



NEW HIGH-GRADE LITHIUM BRINE DISCOVERY IN SOUTH AMERICA'S LITHIUM TRIANGLE

October 2019

ASX:GLN



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The Company has not fully completed feasibility studies on all its projects. Accordingly, there is no certainty that such projects will be economically successful. Resources that are not reserves do not have demonstrated economic viability.

The information contained herein that relates to Exploration Results 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.

The information relating to the Exploration Results and integrity of the database was compiled by Mr Francisco Lopez (Geology). Mr Lopez is a full-time employee of Galan Lithium Limited and has been engaged by Galan as their Geology Manager. The integrity of the database and site inspection was done by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM, MAIG, MGSA, FGSL. Dr Cunningham is a Principal Consultant and full-time employee of SRK Consulting (Australasia) Pty Ltd. The information in this report that relates to the Mineral Resources estimation approach at Candelas was compiled by Dr Cunningham. 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.

GALAN LITHIUM LIMITED: INVESTMENT FOUNDATIONS.

- ✓ **WORLD CLASS LOCATION:** quality neighbouring projects
- ✓ **STAND OUT QUALITY:** proven high grade, low impurity setting
- ✓ **HIGHLY ACTIVE:** project only commenced mid-2018
- ✓ **RIGHT PERSONNEL:** experienced Board & in-country
- ✓ **ACCESS TO WATER:** low grade suitable for reverse osmosis
- ✓ **MAIDEN RESOURCE:** Completed within 8 months of first drilling
- ✓ **BUSY TIMES:** to continue...
 - PFS to commence
 - New project areas being drilled
- ✓ **Well connected & experienced in-country team**



A SIGNIFICANT INVESTMENT OPPORTUNITY – THE RIGHT PLACE.



Hombre Muerto Salar located in the world-renowned Lithium Triangle in Argentina

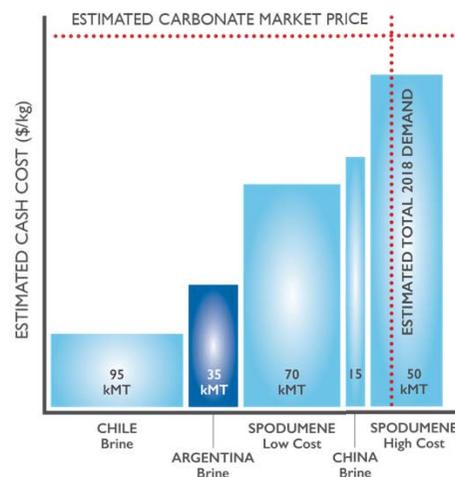
- **WORLD'S LARGEST** reserves of lithium found in the Lithium Triangle
 - 60 percent of the world's annual production of lithium comes from brines from the Atacama and Hombre Muerto salars*
- The **HIGHEST** grade & **LOWEST** impurities in country
- **GOOD NEIGHBOURHOOD** with much recent corporate activity:
 - Livent Corp (ex-FMC, NYSE: LTHM):
Recently listed on the New York Stock Exchange, Fenix operation at Hombre Muerto in production for >27 years
 - Galaxy Resources:
Sourcing funding to develop the Sal de Vida deposit
 - POSCO:
Purchased part of GXY's Sal de Vida project for US\$280m

A SIGNIFICANT INVESTMENT OPPORTUNITY – THE RIGHT TIME.

Spike in Li demand from EV Batteries

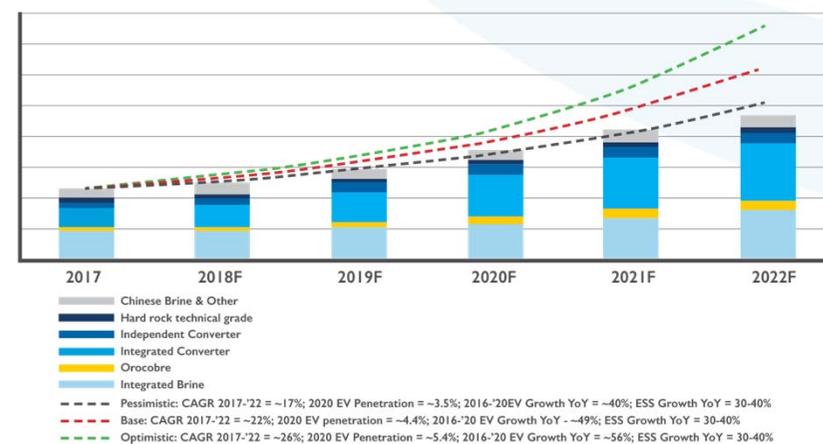
- The lithium price has risen significantly in the past two years with unprecedented prices - current prices are ~US\$10,000/t LCE.
- Price rise primarily due to the demand for lithium batteries in electric vehicles
- Lithium demand is expected to further increase which should place further upward pressure on prices
- Lowest cost producers at <US\$5,000/t

