# ASX ANNOUNCEMENT

9 December 2021

# Updated Economic Study for Flagship HMW Project – NPV Increases to US$2.2b on Revised Lithium Price

**Highlights:**

- **New stronger, compelling economic results for Galan's flagship HMW project with unleveraged Pre-tax NPV of US$2,193m (8% discount rate), IRR of 37.5% and less than (3) year payback period**
- **Pre-tax NPV8 up 120% from US$1.0b to US$2.2b and Average life-of-mine annual EBITDA of US$287m (from US$174m)**
- **Long term average real lithium price assumption (2025-2040) of US$18,594/t LCE battery grade used as the basis for the economic assessment**
- **Updated HMW economic study retains long-life 40 years+ project of 20ktpa of battery grade lithium carbonate (LCE) including competitive cash production cost for Li2CO3 of US$3,518/t in the first quartile of global lithium cost production curve**
- **Galan has two (2) PEA study level projects (HMW and Candelas) with combined long term production potential of 34ktpa LCE**
- **Combined HMW and Candelas Pre-tax NPV8 of US$3.4 billion**
- **HMW's new drilling campaign, pilot plant and engineering works are advancing in preparation for commencement of DFS**

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is very pleased to announce the results of an updated Preliminary Economic Assessment (**PEA**) study for its 100% owned flagship Hombre Muerto West (HWM) Project ("**the Project**") in Catamarca Province, Argentina.

The original PEA (as per ASX announcement dated 21 December 2020) was based on an average Li price of US$11,687/t to the year 2040. The updated HMW economic study uses the same conservative Li price of US$18,594/t as used in the study for Galan's second project (Candelas) (as per ASX announcement dated 30 November 2021). The updated economic study retains the original production profile of 20,000 tonnes per annum of battery grade lithium and no changes or improvements were made to Capex/ Opex estimations used in the original PEA study. The updated economic study results also reflect recent changes to the tax legislation in Argentina.

The preparation of the Project's original PEA disclosed in December 2020 was carried out by several well-regarded consultants. The mineral resource estimate was prepared by SRK, the lithium recovery method was designed by Ad-Infinitum, while Worley Chile reviewed the potential recovery method, the project's potential layout and infrastructure, capital and operating cost estimates and preliminary economic evaluation. The other sections of the original PEA were managed by employees of Galan Lithium Limited. The updated economic study results were managed by Ad-Infinitum and employees of Galan.

Key financial comparative highlights are presented in Table 1.

*Table 1: Preliminary Economic Assessment Comparative Results*

| Parameters | Units | Original PEA Values 21 Dec 2020 | Updated PEA Values 9 Dec 2021 |
|---|---|---|---|
| **Lithium Carbonate Production** | Tonnes/year | 20,000 | 20,000 |
| **Project Life Estimate (excluding ramp-up)** | Years | 40 | 40 |
| **Capital Cost (CAPEX)** | US$M | 439 | 439 |
| **Capital Cost (ex-contingency and indirects)** | US$M | 338 | 338 |
| **Average Annual Operating Cost (OPEX)** | US$/tonne | 3,518 | 3,518 |
| **Average $Li_2CO_3$ Selling Price (2025-2040)** | US$/tonne | 11,687 | 18,594 |
| **Average Annual EBITDA** | US$M | 174 | 287 |
| **Pre-Tax Net Present Value (NPV)** | US$M | 1,011 | 2,193 |
| **After-Tax Net Present Value (NPV)** | US$M | 684 | 1,338 |
| **Pre-Tax Internal Rate of Return (IRR)** | % | 22.8 | 37.5 |
| **After-Tax Internal Rate of Return (IRR)** | % | 19.1 | 33.1 |
| **Payback Period (After-Tax)** | Years | 4.3 | 2.75 |

Since the release of the original HMW PEA Study in December 2020, Galan has confirmed laboratory lithium chloride concentrations of 6% Li several times and confirmed production of lithium carbonate battery grade of 99.88% LCE from its concentrate. It has also received permits for new drilling and Stage 1 construction permits for the HMW camp and pilot plant. During 2022, the Company will be undertaking a definitive feasibility level study (DFS) with the appointment of an independent, well credentialed engineering firm imminent. Galan also expects the new HMW drilling to increase its Indicated Resources as well as a likely move into the Measured and Indicated Mineral Resource category. A key part of the DFS will be the formulation of a more robust hydrogeological model that supports the base case production level at HMW and potentially increases the production profile beyond 20ktpa along with a Reserve statement.

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

"These updated project economics for Hombre Muerto West just shows how very strong and healthy our flagship project is. Despite using a conservative long-term price assumption, HMW has delivered a phenomenal pre-tax NPV of nearly US$2.2 billion. The Company is in an enviable space whereby it has two study level projects that can potentially deliver combined long term production levels of 34ktpa LCE along with NPV's that are above US3.4 billion.

As we have previously said, Galan remains 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".

**Cautionary Statement**

The original Preliminary Economic Assessment (**PEA**) was a preliminary technical and economic study (equivalent to a JORC Scoping Study) of the potential viability of the HMW Lithium Brine Project 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 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 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%. Apart from the 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 entitled "Compelling Preliminary Economic Assessment Results for 100% owned Hombre Muerto West (HMW) Project in Catamarca, Argentina" and available www.galanlithium.com.au and www.asx.com. 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 "Huge Increase in Hombre Muerto West (HMW) Indicated Resource – Now Over 2 Million Tonnes" dated 17 November 2020 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 original PEA or the updated economic study results presented in this announcement.

