



GALAN
LITHIUM LIMITED

ASX ANNOUNCEMENT

3 May 2022

Presentation at RIU Sydney Resources Round-Up

Galan Lithium Limited (**ASX: GLN**) is pleased to advise that its Managing Director, JP Vargas de la Vega, will be presenting today at the RIU Sydney Resources Round-Up Conference.

Time: Noon AEST (10am AWST) Tuesday 3 May 2022.

A copy of Galan's updated presentation is attached.

The Board has authorised this release.

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About Galan

Galan Lithium Limited (ASX:GLN) is an ASX-listed lithium exploration and development business. Galan's flagship assets comprise two world-class lithium brine projects, HMW and Candelas, located on the Hombre Muerto salar in Argentina, within South America's 'lithium triangle'. Hombre Muerto is proven to host lithium brine deposition of the highest grade and lowest impurity levels within Argentina. It is home to the established El Fenix lithium operation (Livent Corporation) and the Sal de Vida (Allkem) and Sal de Oro (POSCO) lithium projects. Galan is also exploring at Greenbushes South in Western Australia, located just south of the Tier 1 Greenbushes Lithium Mine.



GALAN
LITHIUM LIMITED

DEVELOPING HIGH- GRADE LITHIUM BRINE PROJECTS IN ARGENTINA

Investor presentation

May 2022

ASX : GLN
FSX : 9CH

galanlithium.com.au



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Disclaimer and important information

This presentation has been prepared by Galan Lithium Limited.

The Preliminary Economic Assessments (PEA's) are preliminary technical and economic studies (equivalent to a JORC Scoping Study) of the potential viability of the Hombre Muerto West (HMW) and Candelas Lithium Brine Projects, required to reach a decision to proceed with more definitive studies. They are 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 a project's feasibility. The HMW and Candelas PEA's were 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's will be achieved.

To achieve the range of proposed feasibility studies and potential mine development outcomes indicated in the PEA's, additional funding will 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 its projects.

All of the material included in the mining schedules used in both PEA's are within Galan's Indicated Mineral Resources. Process and engineering works for both PEA's 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 $\pm 30\%$ on the 'factored cases' estimated figures and operating cost is $\pm 30\%$. Key assumptions used in the PEA's are outlined in the ASX announcements dated 30 November 2021 (Candelas) and 21 December 2020 (HMW). An updated HMW economic study was released to the market, entitled "Updated HMW Economic Study - NPV Increases to US\$2.2b", on 9 December 2021 where apart from a change to the average long term lithium price assumption (2024-2040) of US\$18,594/t LCE, all other original PEA assumptions were the same as those contained in the ASX announcement dated 21 December 2020. Galan has concluded it has a reasonable basis for providing the forward-looking statements in those announcements and this presentation. The Mineral Resources information in these PEA reports were extracted from the ASX announcements entitled "Huge Increase in Hombre Muerto West (HMW) Indicated Resource - Now Over 2 Million Tonnes" dated 17 November 2020 and "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 announcements 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 the ASX announcements dated 9 December 2021, 30 November 2021 and 21 December 2020 and this presentation. Investors should not make any investment decisions based solely on the results of the PEA's.

Cautionary Statement

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Rapidly advancing our leading Hombre Muerto Projects to production