2018 Lithium Carbonate Cost Curve



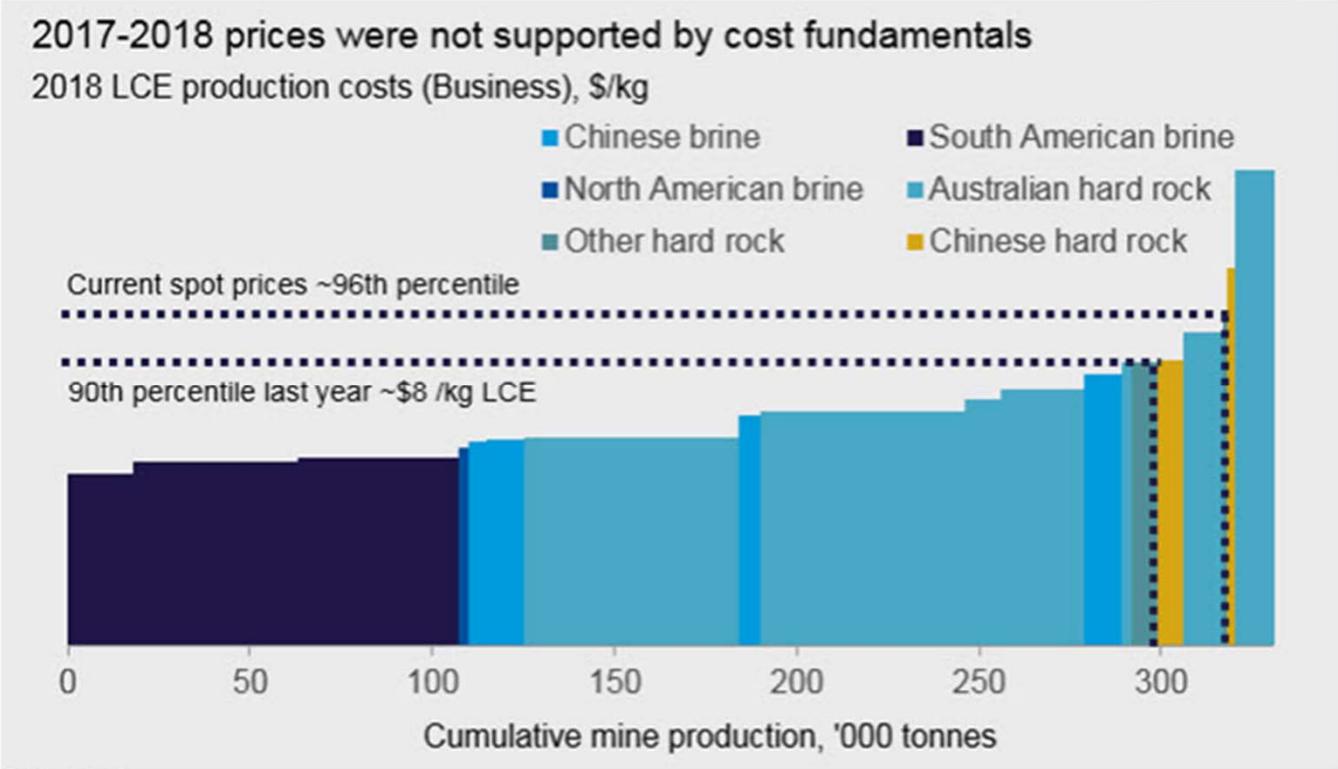
Source: FMC Corp.

