



# DEVELOPING HIGH- GRADE LITHIUM BRINE PROJECTS IN ARGENTINA

Investor presentation

November 2022

ASX : GLN | FSX : 9CH

# 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](http://www.galanlithium.com.au) and [www.asx.com](http://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

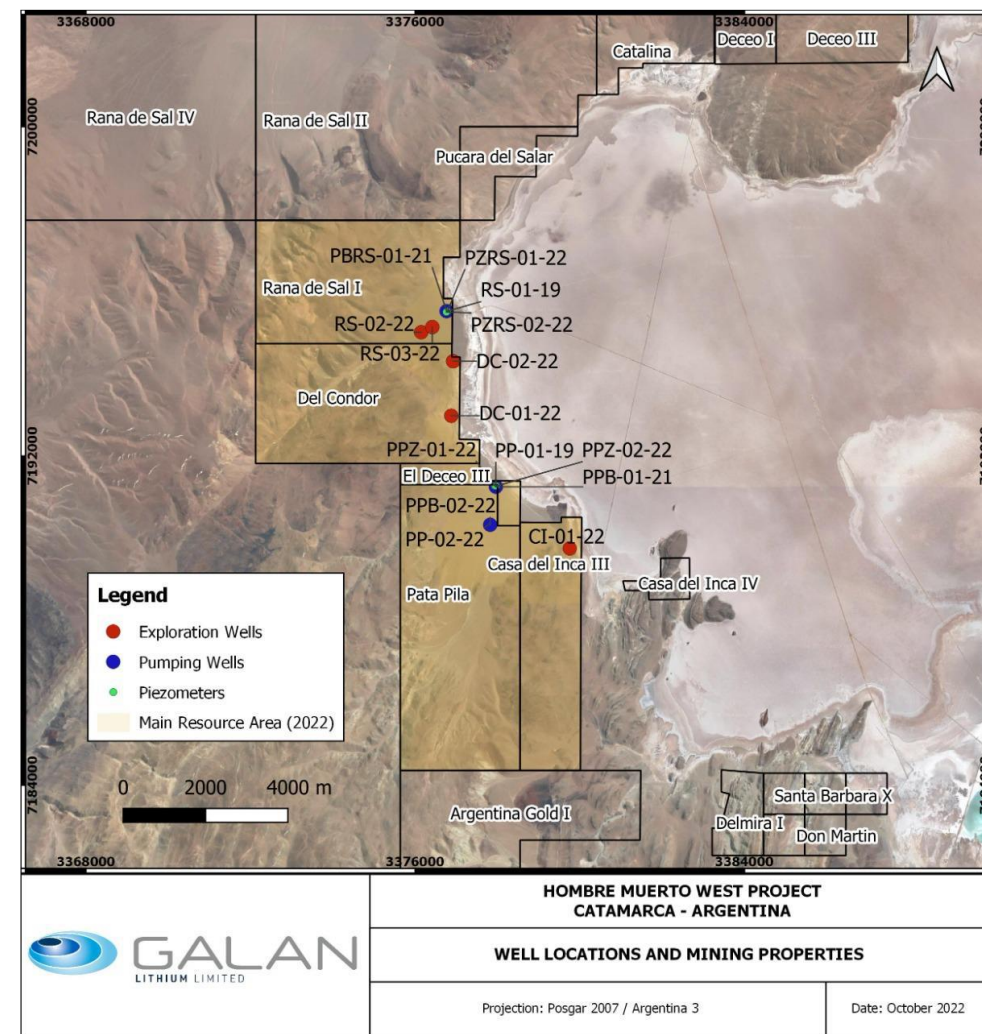


# Spectacular increase in HMW Resource

High grade, low impurity profile

**Mineral Resource increased 2.5x to 5.8Mt contained LCE @ 866 mg/l Li with 76% now in Measured category<sup>1</sup>**

- Results to be incorporated into DFS, on track for delivery during Q1 2023
- Potential production increase being explored



1. Refer to slide 23 for further detail, the HMW West Mineral Resource information has been extracted from ASX announcement entitled "2.5x Increase in HMW Resource - Now 5.8Mt LCE 866 mg/l Li", dated 24 October 2022". 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.