The highest grade and lowest
impurity lithium brine assets
in Argentina



Corporate snapshot

Strong cash liquidity, tight share register

Market capitalisation

A\$511M

Shares on issue

304M

Net cash position

A\$59M

Unquoted Options

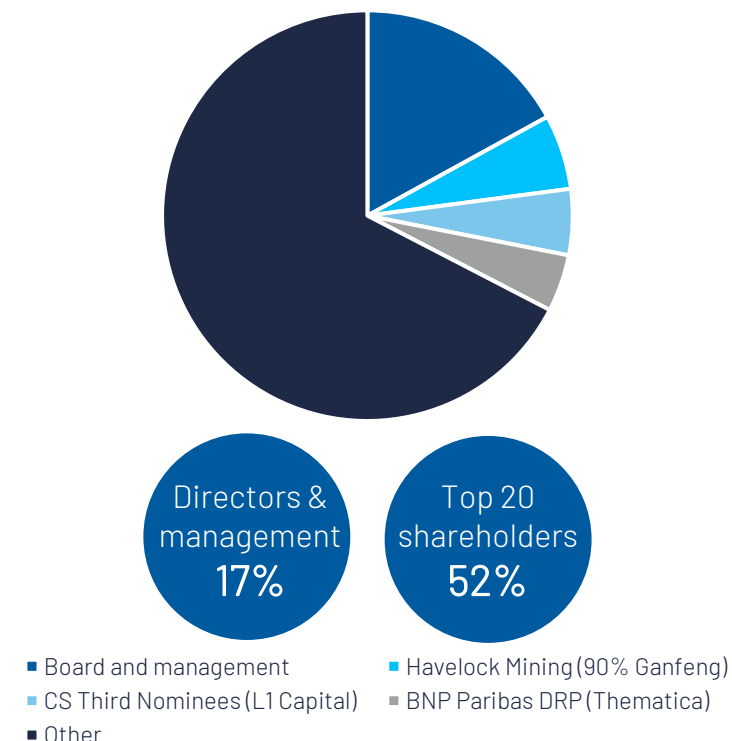
7M

Share price

A\$1.68



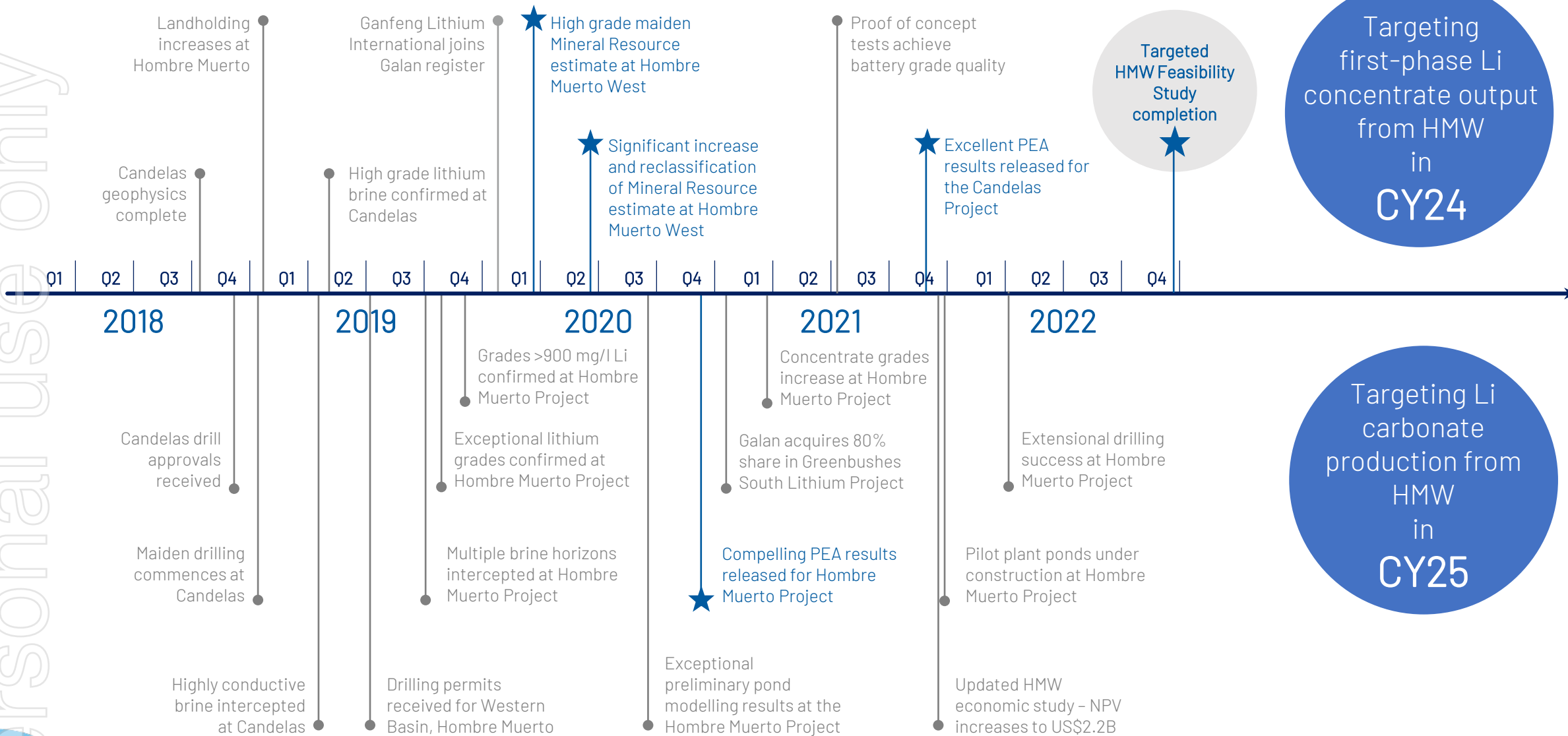
Major shareholders



Note: Net cash at 31 March 2022 shares on issue as at 19 April 2022, share price and undiluted market capitalisation as at 2 May 2022. Unquoted securities include 5,970,950 options exercisable at A\$0.21 expiring 7 October 2023, 500,000 options exercisable at A\$0.65 expiring 4 February 2024 and 500,000 options exercisable at A\$1.30 expiring 24 December 2024

Delivering on our commitments

Rapid dual-track project advancement (HMW and Candelas Projects)



The premier lithium developer

01

World-class location

Leading high grade, low impurity brine assets in Tier 1 lithium setting

02

Compelling economics

Detailed study work supports delivery of high return, low process risk projects

03

Sustainable supply

Low energy and low carbon lithium brine production footprint

04

Rapid project delivery

Fast track route to 34 ktpa base lithium carbonate production

05

Best in-class team

Highly experienced Board, management and in-country team

06

Further project pipeline

Hard rock lithium exploration upside

01 World-class location

Tier 1 geological endowment

Hombre Muerto Salar is perfectly positioned in Argentina's prolific Lithium Triangle

- Host to the world's largest lithium reserves
- Approx. 40% of total annual lithium production is from the Atacama (No. 1 globally) and Hombre Muerto (No. 2) salars
- Lithium 'elephant' country