Orocobre Forecasted Lithium Market Supply & Demand (LCE t)



Source: Orocobre Ltd, Nov. 2018

COST CURVE – LITHIUM SUPPLY FUNDAMENTALS



Source: CRU

Lithium Supply

- Before the current boom only one Australian hard rock lithium producer (Greenbushes) existed, the rest were brine producers.
- South American brine projects have lower (and flat) operating costs having previously been operating in a competitive environment of US\$5,000-6,000/t LCE.
- Current LCE price ~US\$9,500-10,000/t LCE are boom prices for lithium brine producers, not for hard rock lithium producers.
- In time, the lithium supply will mature, with expansion of South American brine reverting back to a larger production and greater market participation.



CORPORATE STRUCTURE.

Capital Structure	
Shares on Issue	140,445,319
Options (Listed: GLNOA)	2,825,000 Options exercisable \$0.15, 29 Nov. 2019 23,941,178 Options exercisable \$0.14, 31 Dec. 2019 5,350,000 Options exercisable \$0.60, 31 Aug. 2020 4,000,000 Options exercisable \$0.3438, 11 June 2021 5,555,469 Options exercisable \$0.25, 31 Aug 2020
Share Price	\$0.20
Cash end June 19 Qtr	\$2.8 million
Market Cap	~\$28 million
Shareholders	
Directors and Management	30%
Top 20 Shareholders	47%

Performance Shares	GLN Shares
Vendor Class A Shares Upon delineating a JORC compliant resource of at least 80,000t contained LCE	15,000,000
Vendor Class B Shares Upon the commencement of commercial production from a pilot plant	10,000,000
MD Performance Shares i) Upon JORC Indicated/Measured Resource of 1Mt+ LCE ii) Upon financial close for a commercial scale lithium production facility	5,000,000 5,000,000

HIGHLY EXPERIENCED BOARD.



Nathan McMahon
Non-executive
Chairman

Has provided tenement management and corporate advice to the mining industry for +25 years. Specialised in native title negotiations, joint venture negotiations and project acquisition due diligence. Joint Managing Director of Cazaly Resources.



**Juan Pablo ('JP')
Vargas de la
Vega**
Managing Director

A Chilean/Australian mineral industry professional with 15 years' broad experience in ASX listed mining companies, stockbroking and private equity firms. JP has been a specialist lithium analyst in Australia, has also operated a private copper business in Chile and has worked for BHP, Rio Tinto and Codelco. Founder of Blue Sky Lithium, vendor of the Argentinian assets.



Daniel Jimenez
Non-executive
Director

A civil industrial engineer Mr Jimenez has worked for world leader in the lithium industry Sociedad Química y Minera de Chile (NYSE:SQM, Santiago Stock Exchange: SQM-A, SQM-B) for 28 years based in Santiago, Chile. His last position was as Vice President of Sales of Lithium, Iodine and Industrial Chemicals where he formulated the commercial strategy and marketing of SQM's industrial products and was responsible for over US\$900 million worth of estimated sales in 2018.



**Christopher
Chalwell**
Non-executive
Director

Previously COO SKILLED Workforce Services Western Mining Region. Has been involved in the gas to coal conversion of the Mica Creek Power station in Mt Isa and the Pasma Century Mine in north Queensland. Extensive experience with feasibility studies, commercial reviews for project funding, contract appraisal and award.



Terry Gardiner
Non-executive
Director

+20 years' experience in capital markets, stockbroking & derivatives trading and prior to that had many years trading in equities & derivatives for his family accounts. Currently a Director of stockbroking firm Barclay Wells Limited and a Non-executive Director of Cazaly Resources.