## Project Background

### Location

The Hombre Muerto West (HMW) 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 (asl). The project is in the geological province of Puna, 90 km north of the town of Antofagasta de la Sierra, province of Catamarca, Argentina as shown in Figure 1. The HMW Project is located to the West and South of the Salar del Hombre Muerto.

The HMW Project is in close proximity to other world class lithium projects owned by 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 HMW Project originally comprised six exploration permits Rana de Sal (I,II and III), Pata Pila, Catalina, and Deceo III (Figure 2), covering an area of ~9,493 hectares. It also includes the Santa Barbara suite of concessions. The Company also recently completed the purchase of a 100% interest in the Del Condor and Pucara lithium brine salar projects that abut Galan's original HMW tenure in Argentina (ASX:GLN 4 November 2020). The Del Condor, Pucara and Casa del Inca concessions comprise claim blocks totalling 2,104 hectares, included in Figure 2. These three concessions have not been used for the development of this study because at the completion of engineering design, the acquisition of these tenements was not completed.

Design work shows the HMW brine wells will be located in the Rana de Sal and Pata Pila areas. 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.

### Climate

The climate in the HMW 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

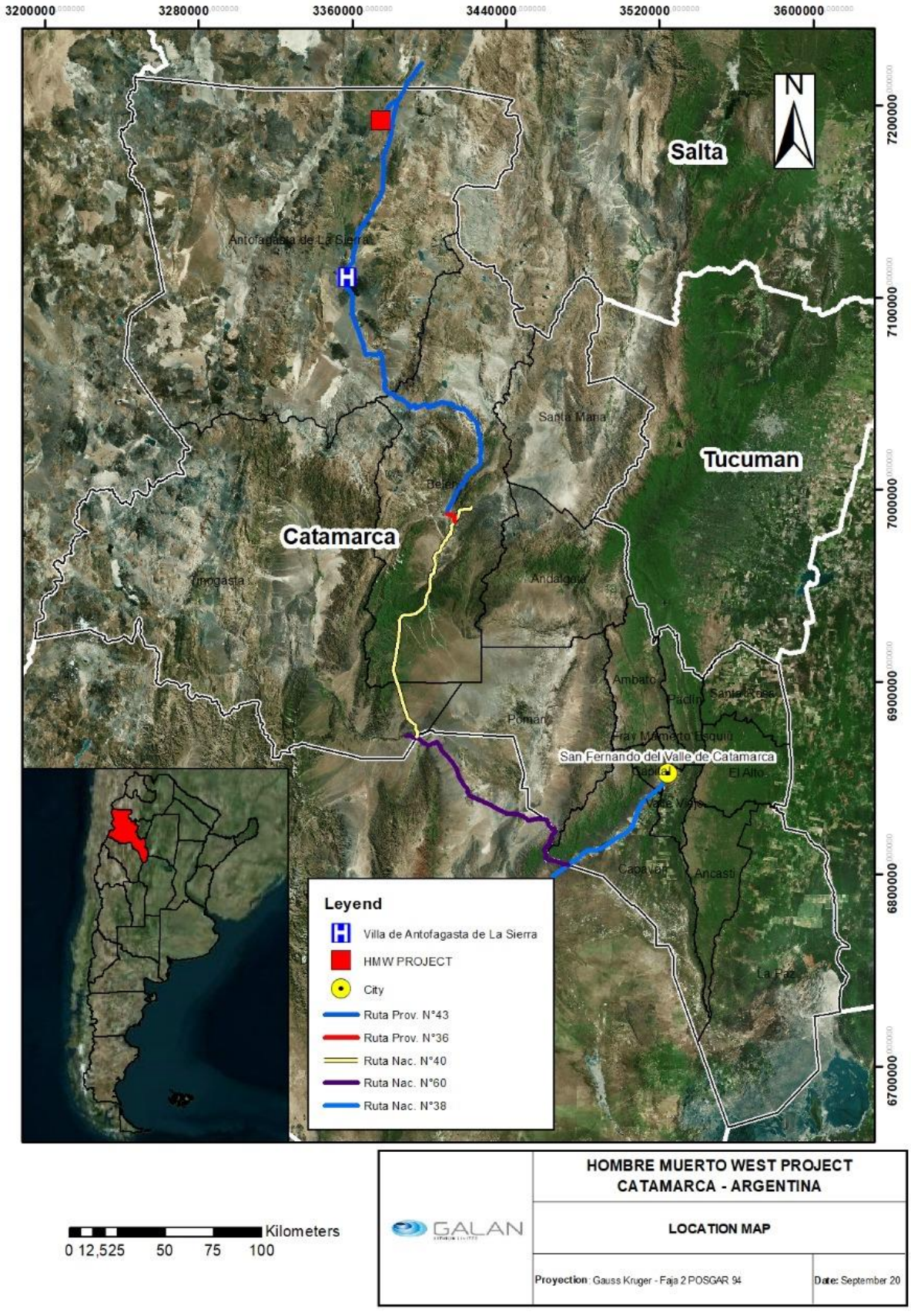


*Figure 1: HMW Project, Hombre Muerto Salar, Catamarca Argentina*

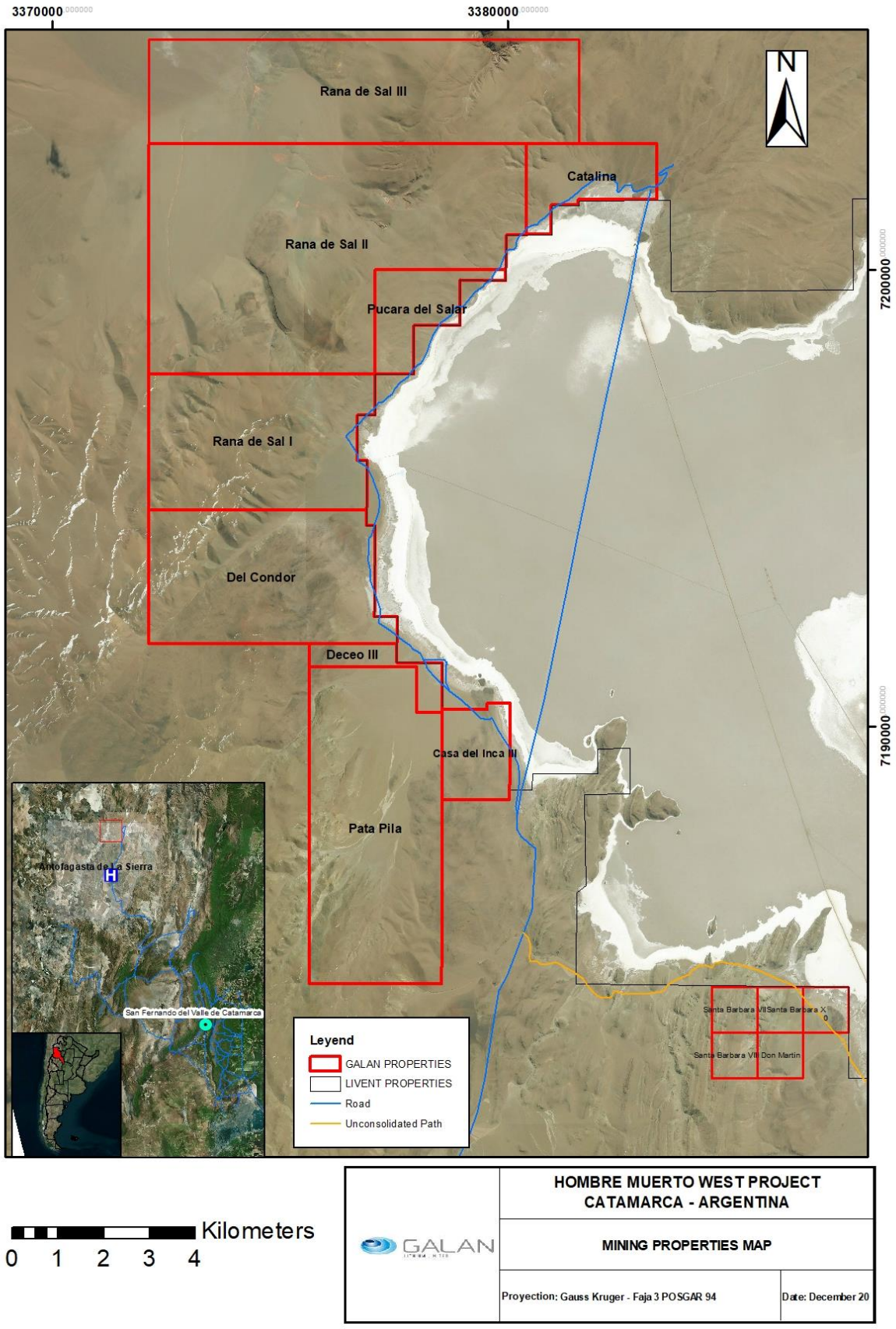


*Figure 2: Hombre Muerto West Properties Map*

