not been any historical exploration over the Candelas licence area • Orocobre (formerly Galaxy Resources), who owns the Sal de Vida lithium brine resource situated to the north of Candelas with the Hombre Muerto salar, has conducted drilling within the Candelas channel approximately 1km east-northeast of Galan drillhole C-01-19.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Candelas licence area is located within a structurally controlled basin (graben) and is part of the Hombre Muerto salar. The salar hosts a world-renowned lithium brine deposit. The lithium is sourced locally from weathered and altered felsic ignimbrites and is concentrated in brines hosted within basin fill alluvial sediments and evaporites.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:	• Drillhole ID: C-01-19 Easting: 3,410,500 E Northing: 7,182,636 N Elevation: 4,001 m Vertical hole

Criteria	JORC Code explanation	Commentary
	• easting and northing of the drillhole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar • dip and azimuth of the hole • downhole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Hole Depth 401m • Drillhole ID: C-02-19 Easting: 3,411,354 E Northing: 7,173,415 N Elevation: 4,028 m Vertical hole Hole Depth 662m • Drillhole ID: C-03-19 Easting: 3,411,827E Northing: 7,180,502 N Elevation: 4,004 m Vertical hole Hole Depth: 454m • Drillhole ID: C-04-19 Easting: 3,411,063 E Northing: 7,177,449 N Elevation: 4,015 m Vertical hole Hole Depth 488m • Drillhole ID: C-05-19 Easting: 3,409,971 E Northing: 7,180,429 N Elevation: 4,008 m Vertical hole Hole Depth: 380m • Drillhole ID: C-06-19 Easting: 3,411,011 E Northing: 7,179,039 N Elevation: 4,010 m Vertical hole Hole Depth: 425m • Drillhole ID: C-07-19 Easting: 3,412,229 E Northing: 7,179,014 N Elevation: 4,010 m Vertical hole Hole Depth: 331m • Drillhole ID: C-08-19 Easting: 3,411,800 E Northing: 7,181,955 N Elevation: 4,018 m Vertical hole Hole Depth: 340.4m

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No weighting or cut off grades have been applied to the assay results. • Some averaging was carried out for overlapping Bailer and/or Packer sample intervals only.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. • If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• It is fairly assumed that the brine layers lie sub horizontal and, given that drillholes are vertical, the intercepted thicknesses of brine layers would be of true thickness.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	• Refer to maps, figures and tables in the Report
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced in order to avoid misleading reporting of Exploration Results.	• These assay results are from all 8 holes drilled at the project to date. However, hole 7 was excluded from resource estimates as it was located on a basement high.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations;	• All meaningful and material information is reported • Refer to previous ASX Company releases:

Criteria	JORC Code explanation	Commentary
	geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	ASX:GLN - 4 October, 2018 ASX:GLN - 11 March, 2019 ASX:GLN - 20 March, 2019 ASX:GLN - 4 April, 2019 ASX:GLN - 29 May, 2019 ASX:GLN - 2 July, 2019 ASX:GLN - 22 July, 2019 ASX:GLN – 1 October 2019
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Galan is intending to apply for permits to drill wells in Candelas North in 2022, to establish a hydrogeological model.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	**JORC Code explanation**	**Commentary**
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• All logs provided to SRK were imported and validated in Postgres SQL database server. • Boreholes are plotted in ArcGIS for plan generation. • All data is checked for accuracy. • For accuracy and certainty boreholes are located with two GPS devices one using latitude and longitude and the other map coordinates • Comparisons were made between samples and synthetic brines for the last batch of samples sent to SGS and Alex Stewart laboratories • Duplicate brine samples were submitted to the same laboratory to confirm laboratory repeatability as part of the Quality Assurance and Quality Control (QA/QC) procedure. Samples were also sent

Criteria	JORC Code explanation	Commentary
		to two different laboratories to confirm repeatability.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The CP visited the site from 22 to 26 July 2019 which included Hombre Muerto West. • The CP reviewed core and cuttings for Candelas. The CP consulted with exploration manager regarding details of the descriptions and lithologies • The CP reviewed locations and drilling and sampling practices whilst at site for Candelas.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• The borehole spacing, surface sampling and geophysics, gives a high degree of confidence in the geological model • The brine level is horizontal and physical parameters of density, temperature and pH along with time and depth were recorded during drilling to identify any variation and assist in sampling.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The extents of the resource is approximately 2.7 km (easting) by 9.5 km (northing) by 600 m (vertical), giving a total volume of 15,390 km3. •
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen, include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the	• Due to the nature of the mineralisation style, the long sample intervals, and the need for some averaging of overlapping samples, an Inverse Distance interpolation was deemed most appropriate at this stage. The search ellipse was flat and oriented north-south with ratios of 3:2:1 approximately. The search ranges were at a distance to ensure all blocks within the hydrogeologic domains were estimated. • Drainable porosity and downhole measurements of porosity were