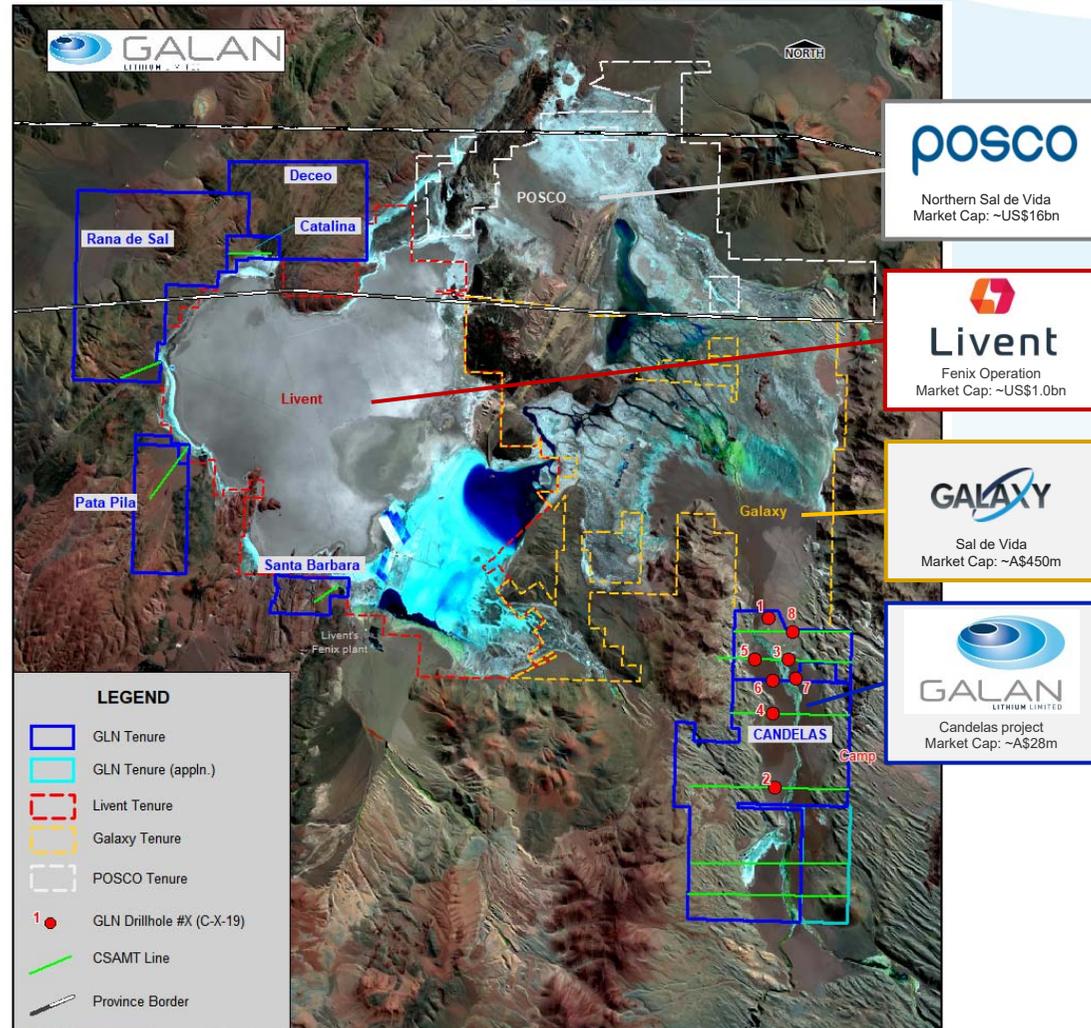


Raymond Liu
Non-executive
Director

A qualified mining engineer with a commercial background, Mr Liu is the founding Managing Partner of Havelock Mining Investment, a Hong Kong investment company and has been involved with numerous investments in ASX listed companies. Currently a Director of Okapi Resources Ltd. Previously, held technical roles at Rio Tinto, KCGM and Mt Gibson Iron.

HOMBRE MUERTO: TIER 1 LOCATION WORLDWIDE FOR Li BRINES

- Second best salar in the world for production of lithium from brines (after the Atacama, Fenix in operation since 1992)
- Galan holds six projects totalling ~25,000hHa with potential brine coverage conservatively comprising ~7,800Ha
- Rich setting for lithium brine development
 - ground waters sourcing volcanic rocks
 - hydrothermal activity
 - closed basin
 - arid climate
 - faulted environment
- Best grades & lowest impurities in Argentina
- Infrastructure including sealed roads, processing water, power already in place



CANDELAS DISCOVERY

February 2019

“Preliminary field measurements and laboratory analyses on brine suggests that the Candelas Project has the potential to become a world-class soluble lithium deposit hosted in a unique geological setting”.

SRK Consulting (Argentina)
ASX:GLN release 13 February, 2019

Discovery Highlights...