# Outstanding long-term pump test results

PBRS-01-21 delivers 25 L/s at average 967 mg/L grade for 30+ days

## Brine feed flow and chemical results conceptually support extended 4ktpa LCE pilot plant<sup>1</sup>

- Focus now on scaling-up original pilot plant to 4ktpa LCE
- Targeting near-term, first-phase, high-quality 6% Li concentrate on a semi-commercial scale<sup>2</sup>



Aerial view of original HMW Pilot Plant

1. Refer ASX announcement dated 22 November 2022, "Flow rate data continues to support 4ktpa LCE pilot plant"

2. Refer ASX announcement dated 2 November 2022, "Application to scale up piloting stage of HMW Project"

# Corporate snapshot

Strong cash liquidity, tight share register

Market capitalisation  
A\$469M

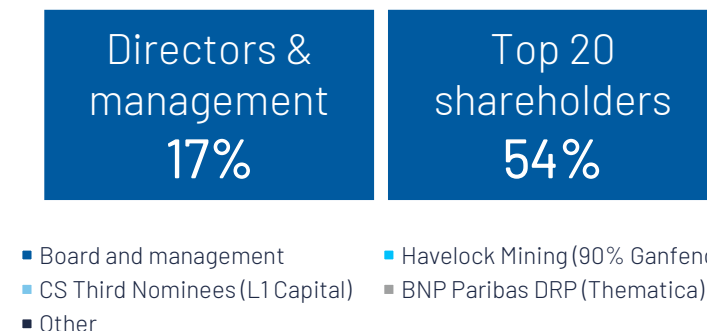
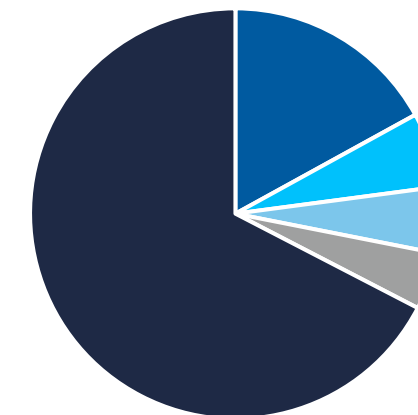
Share price  
A\$1.54