01 World-class location

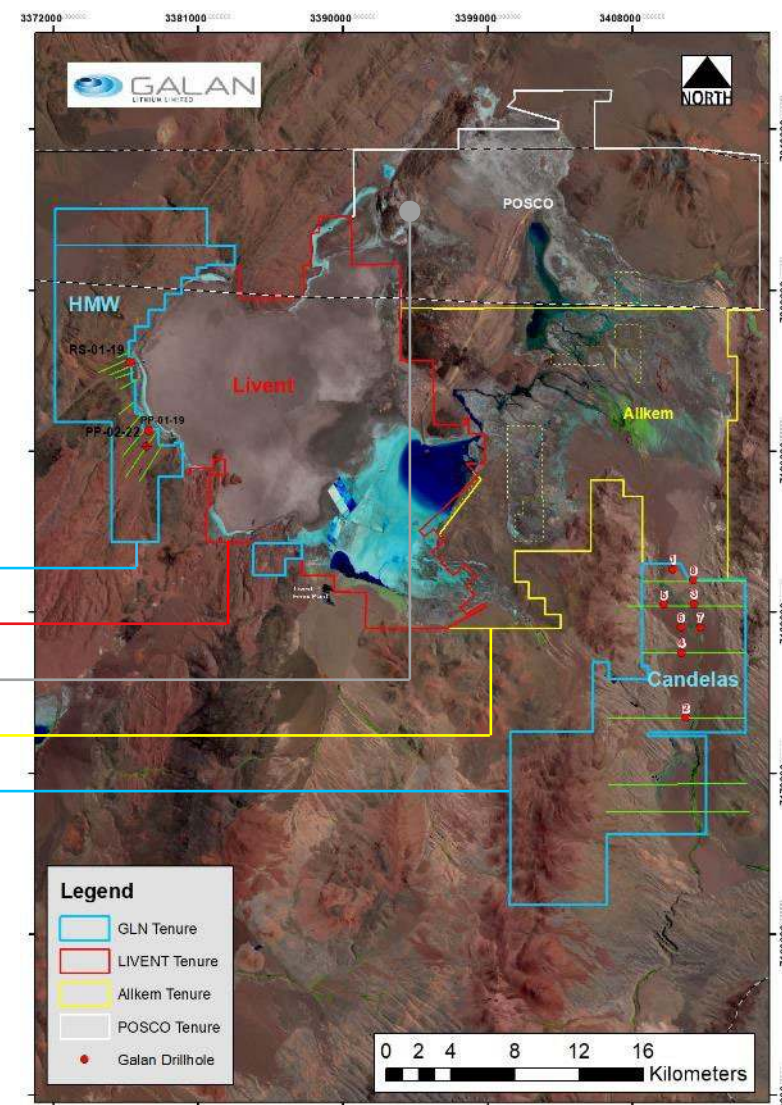
Highly strategic positioning

25+ year history of large-scale production from Livent with further development underway

- Substantial international investment in rapid development of new projects
- Significant infrastructure in place
- Excellent governmental and community support
- Both Galan projects completely unburdened by existing offtake, joint venture or royalty agreements – *highly strategic positioning*

Our projects border, or lie within a 20km radius of Livent, Allkem and POSCO tenure