Focus on Northern Candelas Channel Area

- Discovery hole returns; **192 metres @ 802 mg/l Li**
- VERY LOW Impurity levels; **Mg/Li ratio ~2.70**
- Sediment package includes **perfect permeable hosts**; coarse sands/gravels, breccia and conglomerate
- **SRK (Australia)** overseeing resource definition, QA/QC controls - deem this a **potential world class deposit**



Candelas Drillhole	Results (mg/l Li)	Mg:Li	Location
C-01-19	192m @ 802	2.65	Candelas North
C-02-19	192m @ 121	3.04	Central
C-03-19	143m @ 784	2.73	Candelas North
C-04-19	58m @ 203	4.47	Central
C-05-19	124m @ 680	2.53	Candelas North
C-06-19	54m @ 508	2.68	Candelas North
C-07-19	181m @ 99	1.27	Central
C-08-19	70m @ 744	2.65	Candelas North

**CONFIRMS
CONSISTENT
BRINE
COVERAGE**

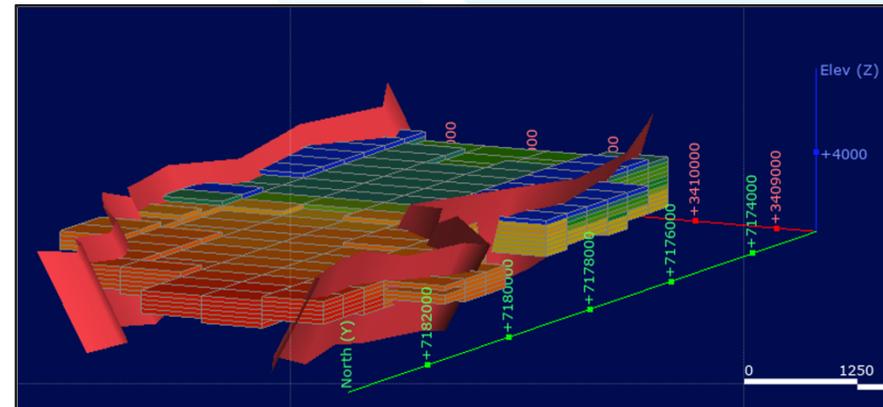
**over at least
~3.5km strike
extent**

CANDELAS MAIDEN RESOURCE.

CANDELAS NORTH ZONE

685kt LCE @ 672 mg/l Li

- Conducted by **SRK**, Australian & Argentinian teams
- Consistent **high grade mineralisation** over ~3.5km
- High grade zone utilises a cut-off of 500 mg/l li
- VERY LOW Impurity levels; **Mg/Li ratio ~2.70**
- Exceeds the Company's expectation and forms a solid basis to **advance Pre-Feasibility Studies**
- Represents one of the **highest grade/low impurity resources within Argentina**
- **Further additional resources** expected from the Western Tenements



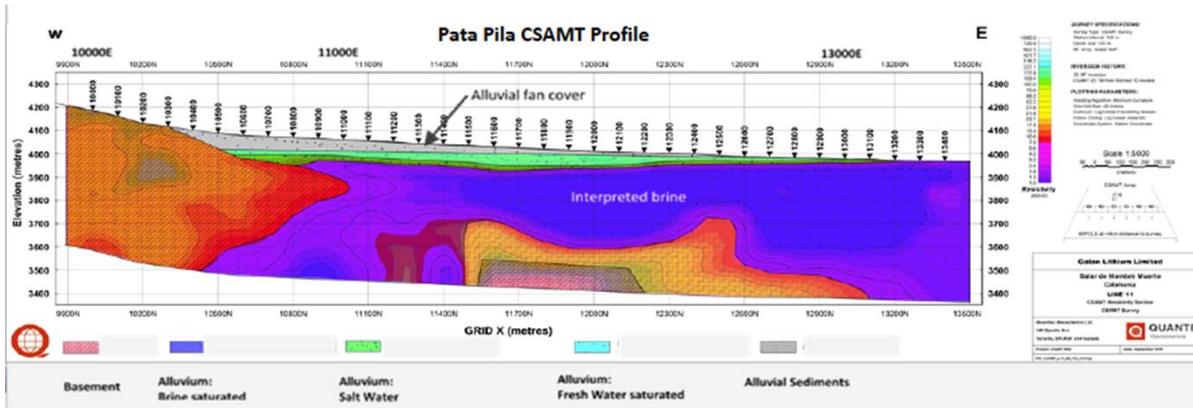
Resource Category	Li (mg/l)	LCE (t)	K (mg/l)	K (t)	KCl (t)
CANDELAS NORTH					
Indicated	496	888,020	5,193	1,734,090	3,306,900
CANDELAS CENTRAL					
Inferred	130	270,600	2,024	846,170	1,613,640

nb; Reported at zero cut-off grade

WESTERN BASIN PROJECTS.