## Resource Estimate

The mineral resource estimation was undertaken by SRK Consulting (Australasia) Pty Ltd (SRK) and was based upon results from drill holes within the Pata Pila and Rana de Sal tenement holding at Hombre Muerto West for a total of 1,054 metres (see ASX: GLN 17 November 2020 for a summary of drill data). The mineral resource estimates undertaken by SRK were determined for lithium and potassium. Lithium is reported as lithium carbonate (Li2CO3) 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 Hombre Muerto West Mineral Resource represents geologically well-defined zones of high-grade lithium mineralisation. It is comprised of significant mineralised hydrogeologic domains. The units within the domains show some variation in thickness along strike and depth.

The Mineral Resource estimate (see ASX: GLN 17th November 2020) displayed in Table 2 was used for the preparation of the PEA of HMW Project. The total mine of life production is 40 years to produce around 800kt LCE. The Study assumes a Li recovery of 58.5%, hence the total initial resource to feed the project is estimated at 1.37Mt LCE. This presents around 60% of the total resource of HMW. As a result, the Project has the potential to increase its production while maintaining a long mine life.

*Table 2: Mineral Resource Statement for Hombre Muerto West (November 2020)*

| Resource Category | Brine Vol. ($Mm^3$) | 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** | 430 | 407 | **945** | **2,166** | 8,720 | 3,753 | 7,157 |
| **Hombre Muerto West: Gravel Domain** | | | | | | | |
| **Indicated** | 12 | 12 | **947** | **61** | 8,804 | 107 | 204 |
| **Hombre Muerto West: Halite Domain** | | | | | | | |
| **Indicated** | 8 | 8 | **946** | **40** | 8,846 | 70 | 134 |
| **HMW Total** | 450 | 426 | **946** | **2,267** | 8,725 | 3,931 | 7,496 |

NB.; 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.

## UPDATED ECONOMIC INFORMATION

Please note that apart from the revised lithium price assumption detailed below, no other changes or improvements were made to production or Capex/Opex estimations that were used in the original PEA study (as per ASX release dated 21 December 2020).