## Major shareholders

Shares on issue  
304.5M

Net cash position  
A\$47M

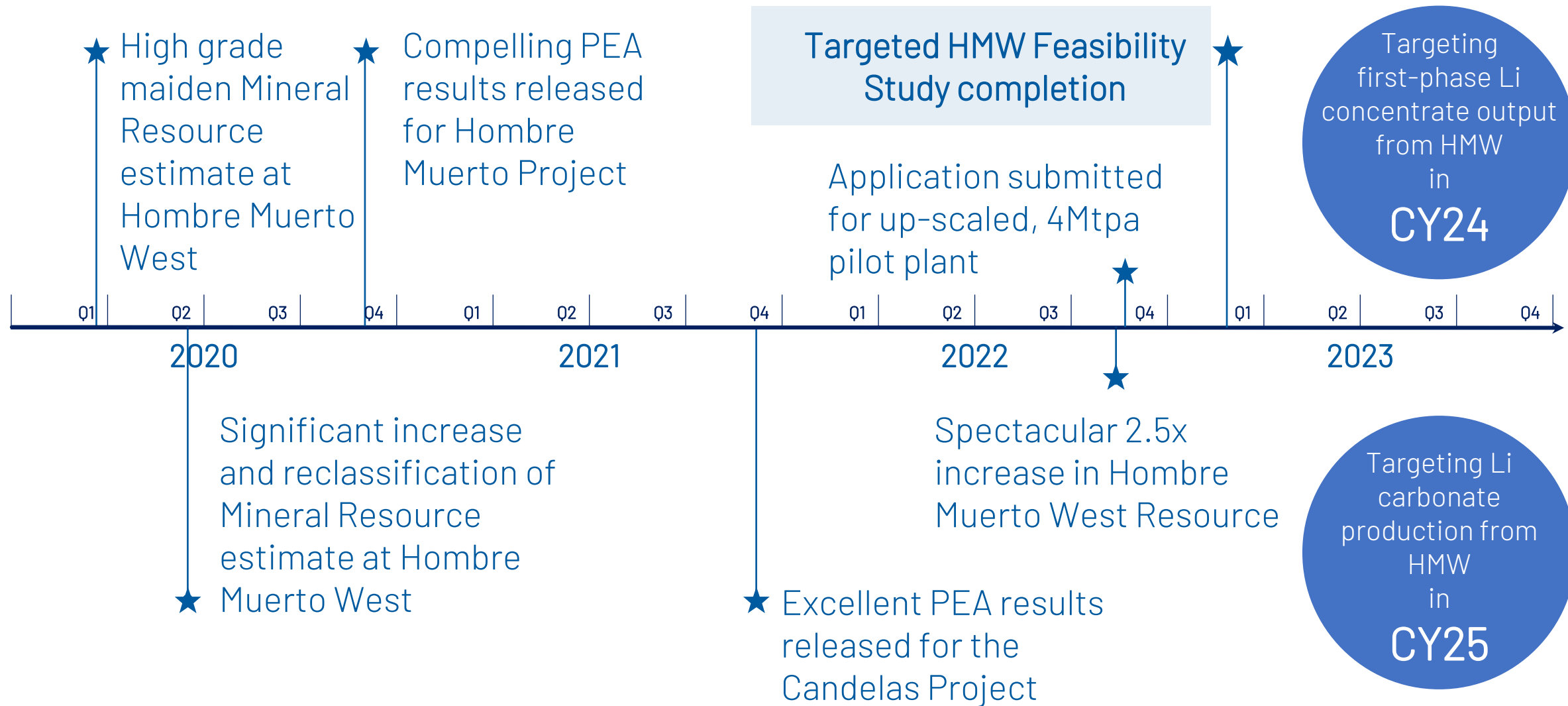
Unquoted securities  
7M Options  
16M Performance Shares and Rights



Note: Net cash at 31 September 2022 shares on issue as at 26 August 2022, share price and undiluted market capitalisation as at 23 November 2022. Unquoted securities include 6,970,950 options with various strikes and expires, 9,000,000 Directors Performance Rights, 5,000,000 Performance Shares and 2,350,000 Performance Rights.

# Delivering on our commitments

Rapid dual-track project advancement



# The premier lithium developer

01

**World-class location**

High grade, low impurity brine assets

02

**Compelling economics**

Study work supports high return projects

03

**Sustainable supply**

Low energy, low carbon production footprint

04

**Rapid project delivery**

Fast track route to carbonate production

05

**Best in-class team**

Highly experienced 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

- World's largest lithium reserves
- ~40% total annual lithium production is from the Atacama and Hombre Muerto salars
- Lithium 'elephant' country