Resistivity surveys show similar readings to Candelas channel for Li Brine

- Several areas covering margins of the Hombre Muerto salar, includes alluvial fan covered salar targets
- Recent resistivity surveys completed over 4 new targets at Hombre Muerto salar;
- Initial near surface water sampling is highly encouraging, several samples >1,000 mg/l Li
- Follow up CSAMT resistivity survey confirms “very conductive and shallow horizons that are consistent with geological units saturated with brine”
- Resistivity values from the targets, which lie adjacent to Livent’s operations, are similar to Candelas - positive implications for lithium grade potential
- Drilling permits received for 14 exploration drill holes and 5 water bores



Example profile, Pata Pila - Interpreted CSAMT model showing lowly resistive brine saturated materials (in purple/blue)

WESTERN BASIN PROJECTS – PATA PILA DISCOVERY

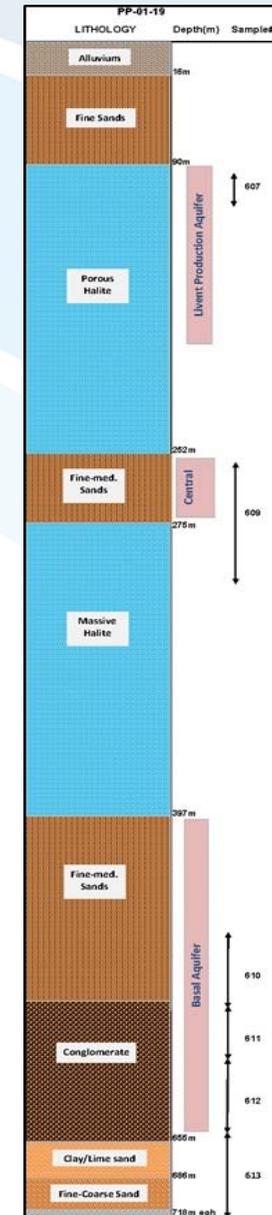
High Grade Lithium Confirmed

- Brine zones encountered varying from **25m to 258m in thickness**
- Preliminary assays indicate consistent **lithium grades in excess of 900mg/l** and low impurity levels with Mg/Li <2 being one of the best results in Argentina
- Hole completed to 718m with basement encountered at 713m
- Significant potential to increase lithium resource inventory
- Drilling next at Rana de Sal

Lab and current field test results, drill hole PP-19-01

Sampling Method	Sample No.	From (m)	To (m)	S.G. (mg/l)	Cond. (mS/Cm2)	Li mg/l	Mg mg/l	Mg/Li
Bailer	607	99	121	1.220	>200	938	1,338	1.43
Bailer	608	Failed Test						
Packer	609	254	301.5	1.222	>200	902	1,570	1.74
Packer	610	493	541	1.219	>200	902	1,440	1.60
Packer	611	544	580	1.221	>200	909	1,388	1.53
Packer	612	582	647	1.200	>200	n/a	n/a	n/a
Packer	613	651	718	1.200	>200	n/a	n/a	n/a

n/a indicates samples have been collected and are on the way to the lab



Drillhole PP-19-01 Drill Log

COMPANY COMPARISONS

LITHIUM BRINES COMPARATIVE TABLE (ASX Co.s)				
Company	Resource LCE	Average grade (mg/l Li)	Project Status	Preferred Processing Route
GLN	685kt	672	JORC resource estimate completed	Under study, commencing PFS
AGY	245kt	325	PEA completed, targeting industrial production	Conventional
LKE	4.4Mt	211	PFS	Ion Exchange
ASN	N/A	140 - 500	Pilot Plant – Final Design	Ion Exchange