## 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 3 displays the forecast of the lithium carbonate price.

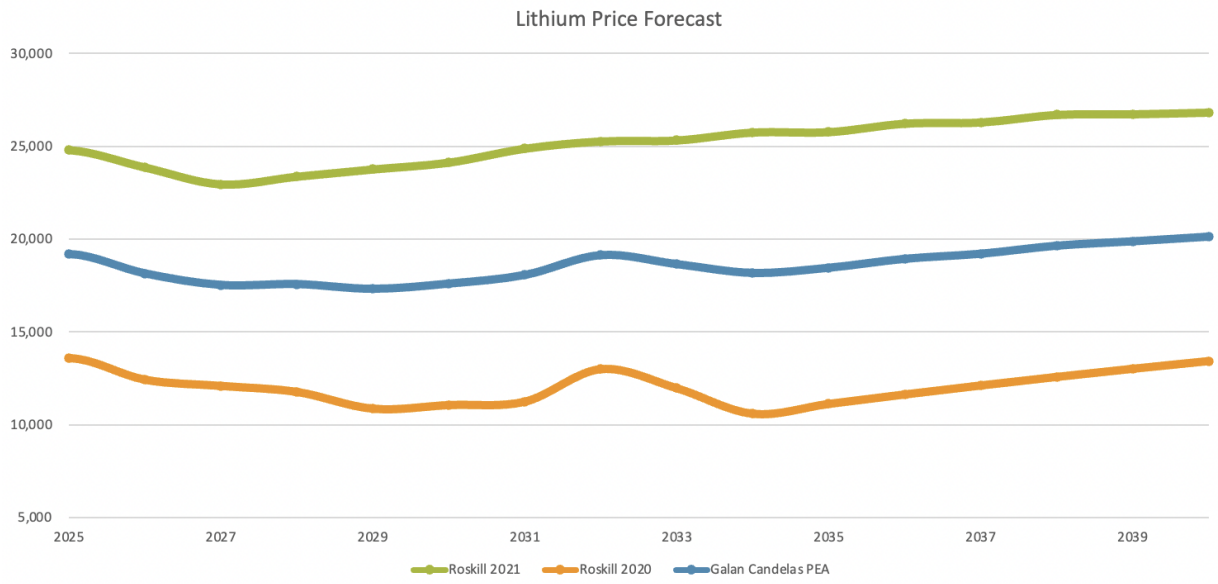


***Figure 3: Long Term estimate of the Contracted Price of Battery Grade $Li_2CO_3$ Developed by Roskill***

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.

**Economic Evaluation**

The updated economic evaluation of the HMW Project was conducted following the industry standards for this project stage. A discount rate of 8% was utilised for present value calculations.

Forecasted lithium carbonate prices for the period 2020-2040, utilised for the economic evaluation, were provided by Roskill. The lithium carbonate price for the period from 2041 onwards was left constant, at the 2040 value, as indicated by Galan.

The updated economic results also reflect recent changes to the tax legislation in Argentina.

No potential potassium credits were included in the economic evaluation. The key assumptions and results of the economic evaluation are displayed in Tables 3 and 4 respectively.

*Table 3: Key Assumptions Utilised for the Economic Evaluation*

| Assumption | Units | Original PEA Values 21 Dec 2020 | Updated PEA Values 9 Dec 2021 |
|---|---|---|---|
| Lithium Carbonate Production | Tonnes/year | 20,000 | 20,000 |
| Project Life Estimate | Years | 40 | 40 |
| Discount Rate | % | 8 | 8 |
| Royalty | % | 3 | 3 |
| Corporate Tax | % | 25 | 35 |
| Dividend Payment Withholding Tax | % | 10 | 7 |
| Capital Cost (CAPEX) | US$ m | 439 | 439 |
| Sustaining Capital | US$ m | 116 | 116 |
| Average Annual Operating Cost (OPEX) | US$/tonne | 3,518 | 3,518 |
| Average $Li_2CO_3$ Selling Price (2020-2040) | US$/tonne | 11,687 | 18,594 |

*Table 4: Economic Evaluation Results of HMW Project*

| Parameters | Units | Original PEA Values 21 Dec 2020 (1) | Updated PEA Values 9 Dec 2021 |
|---|---|---|---|
| Average Income | US$m | 258 | 376 |
| Average Provincial Royalty | US$m | 6 | 11.3 |
| Average Operating Expenses | US$m | 70 | 70 |
| Average Corporate and Withholding Taxes | U$m | 55 | 119 |
| Average Annual EBITDA | US$m | 174 | 287 |
| Average Annual Operational Free Cash Flow | US$m | 117 | 190 |
| Pre-Tax Net Present Value (NPV) | US$m | 1,011 | 2,193 |
| After-Tax Net Present Value (NPV) | US$m | 684 | 1,338 |
| Pre-Tax Internal Rate of Return (IRR) | % | 22.8 | 37.5 |
| After-Tax Internal Rate of Return (IRR) | % | 19.1 | 31.1 |
| Payback Period (After-Tax) (2) | Years | 4.3 | 2.75 |

(1) - the Average figures for the income, Provincial Royalty, Operating Expenses, Corporate and Withholding Taxes, EBITDA and Operational Free Cash Flow have been estimated only considering the full production time of the operating period.

(2)- Payback years after the end of the investment period.

Updated Sensitivity Analysis

The updated economic results for the HMW Project were analysed for any further change to the long-term Life of Mine (LOM) lithium price. Tables 5 and 6 display the variation of the NPV and IRR respectively when the lithium price fluctuates within the range of -25% and +25%.