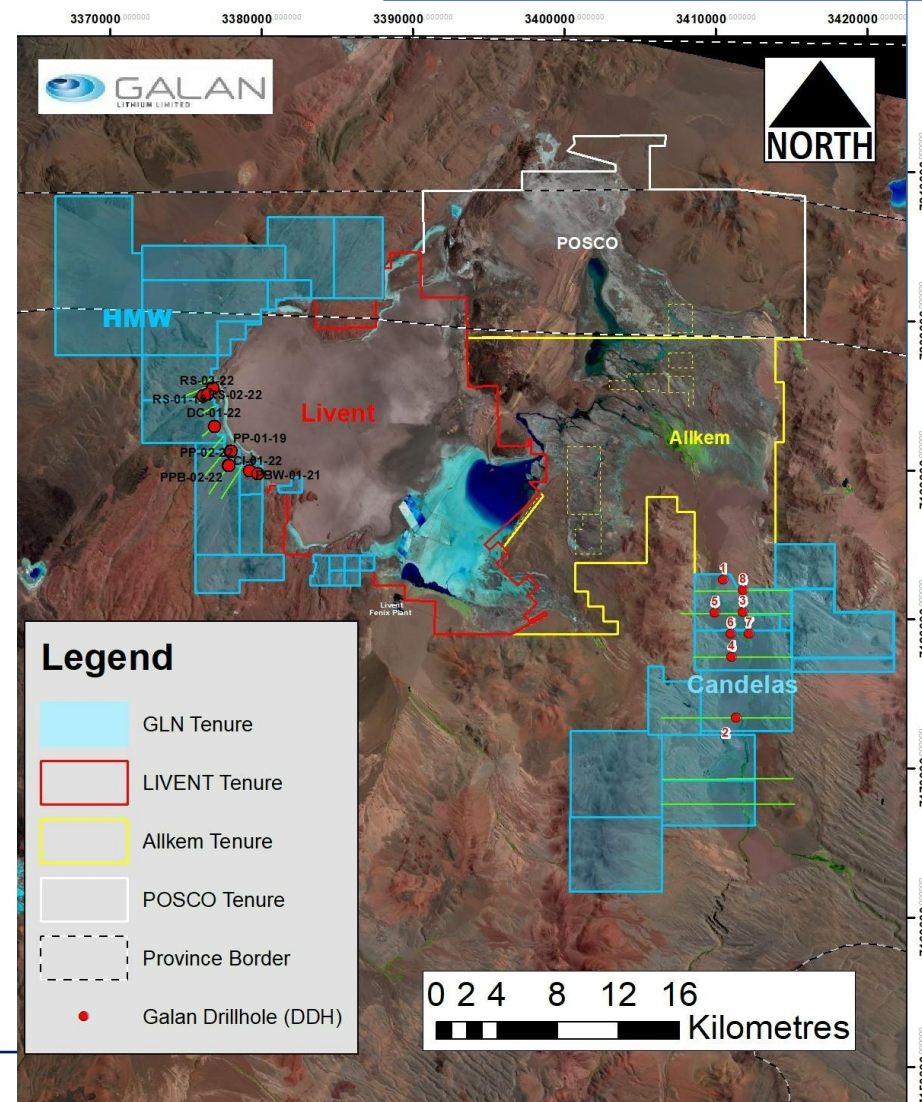
# 01 World-class location

Highly strategic positioning

## 25+ year history of production - further development underway

- Substantial investment
- Significant infrastructure
- Excellent governmental and community support
- Highly strategic positioning