- Galan HMW
- Livent
- POSCO
- Allkem
- Galan Candelas



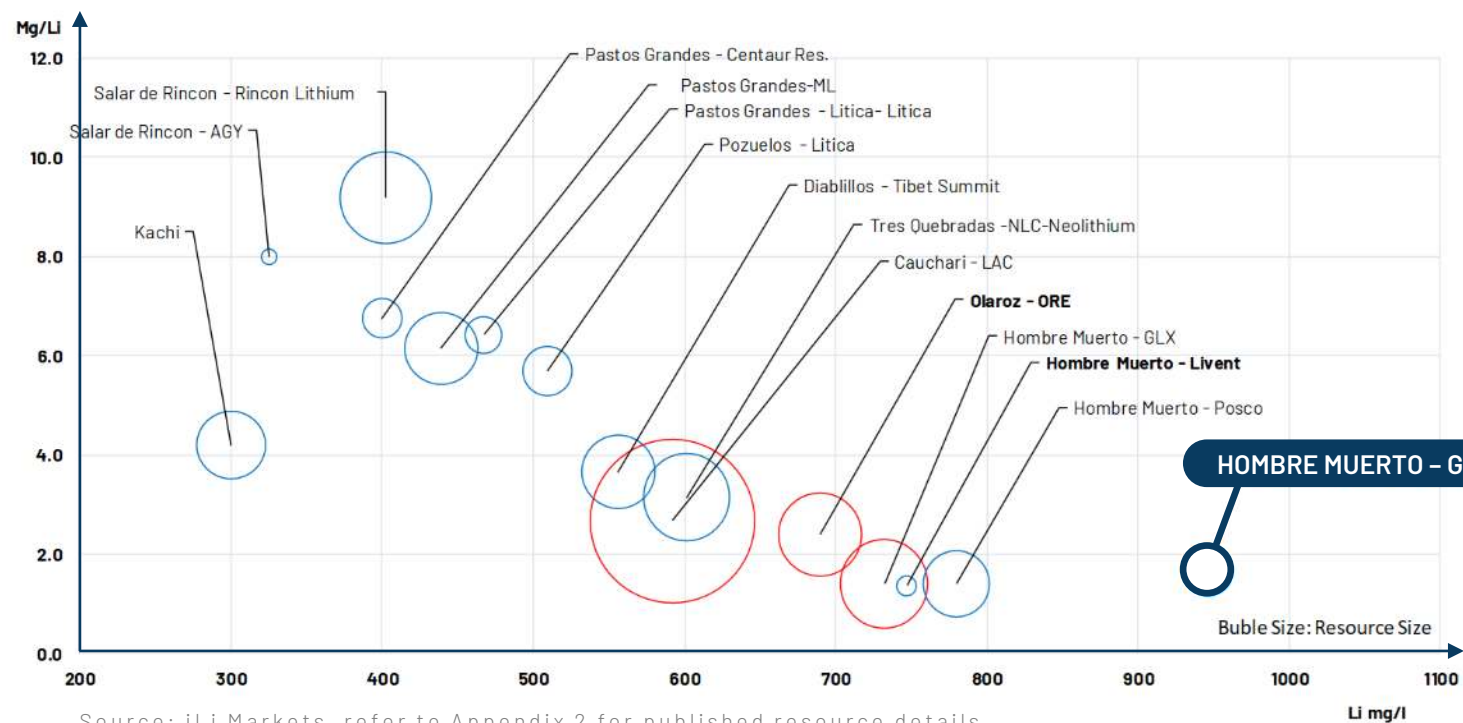
01 World-class location

High grade, low impurity brine assets

Our Hombre Muerto assets are amongst the very best brine projects

- Leading lithium grades matched with low potassium and magnesium concentrations
- Substantial exploration upside remains across Galan's tenure
- Current aggressive drilling program to grow resources further at HMW

Brine Resources Li (mg/l) vs Mg/Li ratio



02 Compelling economics

Strong, conservative PEA outcomes for 20 ktpa LCE development at HMW

Flagship HMW Project 100% ownership

- Low-risk, proven process technology
- Expected 20 ktpa Li_2CO_3 over +40 year life
- Updated PEA (Dec 2021) delivered compelling outcomes¹
- Unlevered pre-tax $\text{NPV}_{8\%}$ of US\$2,193M
- IRR of 37.5% with <3 year payback period
- Only 60% of Indicated Resource utilised in PEA – substantial output and life upside
- Feasibility Study (led by Hatch) on track for late Q4 CY22 delivery

| Preliminary Economic Assessment (December 2021) | UoM | Result |
|---|-------------|--------|
| Project life | Years | 40 |
| Steady state lithium carbonate production | Tonnes/year | 20,000 |
| Long term lithium carbonate price | US\$/tonne | 18,594 |
| Steady state average cash cost of production | US\$/tonne | 3,518 |
| Initial capital cost (including contingency) | US\$M | 439 |
| Steady state average annual EBITDA | US\$M | 287 |
| $\text{NPV}_{8\%}$ (after tax) | US\$M | 1,338 |
| IRR (after tax) | % | 33.1 |
| Payback from start of operations | Years | 2.75 |

1. Refer ASX announcements dated 21 December 2020 and 9 December 2021

02 Compelling economics

Piloting work to further de-risk HMW development and operation

HMW Pilot Plant operations commenced

- Construction of initial 3,000m² evaporation pond completed in April 2022
- Brine filling of pond complete and evaporation testing commenced
- Set to further de-risk an already highly established, proven process flow sheet



02 Compelling economics

Attractive Candelas growth project (+14 ktpa LCE)

Highly complementary Candelas Project 100% ownership

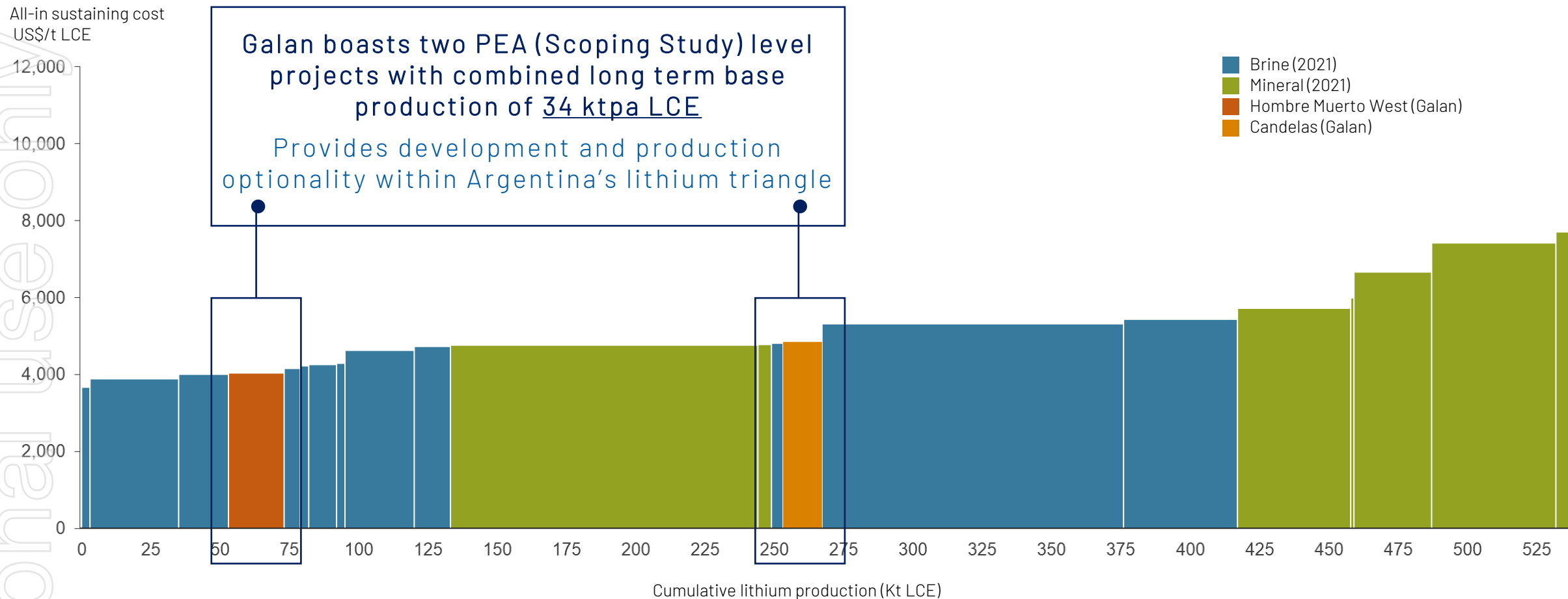
- Also low-risk, proven process technology
- **Expected 14 ktpa Li_2CO_3 over +25 year life**
- Strong PEA (Nov 2021) outcomes¹
- **Unlevered pre-tax NPV_{8%} of US\$1,225M**
- **IRR of 27.9% with 4 year payback period**
- Significant potential cost synergies and value enhancements available from integrated development; not captured in PEA
- **Further detailed study work from Q4 CY22**