*Table 5: 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 | 439 | 1,427 | 1,374 | 1,338 | 1,302 | 1,258 |
| $Li_2CO_3$ Price | US$/tonne (*) | 19,530 | 789 | 1,113 | 1,338 | 1,564 | 1,910 |
| $Li_2CO_3$ Production | Tonnes/annum | 20,000 | 827 | 1,130 | 1,338 | 1,544 | 961 |
| OPEX | US$/tonne | 3,518 | 802 | 731 | 1,338 | 1,298 | 1,239 |

*Table 6: Sensitivity of the IRR*

| Driver Variable | Base Case Value | | IRR | | | | |
|---|---|---|---|---|---|---|---|
| | | | Percentage of Base Case Value | | | | |
| | | | 75% | 90% | 100% | 110% | 125% |
| CAPEX | US$ m | 439 | 38.4% | 33.6% | 31.1% | 28.9% | 26.2% |
| $Li_2CO_3$ Price | US$/tonne (*) | 19,530 | 22.1% | 27.5% | 31.1% | 34.6% | 40.1% |
| $Li_2CO_3$ Production | Tonnes/annum | 20,000 | 23.6% | 28.2% | 31.1% | 33.8% | 37.6% |
| OPEX | US$/tonne | 3,518 | 32.5% | 31.7% | 31.1% | 30.6% | 29.7% |

(*) – Average Life of Mine (LOM) price

**HMW 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 4 displays the lithium carbonate equivalent cost curve and the location of the HMW (left in red) as well as Candelas project (in the middle in orange) 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

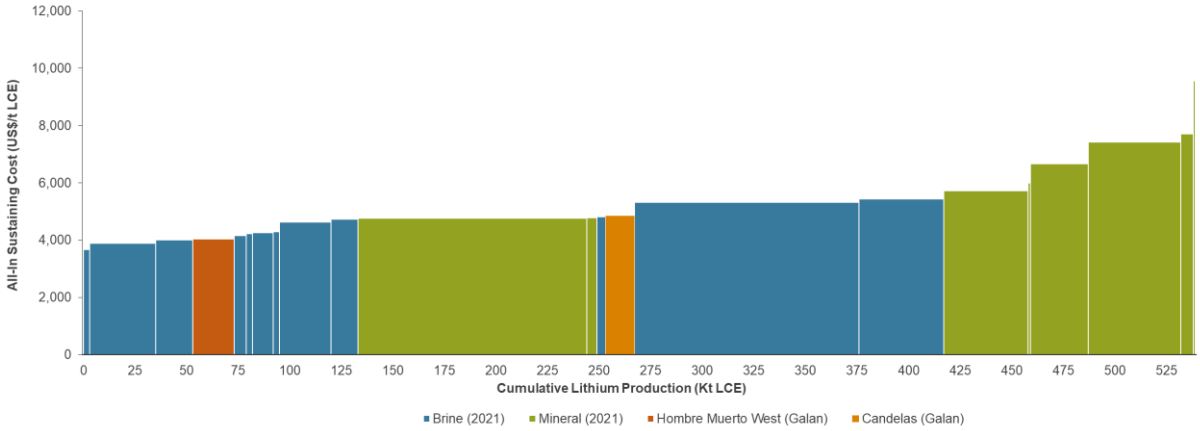


*Figure 4: Lithium Production Cost Curve (source: Roskill – Lithium Cost Model Service)*

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

**Project Timetable**

Galan is planning additional HMW Project studies that are required prior to making any investment decision. It will undertake a definitive feasibility level study (DFS) with the appointment of an independent, well credentialed engineering firm imminent. In parallel, the completion of the EIA study and subsequent application for the exploitation permit will be conducted. The commencement of the construction is planned for Q4 of 2022 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 2025 and achieving the production ramp up in Q3 2026.

Table 3 shows the most important milestones for the development of HMW Project.

*Table 7: HMW Project Development Milestones*

| Milestone | Completion Timeframe |
|---|---|
| DFS | Q3 2022 |
| EIA Approval | Q4 2022 |
| Start Construction | Q4 2022 |
| Start Ponds Filling | Q3 2023 |
| Mechanical Completion | Q3 2024 |
| First Lithium Carbonate (Commissioning complete) | Q4 2024 |
| Plant Ramp Up Period | Q1 2025 to Q3 2026 |

**The Galan Board has authorised this release.**

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**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.*

***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.<br>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.<br>• Aspects of the determination of mineralisation that are Material to the Public Report.<br>• 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.<br>• Drill core was undertaken along the entire length of the holes to obtain representative samples of the stratigraphy and sediments that host brine.<br>• For the well, rotary cone drill bits (12.5 inch) were employed and produced drill cuttings. Drill cuttings were sampled and sieved regularly at metre intervals<br>• 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.<br>• Water/brine samples were collected from multiple intervals as listed in tables 1 and 2.<br>• Conductivity tests are taken on site with a field portable Hanna Ph/EC/DO multiparameter. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • Density measurements were undertaken on site with a field portable Atmospheric Mud Balance, made by OFI testing equipment.<br>• Downhole geophysical profiling was conducted using a Ponti Electronics MPX-14Multiplex Well Logger.<br>• Downhole Borehole Magnetic Resonance (BMR) profiling, adapted to high salinity, was conducted by Zelandez to log continuous specific yield. This is a common geophysical method for continuous measurements of porosity downhole. The geophysical method is based on the ability of water to absorb and emit electromagnetic energy of a certain frequency, and provides a lithology independent measurement of the porosity. Total porosity is then split into its fractional components by applying cut-offs within the pore size distribution. The specific retention and specific yield can then be calculated.<br>• Specific yield logs obtained by this method were then compared and validated with similar projects of the Punta region i.e. Sulfa Mina on Salar de Pular (PNN's ASX release on 04/01/2019). Hombre Muerto Norte project, NRG Metals Inc. (07/08/2019). MSB Blanco Lithium Carbonate project, Salar Blanco (17/01/2019). Sal de Vida project, Lithium One Inc. (07/03/2012). Candelas (East) project (GLN's ASX release on 01/10/2019). Rincon Lithium project (AGY's ASX release on 13/11/2018). 3Q Project (NEO Lithium Corp, NI 43-101 dated 07/05/2019). |
| Drilling techniques | • Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core | • Diamond drilling with internal (triple) tube was used for drilling. The drilling produced core with variable core recovery, associated |