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	used. Values were assigned to each hydrogeologic unit as follows: • Sand – 8% • Agglomerate – 8% • Fractured basement – 3% Total volumes of the hydrogeologic domains used for flagging the resource model are: • Sand – 1,624km3 • Agglomerate – 2,228km3 • Fractured basement – 975km3
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Lithium brine is a liquid resource, moisture content is not relevant to resource calculations
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• No cut-off grade was applied but the upper fresh and brackish water units were assumed to be zero. • Based on observations that the brine density and chemistry is relatively consistent below a depth of about 200 metres (base of ignimbrites), it was assumed that with depth, all parts of the salar between the top of unfractured basement and base of ignimbrites, will have saturated brine. A boundary between High Grade and Low Grade occurs at depths of around 300 m in the North zone and 400 m in the Central zone

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Potential brine abstraction is considered to involve pumping via a series of production wells • The sand and agglomerate units dominate the drainable brine resource. The CP believes that the transmissivity of future wells completed in these units would be favourable for extracting brine because of the assumed favourable aquifer conditions associated with these clastic units
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• The production of Lithium Carbonate (Li2CO3) from lithium brine has been demonstrated by a number of companies with projects in Argentina in close proximity to Candelas, for example Galaxy's Hombre de Muerto (NI 43-101 dated May 15th, 2018). It is assumed Galan would use similar methods to enrich brine to 99.6% lithium and produce Lithium Carbonate (Li2CO3)
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an	• A fresh and brackish water zone is believed to be due to inflow of fresh water into the salar from the south. • No factors or assumptions are made at this time. However, an environmental report has been accepted by the mining court for the tenement grant. • Environmental monitoring and reporting are ongoing

Criteria	JORC Code explanation	Commentary
	explanation of the environmental assumptions made.	
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Bulk density determination is not relevant for brine resource calculations as the drainable porosity or specific yield of the hydrogeologic units is the relevant factor for brine resource calculations. • Synthetic values of drainable porosity and specific yield values are obtained from downhole geophysics downhole geophysics (Zelandez) and includes all aquifer material. The CP did a comparison of similar aquifer material from other nearby projects as a check on the results, and where necessary modified accordingly. • A summary of samples including specific yield and modifications to the synthetic measurements per hydrogeological domain is provided in the main body of the report.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• All the estimated Resource is assigned as Indicated. This is consistent with recommendations by Houston et al., (2011) where they suggest that well spacing required to estimate a Measured Resource be no farther than 3-4 kilometres apart from each other. The high quality of geophysical survey data also demonstrates the continuity, and geometry of the brine acquirers at depth. • Given the relatively small size of the salar, the uniformity of the brine chemistry, and the relatively good stratigraphic understanding of the hydrogeologic units, it was believed by the CP that a Indicated category was justified for the North Zone which contains 6 exploration boreholes, although one hole was excluded for resource estimates. The Central domain, containing two exploration boreholes being far

Criteria	JORC Code explanation	Commentary
		apart and less support of geophysics, it is considered to be of Inferred Category.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• The Resource estimate was subject to internal peer review by SRK Consulting (Australasia) and Galan.
Discussion of relative accuracy/ confidence	• Where appropriate, a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• Samples were analysed by two separate laboratories and included duplicate brine samples that were submitted to both laboratories to confirm repeatability as part of the Quality Assurance and Quality Control (QA/QC) procedure. Based on the results of the duplicate, blank, and standard samples, the CP concluded that the laboratory results are reliable. • Given the relatively small size of the salar and the domains, the uniformity of the brine chemistry, and the relatively good stratigraphic understanding of the hydrogeologic units, the CP believes that a Measured category is justified • The sand and breccia units which dominate the drainable brine resource are believed by the CP to suggest that the transmissivity of future wells completed in these units would be favourable for extracting brine because of the assumed favourable aquifer conditions associated with these clastic units.