Our projects are within a 20km radius of Livent, Alkem and POSCO tenure



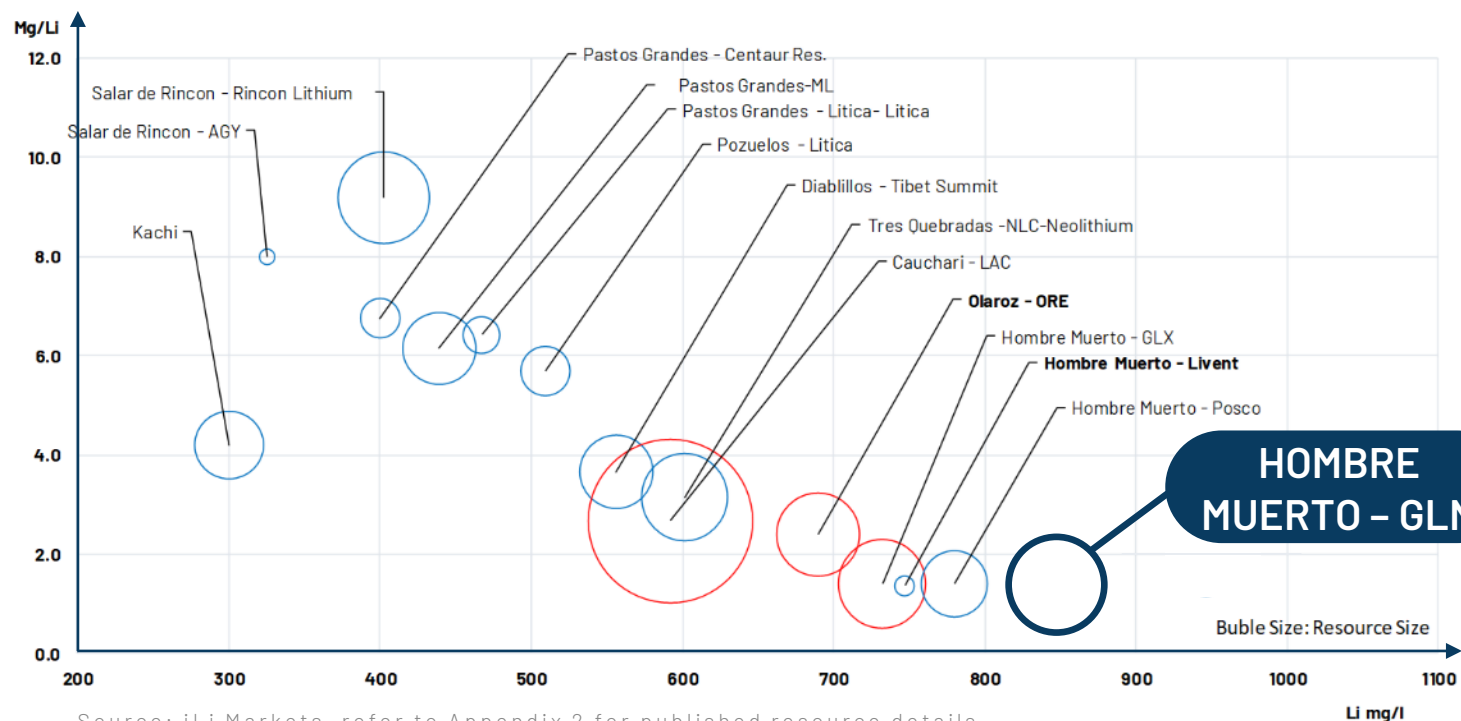
# 01 World-class location

High grade, low impurity brine assets

## Our Hombre Muerto assets are amongst the very best brine projects

- Leading lithium grades
- Low potassium and magnesium
- Substantial exploration upside remains

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



# 02 Compelling economics

Strong, PEA outcomes for 20 ktpa LCE at HMW

## Flagship HMW Project 100% ownership

- Low-risk, proven processing
- Expected 20 ktpa  $\text{Li}_2\text{CO}_3$
- +40 yr life
- Unlevered pre-tax  $\text{NPV}_{8\%}$  of US\$2,193M
- IRR of 37.5% with <3 yr payback
- 60% of Indicated Resource utilised in PEA – substantial output and life upside

Preliminary Economic Assessment (December 2021) <sup>1</sup>	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	1,388
IRR (after tax)	%	33.1
Payback from start of operations	Years	2.75

<sup>1</sup>. Refer ASX announcements dated 21 December 2020 and 9 December 2021

# 02 Compelling economics

Piloting work to further de-risk HMW

## HMW Pilot Plant operations commenced

- 5,000m<sup>2</sup> evaporation pond complete
- Pond filling complete and evaporation testing commenced
- High-flow, high grade long-term pumping tests results achieved
- De-risking an already highly established, proven process flow sheet



# 02 Compelling economics

Attractive Candelas growth project (+14 ktpa LCE)