| Criteria | JORC Code explanation | Commentary |
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| | 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.). | with unconsolidated material. Recovery of the more friable sediments was difficult, however core recovery by industry standards was very good.<br>• Fresh water is used as drilling fluid for lubrication during drilling.<br>• For the well, a rotary drill with tricone head of 12.5 inches was employed for sampling of drill cuttings at metre intervals |
| Drill sample recovery | • Method of recording and assessing core and chip sample recoveries and results assessed.<br>• Measures taken to maximise sample recovery and ensure representative nature of the samples.<br>• 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.<br>• For tricone drilling, sand, conglomerate, halite, mud and silt were recovered, sampled and logged by a geologist and a photo was taken to document the lithologies<br>• Brine samples were collected over relevant sections based upon the geology encountered and ground water representation.<br>• 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.<br>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.<br>• 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.<br>• 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 |

| Criteria | JORC Code explanation | Commentary |
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| | | sedimentary facies. Cores are split for sampling and are photographed.<br>• 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.<br>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.<br>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.<br>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.<br>• 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.<br>• Whether sample sizes are appropriate to the grain size of the material being sampled. | Bailer sampling:<br>• 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.<br>Simple packer sampling:<br>• Packer sampling was performed during drilling of each hole and after well casing and development using both simple and double packer system. 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. A total of 10 samples were obtained and an additional 5 duplicate samples were obtained for quality control purposes.<br>Airlift sampling:<br>• 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.<br>• Airlift sampling was carried out at each drill hole with 72-hour |

| Criteria | JORC Code explanation | Commentary |
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| | | pumping. For Pata Pila/Deceo III (PP-01-19), a total of 5 samples were taken at 2, 24, 36, 44 and 64 hours. For Rana de Sal, a total of 4 samples were taken at 5, 30, 54 and 74 hours. For every sample sent to the primary laboratory, a duplicate was sent to a second laboratory for check analysis. |
| 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.<br>• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.<br>• 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. | • The Alex Stewart International laboratory located in Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected.<br>• The Alex Stewart International laboratory is ISO 9001 and ISO 14001 certified and is specialised in the chemical analysis of brines and inorganic salts, with considerable experience in this field.<br>• The SGS laboratory was used for secondary check analyses and is also certified for ISO 14001. In most case, SGS results returned slightly higher values than Alex Stewart International<br>• 39 brine samples (including replicates) were sent to the Alex Stewart International and SGS laboratories, respectively.<br>• Based on ion balance, all results from Alex Stewart International plotted within the ±10% acceptance envelope, indicating high analytical data acceptability. |
| Verification of sampling and assaying | • The verification of significant intersections by either independent or alternative company personnel.<br>• The use of twinned holes.<br>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.<br>• 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.<br>• Standards consisted in one high-grade and one medium-grade synthetic brine prepared at the Alex Stewart International laboratory in Mendoza (Argentina). Synthetic standards were sent to both in-country laboratories to monitor accuracy of the latest |

| Criteria | JORC Code explanation | Commentary |
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| | | batch of samples (long-term airlift sampling).<br>• One blank was analysed at Rana De Sal.<br>• Reproducibility between Alex Stewart International and SGS was displayed acceptable, though SGS showed a slightly higher bias for all analytes<br>• The Alex Stewart QA/QC standards are underestimating the synthetic brine certified values, with the largest difference being with the lower grade (550 Li mg/l) standard. Therefore, more samples need to be submitted for future work, and investigation is required to better understand why the values are being underestimated. However, the brine occurrence and chemistry, the relative consistency of the data and confidence in the drilling and sampling results is reasonable for Indicated resource<br>• Accuracy of both laboratories was displayed acceptable for the latest sample batch as indicated by RPD values smaller than ±10%.<br>• Overall, QC assessment results support acceptability for both laboratories.<br>• The slightly higher bias with SGS needs further investigation. Therefore, the Alex Stewart International results were preferred for resource estimation.<br>• Specific yields from Zelandez logging were checked. The CP is of the opinion that the values underestimate porosity (based on similar settings in the region), and adjustments were therefore made to the specific yields for resource estimation. |
| 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. | • The survey locations were located using modern Garmin handheld GPS with an accuracy of +/- 5m.<br>• For accuracy and certainty drill holes are located with two GPS |

| Criteria | JORC Code explanation | Commentary |
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| | • Specification of the grid system used.<br>• Quality and adequacy of topographic control. | devices one using latitude and longitude and the other map coordinates.<br>• The grid System used by Quantec: POSGAR 94, Argentina Zone 3<br>• 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.<br>• 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.<br>• 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.<br>• 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.<br>• 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. | • No audits or reviews have been conducted to date. The drilling is at a very early stage however the Company's independent consultants and CP have approved the procedures to date. |