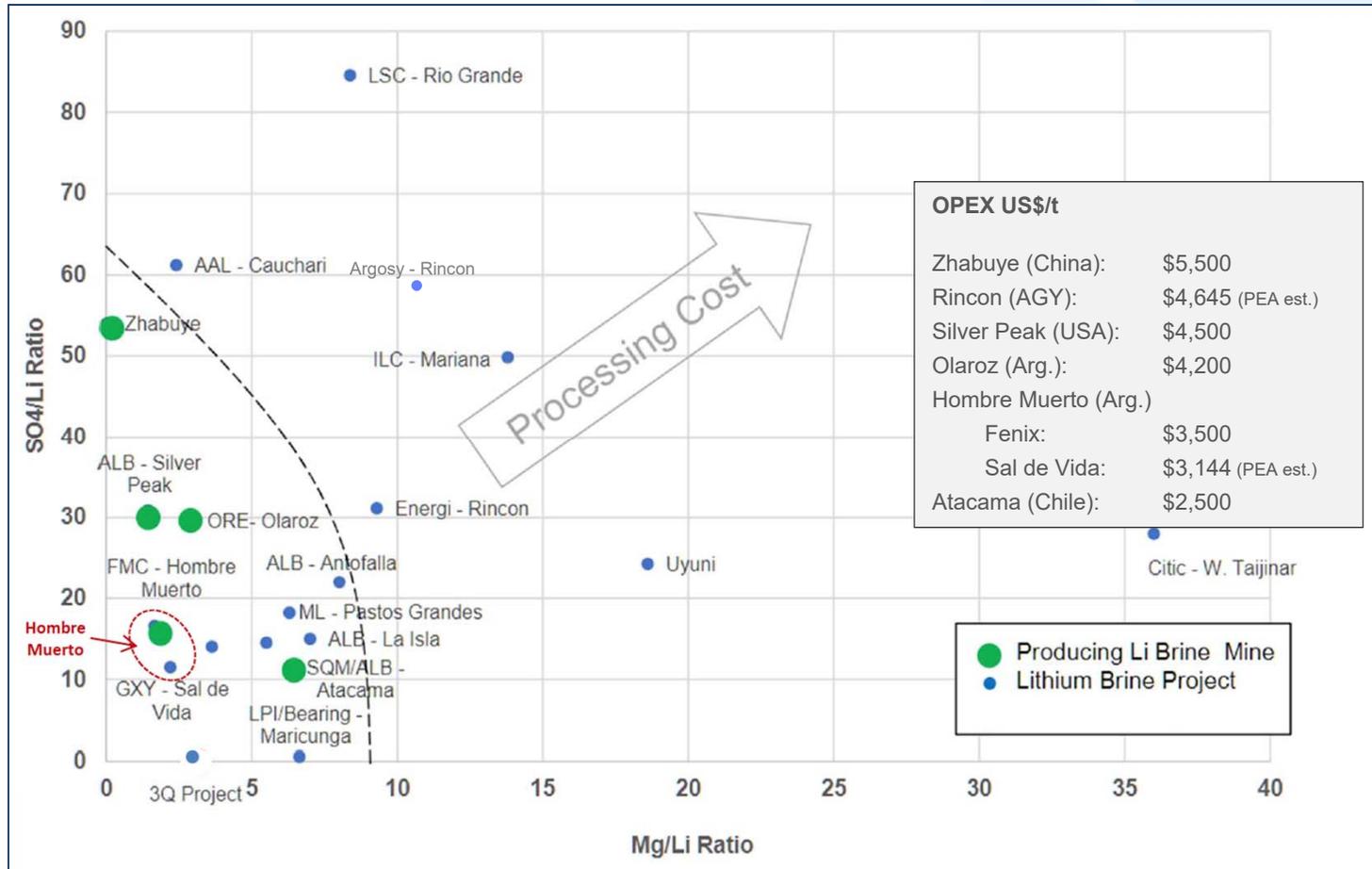
nb; Information from public company reports

ACCESS TO PROCESSING WATER IS A MAJOR ISSUE FOR SOUTH AMERICAN BRINE PROJECTS

Candelas channel hosts an abundant source of process waters suitable to be treated under reverse osmosis



IMPURITIES – PROJECT COMPARISONS.