| Preliminary Economic Assessment (November 2021) | UoM | Result |
|---|-------------------|---------------|
| Project life | Years | 25 |
| Steady state lithium carbonate production | Tonnes/year | 14,000 |
| Long term lithium carbonate price | US\$/tonne | 18,594 |
| Steady state average cash cost of production | US\$/tonne | 4,277 |
| Initial capital cost (including contingency) | US\$M | 408 |
| Steady state average annual EBITDA | US\$M | 188 |
| NPV _{8%} (after tax) | US\$M | 660 |
| IRR (after tax) | % | 20.9 |
| Payback from start of operations | Years | 4.75 |

1. Refer ASX announcement dated 30 November 2021

02 Compelling economics

Low-cost 34 ktpa base lithium carbonate output projected



Source: 2021 Lithium Production Cost Curve (source: Roskill - Lithium Cost Model Service)

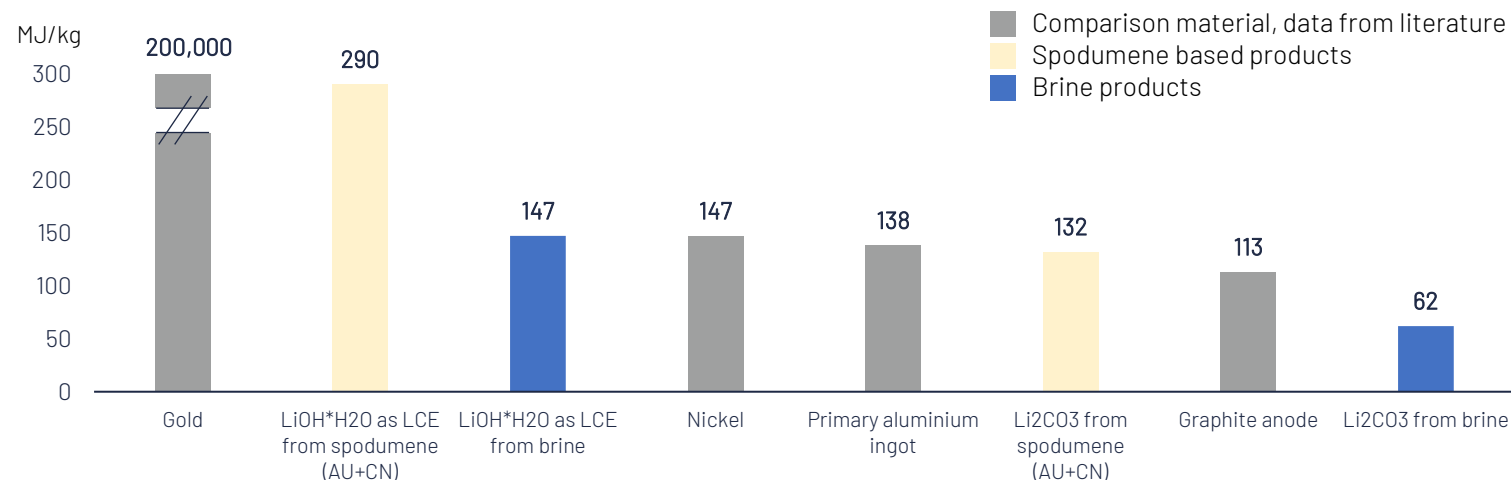
03 Sustainable supply

Low energy and low carbon lithium brine production footprint

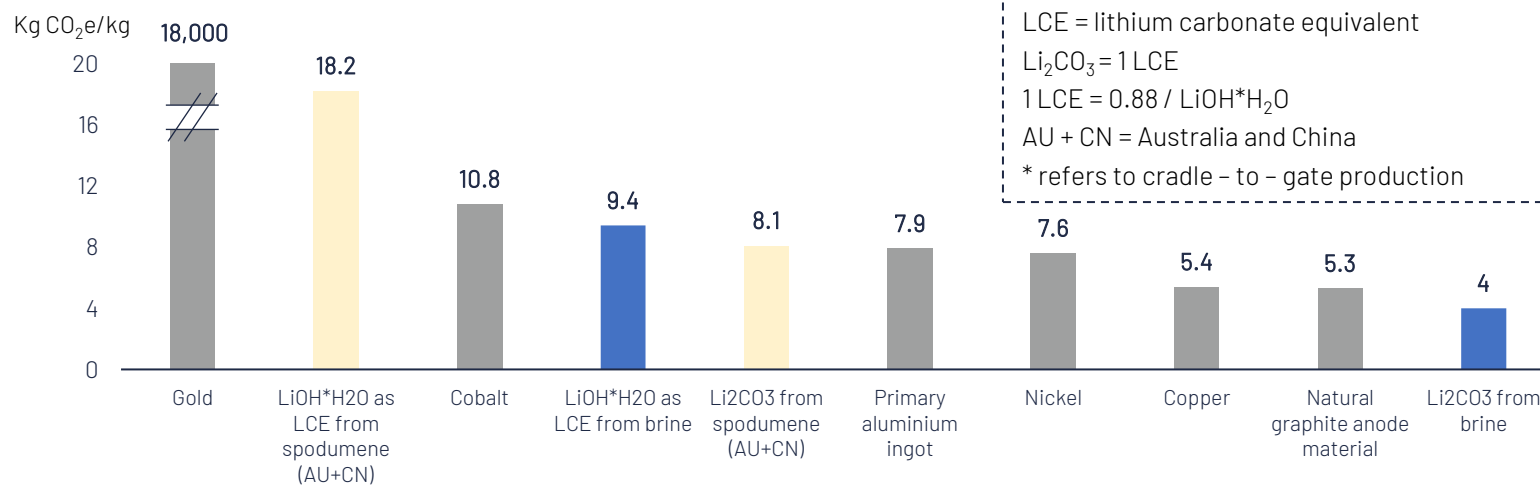
Attractive relative environmental footprint – low impact production

- Brine-based lithium production has superior environmental credentials than other critical materials
- Lower energy and carbon equivalent emissions compared to spodumene based lithium products

Comparison of energy consumption



Comparison of CO₂e emissions



Note:
 LCE = lithium carbonate equivalent
 $Li_2CO_3 = 1 \text{ LCE}$
 $1 \text{ LCE} = 0.88 / LiOH \cdot H_2O$
 AU + CN = Australia and China
 * refers to cradle - to - gate production

Source: Charts adapted from information contained within SQM Benchmark World Tour West June 2020 publication

04 Rapid project delivery

Fast track route to lithium production and long-term 34 ktpa base LCE output

Targeting first-phase Li concentrate production from HMW in CY24 and Li_2CO_3 from CY25

- HMW Mineral Resource estimate upgrade on track for Q3 CY22
- HMW Feasibility Study on schedule for late Q4 CY22
- Aggressive drilling of potential Mineral Resource expansion zones at HMW through H2 CY22
- Combined HMW and Candelas development targeting 34 ktpa LCE base long-term output



| Key business activities | Q3 CY22 | Q4 CY22 | Q1 CY23 | Q2 CY23 | Q3 CY23 | Q4 CY23 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| Hombre Muerto West | | | | | | |
| Mineral Resource update | X | | | | | |
| Pilot plant operations | X | X | X | | | |
| Feasibility Study | X | X | | | | |
| Final Investment Decision (FID) | | | | X | | |
| Offtake and project financing | | | X | X | X | X |