**Section 2 Reporting of Exploration Results**

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

| Criteria | JORC Code explanation | Commentary |
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| 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.<br>• 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 Hombre Muerto West Lithium Project consists of numerous licences located in Catamarca Province, Argentina. The tenements are owned by Blue Sky Lithium Pty Ltd ('Blue Sky'). Galan and Blue Sky executed a Share Sale Agreement whereby Galan purchased 100% of the issued share capital of Blue Sky.<br>• The Del Condor tenement lies between Pata Pila/Deceo III and Rana de Sal I tenements, and Pucara del Salar to the northeast. The Del Condor and Pucara tenements are 100% owned (as per ASX announcement dated 4 Nov'20) |
| Exploration done by other parties | • Acknowledgment and appraisal of exploration by other parties. | • No historical exploration has been undertaken on these licence areas. PP-01-19, RS- 01-19 and PB-01-21 are all west of the adjacent licence area held by Livent Corporations (NYSE:LVHM). |
| Geology | • Deposit type, geological setting and style of mineralisation. | • Del Condor, Pucara, Pata Pila/Deceo III and Rana De Sal licence areas cover sections of alluvial fans located on the western shore of the Hombre Muerto salar proper. 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:<br>• easting and northing of the drillhole collar<br>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar | • Drillhole ID: PP-01-19<br>Easting: 679776.5005 E (WGS84 Zone 19)<br>Northing: 7189763.574 N (WGS84 Zone 19)<br>Vertical hole<br>Hole Depth: 718m<br><br>• Drillhole ID: RS-01-19<br>Easting: 678684.72 E (WGS84 Zone 19) |

| Criteria | JORC Code explanation | Commentary |
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| | • dip and azimuth of the hole<br>• downhole length and interception depth<br>• hole length.<br>• 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. | Northing: 7194047.40 N (WGS84 Zone 19)<br>Vertical hole<br>Hole Depth: 474m<br><br>• Drillhole ID: PB-01-21<br>Easting: 679840.000 E (WGS84 Zone 19)<br>Northing: 7189807.270 N (WGS84 Zone 19)<br>Vertical hole<br>Hole Depth: 220m |
| 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.<br>• 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.<br>• The assumptions used for any reporting of metal equivalent values should be clearly stated. | • No weighting or cut off grades have been applied<br>• Pumping tests continue to be carried out at Candelas West to ensure quality control<br>• All new assay results received to date are included in this report. |
| Relationship between mineralisation widths and intercept lengths | • These relationships are particularly important in the reporting of Exploration Results.<br>• If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.<br>• 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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| 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 results are from one drillhole at Rana de Sal and one at Pata Pila/Deceo III with an additional bore hole at Pata Pila for pumping and hydrogeological testing. |
| Other substantive exploration data | • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; 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. | • All meaningful and material information is reported<br>• Refer to previous ASX Company releases:<br><br>ASX:GLN - 11 September, 2019<br>ASX:GLN - 9 October, 2019<br>ASX:GLN - 19 December, 2019<br>ASX:GLN - 13 January, 2020<br>ASX:GLN - 15 January, 2020<br>ASX:GLN - 12 March, 2020<br>ASX:GLN – 17 November, 2020<br>ASX:GLN – 29 September, 2021 |
| 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).<br>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | • Geophysical (TEM) surveys currently underway at HMW licence areas<br>• Awaiting results for production well PB-01-21<br>• An additional two (2) more wells planned for H1, 2022<br>• At least four (4) additional diamond drill holes are also planned for H1, 2022 |

**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** |
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| 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.<br>• Data validation procedures used. | • All logs provided to SRK were imported and validated in Postgres SQL database server.<br>• Boreholes are plotted in ArcGIS for plan generation.<br>• All data is checked for accuracy. |
| Site visits | • Comment on any site visits undertaken by the Competent Person and the outcome of those visits. | • The CP visited the site from 22 to 26 July 2019 which included Hombre Muerto West.<br>• The CP reviewed core and cuttings for Candelas. The CP consulted |

| Criteria | JORC Code explanation | Commentary |
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| | • If no site visits have been undertaken indicate why this is the case. | with exploration manager regarding details of the descriptions and lithologies, and the same methods and procedures have been applied to Hombre Muerto West.<br>• The CP reviewed locations and drilling and sampling practices whilst at site for Candelas and visited the sites to be drilled for Hombre Muerto West (i.e. PP-01-19, RS-01-19 and PB-01-21). |
| Geological interpretation | • Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.<br>• Nature of the data used and of any assumptions made.<br>• The effect, if any, of alternative interpretations on Mineral Resource estimation.<br>• The use of geology in guiding and controlling Mineral Resource estimation.<br>• The factors affecting continuity both of grade and geology. | • The spacing of PP-01-19 and RS-01-19 drill holes (~4.5 km) coupled with extensive coverage of conductivity surveys, gives a moderate degree of confidence in the geological model.<br>• 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.<br>• No samples were obtained from basement or alluvials, and therefore only the Sand, Gravels and Halite are estimated as potential economic resources. |
| 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 are approximately 2.75 km (easting) by 7.750 km (northing) by 1.2 m (vertical), giving a total volume of interest of ~25.5 $km^3$.<br>• Downhole geophysics and depth-specific data (i.e. specific yield and brine chemistry) were used to estimate the resource. Priority was given to 72 hour airlift samples.<br>• Grades are relatively uniform with depth and lateral extent. |
| 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 | • 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 (using power 2) was deemed most appropriate at this stage. |