Source: Neo Lithium Corp. & other company reports * excludes by-products

ACHIEVEMENTS AND INDICATIVE NEXT STEPS

- ✓ Company re-badged as GLN on the ASX in Q2 2018
- ✓ Initial surface samples and geological mapping completed Q1-Q2 2018
- ✓ Geophysics performed during Q2-Q3 2018
- ✓ Candelas' Stage 1 drilling permits approved in Q4 2018 and in Q2 2019 for Stage 2 drilling
- ✓ Drilled 8 holes since late January 2019
- ✓ Western Tenements fully permitted
- ✓ Daniel Jimenez, ex senior VP of commercial at SQM with 28 years of commercial experience in lithium, joined GLN Board as Non-Executive Director
- ✓ Successful maiden drillhole at Pata Pila with lithium grade >900 mg/l and Mg/Li <2.0
- ✓ Candelas' maiden JORC compliant resource estimate completed by SRK (ASX:GLN 1 October 2019)
- Focus on delivering a Pre-Feasibility Study (PFS) on Candelas evaluating the production of lithium carbonate by:
 - Testing conventional lithium extraction with ponds
 - Investigating new ion exchange processing alternatives, and
 - Other studies in hydrology, environmental, logistics, marketing etc...
 - Boris Caro appointed as Senior Advisor: Former Study/Project Manager for Orocobre Ltd, Olaroz Lithium Project
- A pilot plant is planned to be operating during 2020 targeting the production of battery grade lithium carbonate

ACHIEVEMENTS AND INDICATIVE NEXT STEPS

Tasks	CY 2018				CY 2019				CY 2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CANDELAS												
Geophysics & mapping	■											
Drilling Permits				●		●						
Drilling					■							
JORC Resource							■					
Pre-Feasibility Study								■				
Pilot Plant											■	
WESTERN TENEMENTS												
Drilling Permits							●					
Drilling							■					
JORC Resource									●			

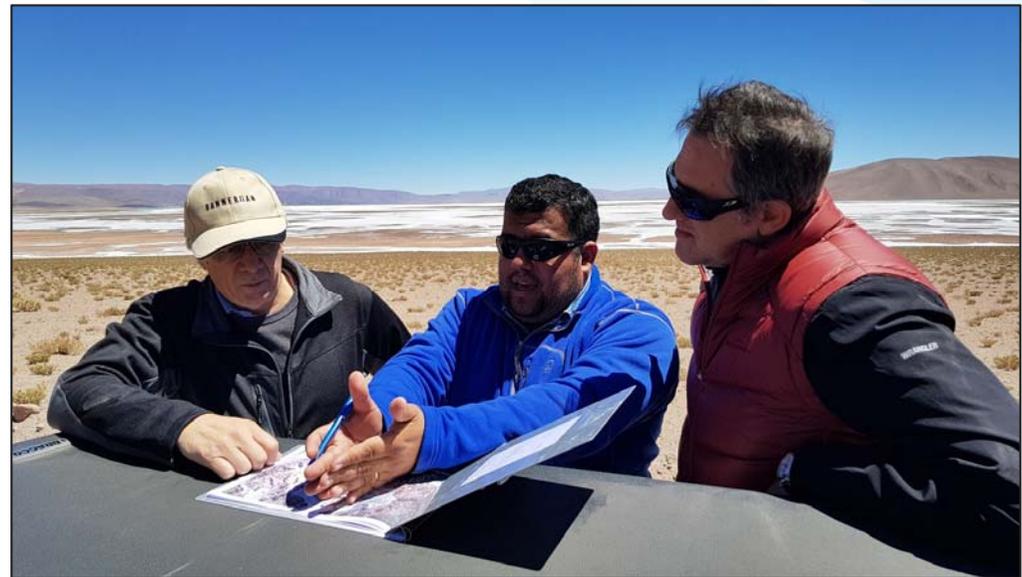
ARGENTINA – A PRO-MINING & INVESTMENT DESTINATION.

- The province of Catamarca, Argentina has been very supporting of lithium exploration to foreign junior explorers.
- FMC recently listed their lithium business on the NYSE as Livent Corporation (NYSE: LTHM) raising US\$340M – FMC have been successfully producing lithium carbonate and lithium hydroxide in Argentina for +20 years
- Other major lithium project investments in-country continue
 - POSCO purchase of SDV North (US\$280M)
 - Ganfeng purchases 50% of Cauchari-Olaroz (US\$87.5M)



GALAN LITHIUM LIMITED INVESTMENT FOUNDATIONS.

- ✓ World class location
- ✓ Simple, proven chemistry at adjacent operations
- ✓ Proven high grade, low impurity setting
- ✓ Large resource potential
- ✓ Company's geological model proven
- ✓ Well experienced local in-country team and highly experienced Board
- ✓ Maiden JORC Resource completed Q3 2019
- ✓ Resource expansion drilling underway
- ✓ PFS underway
- ✓ Project potential yet to be fully appreciated





FAST TRACKING TO LITHIUM CARBONATE PRODUCTION IN SOUTH AMERICA'S LITHIUM TRIANGLE

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