| Construction commences | | | | | | X → |

05 Best in-class team

Highly experienced Board, management and in-country team



Richard Homsany

Non-Executive Chairman

- Experienced corporate lawyer
- Extensive board and operational experience in the resources and energy sectors
- Executive Chairman of ASX listed Toro Energy Limited (ASX:TOE), Executive Vice President, Australia of TSX listed Meg Uranium Ltd (TSX:MGA), Chairman of Health Insurance Fund of Australia Ltd and the principal of Cardinals Lawyers and Consultants



Juan Pablo (JP) Vargas de la Vega

Managing Director

- Chilean/Australian mineral economist professional with nearly 20 years' broad experience in ASX listed mining companies, stockbroking and private equity firms
- Previously a specialist lithium analyst in Australia and private Chilean copper business operator
- Experience with BHP, Rio Tinto and Codelco.
- Founder of Blue Sky Lithium, the vendor of Galan's Argentinian assets



Daniel Jimenez

Non-Executive Director

- A civil industrial engineer and MBA with more than 28 years experience in the Lithium industry
- Previously Senior Vice President Commercial Lithium, Iodine and Industrial Chemicals at Sociedad Quimica y Minera de Chile (NYSE:SQM) based in Chile, Belgium and the USA
- Directly responsible for the commercial strategy and marketing of industrial products



Christopher Chalwell

Non-Executive Director

- Experienced commercial and feasibility study expert with experience in project funding and commercial contract appraisal, award and management
- Previously COO SKILLED Workforce Services Western Mining Region
- Critical involvement in the gas to coal conversion of the Mica Creek Power station in Mt Isa and the Pasmaico Century Mine in north Queensland



Terry Gardiner

Non-Executive Director

- Highly experienced executive with more than 20 years' experience in capital markets, stockbroking and derivatives trading
- Executive Director of stockbroking firm Barclay Wells Limited and also a Non-Executive Director of Cazaly Resources Ltd (ASX:CAZ) and Non-Executive Chairman of Charger Metals NL (ASX:CHR)



Raymond Liu

Non-Executive Director

- Mining executive with extensive experience in mineral project development and investment
- Current director of Heritage Minerals Pty Ltd and the founding Partner of Havelock Mining Investment
- Previous involvement with numerous investments in ASX listed companies and direct experience at Fosun Group, Rio Tinto, KCGM and Mt Gibson Iron