| Criteria | JORC Code explanation | Commentary |
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| | method was chosen, include a description of computer software and parameters used.<br>• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.<br>• The assumptions made regarding recovery of by-products.<br>• Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).<br>• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.<br>• Any assumptions behind modelling of selective mining units.<br>• Any assumptions about correlation between variables.<br>• Description of how the geological interpretation was used to control the resource estimates.<br>• Discussion of basis for using or not using grade cutting or capping.<br>• The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available. | • The search ellipse was spheroidal. The search distances were at a distance to ensure all blocks within the hydrogeologic domains were estimated, up to a maximum of 2.7 km.<br>• Downhole measurements of specific yield (SY) (drainable porosity) were obtained by Zelandez using Borehole Magnetic Resonance technology. The technique uses a unique measurement that responds to volumes of fluids present in the sequences and the distribution of those fluids as a function of pore geometry. Thus, the technique is used to measure pore network fluids allowing determination of Specific Yield (SY), Specific Retention and permeability i.e. hydraulic conductivity.<br>• Given no other independent method was used for measuring SY, the CP did a comparison of SY for other similar deposits and used conservative values for SY. The values assigned to each hydrogeologic unit (which includes both Pata Pila and Rana de Sal) are as follows:<br>o Sand – 12.5%<br>o Gravel – 6%<br>o Halite – 4%<br>• Total volumes of the hydrogeologic domains used for flagging the resource model are:<br>o Sand – 3.44 $km^3$<br>o Gravel – 0.20 $km^3$<br>o Halite – 0.19 $km^3$<br>• Lithium and potassium content were estimated into a proportional block model based on 5m composites for each domain using soft boundaries. The composite length was chosen to account for the lenses of halite and gravel.<br>• The block model dimensions are:<br>o Easting (250 m) |

| Criteria | JORC Code explanation | Commentary |
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| | | ○ Northing (250 m)<br>Elevation (5 m). |
| 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. | • The minimum interpolated grade is around 950 mg/l Li, which is very high grade, and above what has been deemed in similar projects as an economic cut-off grade. For example, a 500 mg/l Li cut-off was used for NRG Metals' Hombre Muerto North project, a combined Measured/Indicated resource. Hence, no cut-off grade was applied but the upper fresh and brackish water units are assumed to be zero.<br>• Based on observations that the brine density and chemistry is relatively consistent below a depth of about 80 metres, it was assumed that with depth, all parts of the salar between this depth and base of RS-01-19 at 713 m, will have saturated brine. The geophysics has shown that the basement topography is irregular and may result in some parts of the system being shallower than this depth, particularly towards the western margins of the resource. This has been taken into account in Resource classification. |
| 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 | • Potential brine abstraction is considered to involve pumping via a series of production wells.<br>• The thick and mostly unconsolidated sand 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. |

| Criteria | JORC Code explanation | Commentary |
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| | with an explanation of the basis of the mining assumptions made. | • The raw brine extraction wells are to be located in Pata Pila and Rana de Sal. This brine will be transferred to the evaporation ponds system for the concentration of the lithium contents. |
| 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 ($Li_2CO_3$) from lithium brine has been demonstrated by a number of companies with projects in Argentina in close proximity to Hombre Muerto, for example Livent Corporation's El Fenix, and Galaxy's Hombre de Muerto. It is assumed Galan would use similar methods to enrich brine to 99.6% lithium and produce lithium carbonate ($Li_2CO_3$).<br>• The proposed metallurgical process has two main stages; the first stage is the evaporation ponds system and the second is the lithium carbonate plant. The first stage allows the concentration of the lithium in the brine and the precipitation of impurities. The second stage is pursuing the removal of remaining impurities and the precipitation of the lithium carbonate product. The overall recovery of Li of the proposed process design is 58.5%.<br>• As announced on 10 Sep 2020, Galan has commenced lab test production of battery grade lithium carbonate. |
| 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 | • No factors or assumptions are made at this time. However, an environmental report has been accepted by the mining court for the tenement grant.<br>• Environmental monitoring and reporting are ongoing |

| Criteria | JORC Code explanation | Commentary |
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| | of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an 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.<br>• 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.<br>• 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.<br>• 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.<br>• 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.<br>• Specific yields for each domain are:<br>  • Sand 12.5%<br>  • Gravel 6%<br>  • Halite 4% |
| Classification | • The basis for the classification of the Mineral Resources into varying confidence categories.<br>• 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).<br>• 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.<br>• Numerous factors were taken into consideration when assigning the classification applied to the Mineral Resource estimate. Of |

| Criteria | JORC Code explanation | Commentary |
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| | | these factors, it is considered that the classification has been primarily influenced by the drill coverage, geological complexity and data quality as described in the main announcement above. When assessing these criteria, SRK considers the greatest source of uncertainty to be the large sample intervals, which have resulted in data aggregation. The large intervals have also resulted in some degree of smearing of high grades within the modelled domains. Also, the specific yields may be underestimated and provide potential upside. |
| 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.<br>• 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.<br>• 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 submitted to both laboratories to confirm repeatability as part of the Quality Assurance/ Quality Control (QA/QC) procedure.<br>• To date, a total of 11 bailer/packer tests (including 5 duplicate samples) and a total of 15 airlift samples (including 8 duplicates, 2 blanks and 4 synthetic brines) were submitted were submitted to Alex Stewart and SGS. A high and a low certified synthetic brine were also used to check accuracy. Based on the results of the duplicate and standard samples, the CP concluded that the laboratory results are reliable.<br>• The Mineral Resource estimate statement is based on two drill holes, given the relatively small size of the project and the domains, the uniformity of the brine chemistry, the extensive coverage of conductivity profiles and the relatively good stratigraphic understanding of the hydrogeologic units, the CP |

| Criteria | JORC Code explanation | Commentary |
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| | | believes that an Indicated category is justified.<br>• The sandy units that 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. |