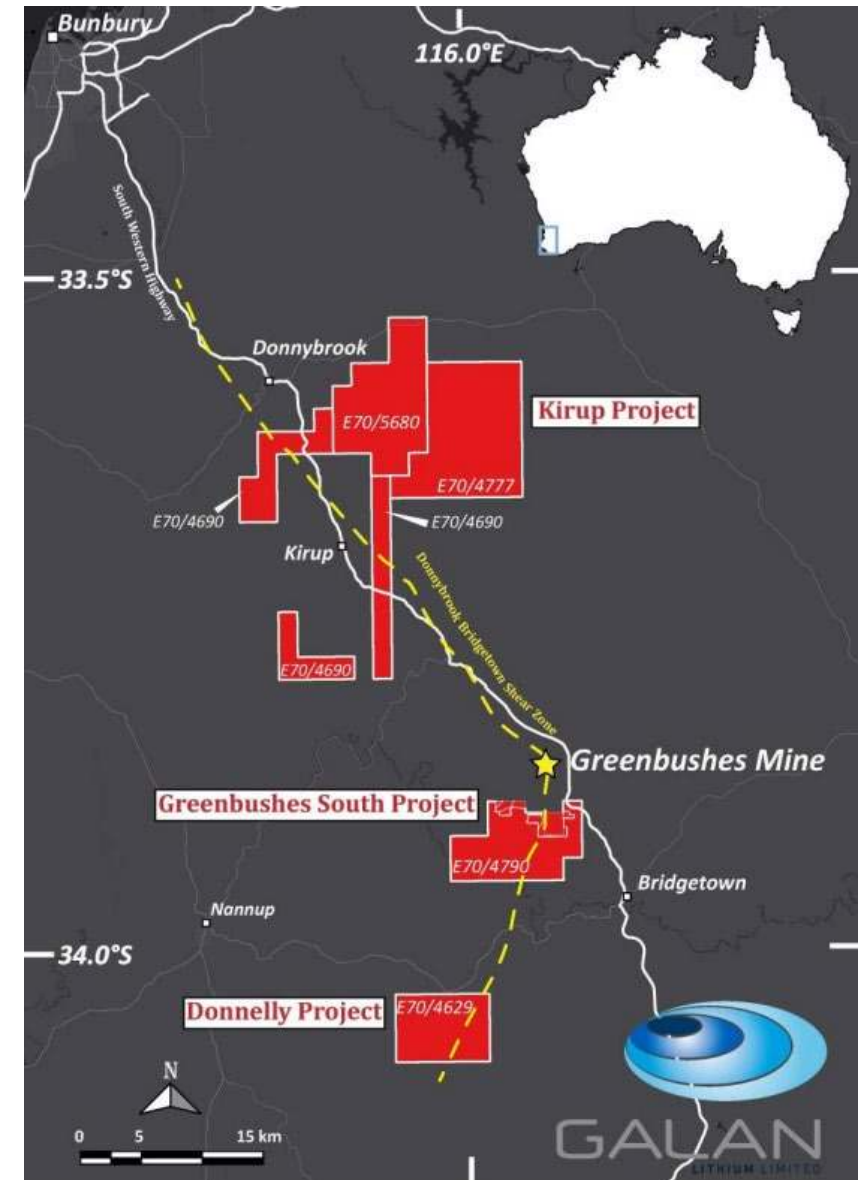
06 Further project pipeline

Hardrock lithium exploration upside

Greenbushes South Lithium Project Joint Venture 80% ownership¹

- Located 3km south of world-class Greenbushes Lithium mine, one of the world's largest, highest grade hard rock spodumene deposits
- Tenements intersect the Donnybrook-Bridgetown Shear Zone which hosts the lithium bearing pegmatites found at Greenbushes
- Recent soil sample results, plus extensive airborne magnetic and radiometric geophysics, provide **strong indication of prospective lithium bearing pegmatites**
- Conservation Management Plans submitted for further exploration activity, **targeting drilling from late CY22**

¹ 20% Lithium Australia NL



The premier lithium developer

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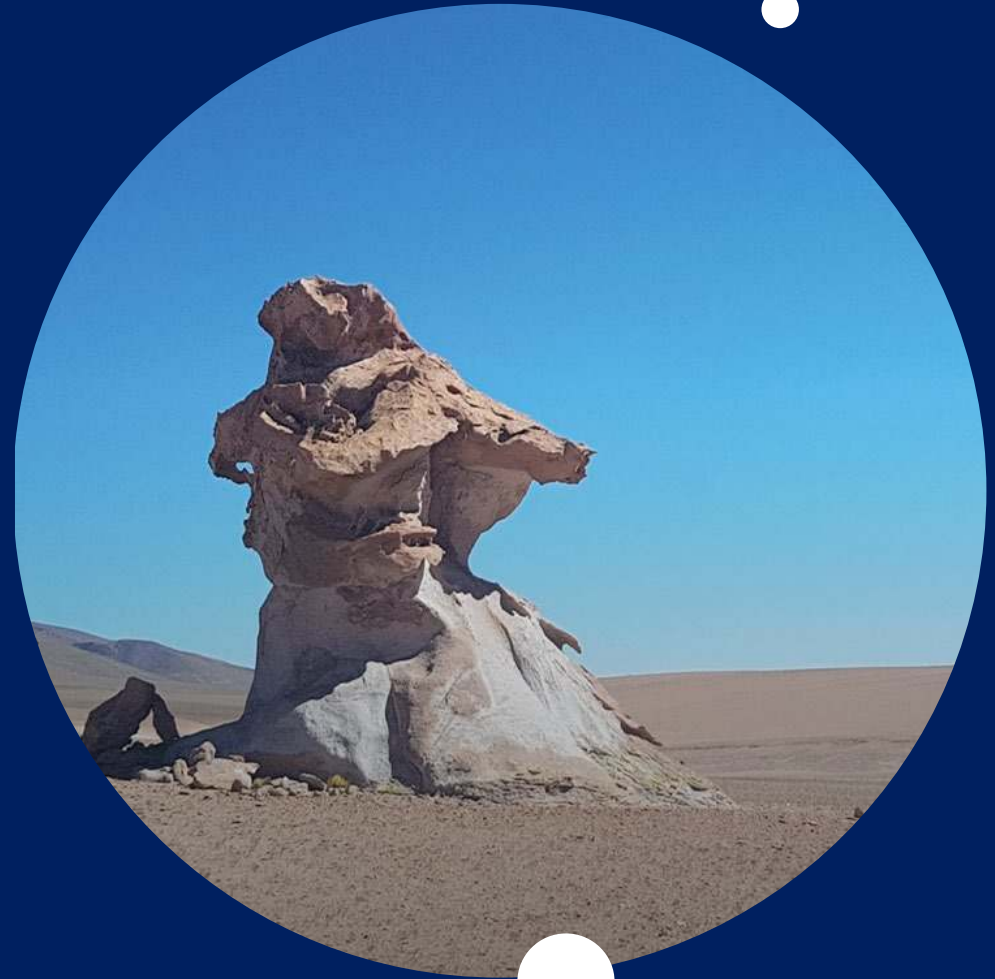
Further project pipeline

Hard rock lithium exploration upside



On the fast track to lithium carbonate production

With our flagship HMW Project
and highly complementary
Candelas Project in South
America's lithium triangle



Appendix 1: Mineral Resource estimate

Mineral Resource Statement for Candelas¹

| 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 |

Note: 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

1. The Mineral Resource information in this presentation is extracted from the ASX announcement entitled "Excellent PEA Results for Candelas Project", dated 30 November 2021

2. The Mineral Resource information in this presentation is extracted from the ASX announcement entitled "Updated Economic Study for Flagship HMW Project - NPV Increases to US\$2.2B on Revised Lithium Price", dated 9 December 2021

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Mineral Resource Statement for Hombre Muerto West²

| Category | In situ Li (kt) | Avg. Li (mg/l) | LCE (kt) | Avg. K (mg/l) | In situ K (kt) | KCl Equiv. (kt) |
|-----------------------------------|-----------------|----------------|----------|---------------|----------------|-----------------|
| Hombre Muerto West: Sand Domain | | | | | | |
| Indicated | 407 | 945 | 2,166 | 8,720 | 3,753 | 7,157 |
| Hombre Muerto West: Gravel Domain | | | | | | |
| Indicated | 12 | 947 | 61 | 8,804 | 107 | 204 |
| Hombre Muerto West: Halite Domain | | | | | | |
| Indicated | 8 | 946 | 40 | 8,846 | 70 | 134 |
| NMW total | 426 | 946 | 2,267 | 8,725 | 3,931 | 7,496 |

Note: No cut-off grade for HMW. 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

The above resource does not include the Catalina and Santa Barbara concessions

Appendix 2: Peer brine resource table

| Salt lake | Company | Code | Li (ml/L) | Measured kt LCE | Indicated kt LCE | Inferred kt LCE | Total kt LCE |
|---------------------------|-----------------------|-----------|-----------|-----------------|------------------|-----------------|--------------|
| Salar de Rincon | Rincon Lithium | JORC | 403 | 3,600 | | 4,300 | 7,900 |
| Salar de Rincon | Argosy | JORC | 325 | | 245 | | 245 |
| Pozuelos y Pastos Grandes | Litica Pluspetrol LSC | NI 43-101 | 509 | 958 | 719 | 631 | 2,308 |
| Pastos Grandes | Millennial Lithium | NI 43-101 | 452 | 1,277 | 854 | 878 | 3,009 |
| Diablilos | Tibet Summit | NI 43-101 | 556 | | | 4,950 | 4,950 |
| Hombre Muerto | Galaxy | JORC | 732 | 3,005 | 2,665 | 1,562 | 7,232 |
| Hombre Muerto | POSCO | JORC | 780 | 1,580 | 1,580 | 940 | 4,100 |
| Hombre Muerto | Livent | N/A | 747 | 4,200 | | | 4,200 |
| Hombre Muerto (Candelas) | Galan Lithium | JORC | 672 | | 685 | | 685 |
| Hombre Muerto (HMW) | Galan Lithium | JORC | 946 | | 2,267 | | 2,267 |
| Cauchari | LAC | NI 43-101 | 592 | 3,555 | 16,298 | 4,723 | 24,576 |
| Olaroz | Orocobre | JORC | 690 | 6,400 | | | 6,400 |
| Tres Quebradas | Neolithium | NI 43-101 | 601 | 569 | 3,436 | 2,917 | 6,922 |

Source: iLi Markets

GALAN

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