## Highly complementary Candelas Project 100% ownership

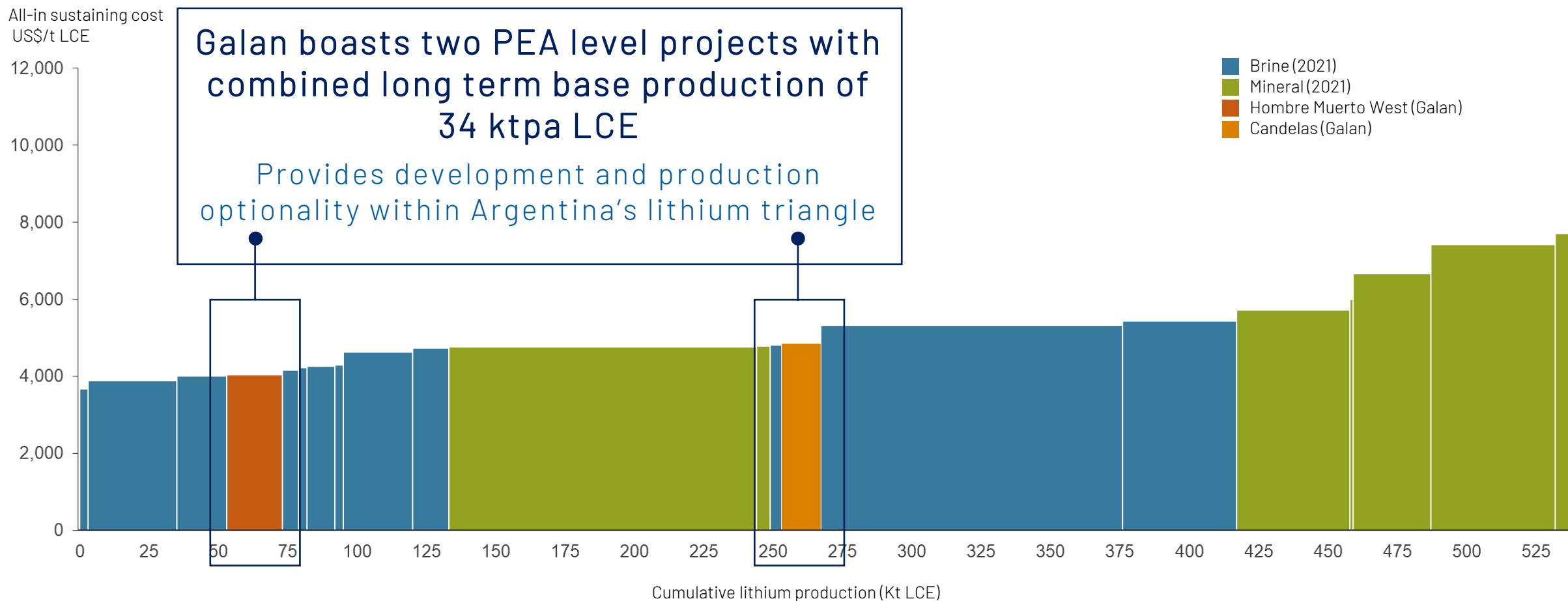
- Expected 14 ktpa  $\text{Li}_2\text{CO}_3$
- +25 yr life
- Unlevered pre-tax  $\text{NPV}_{8\%}$  of US\$1,225M
- IRR of 27.9% with 4 yr payback
- Significant potential cost synergies

Preliminary Economic Assessment (November 2021) <sup>1</sup>	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
$\text{NPV}_{8\%}$ (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)

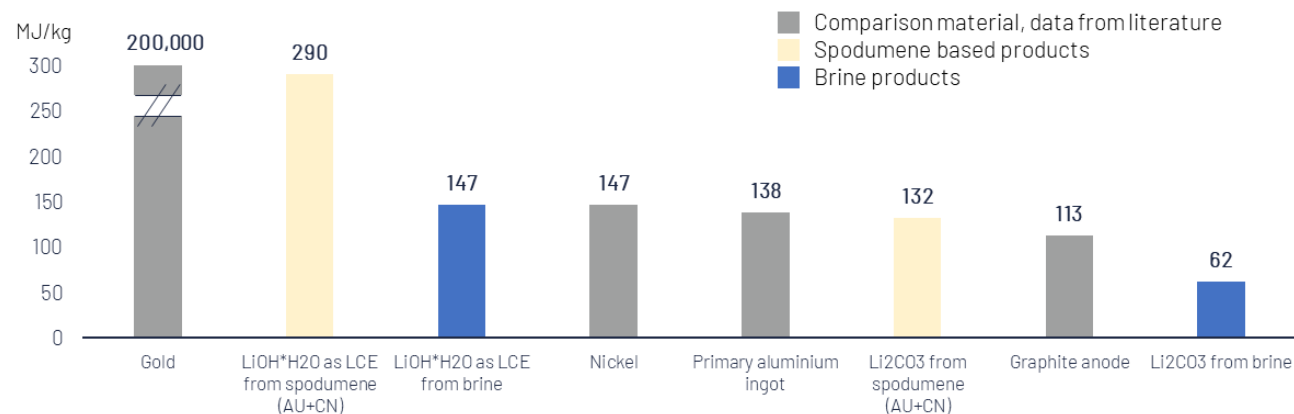
# 03 Sustainable supply

Low energy and low carbon lithium brine production

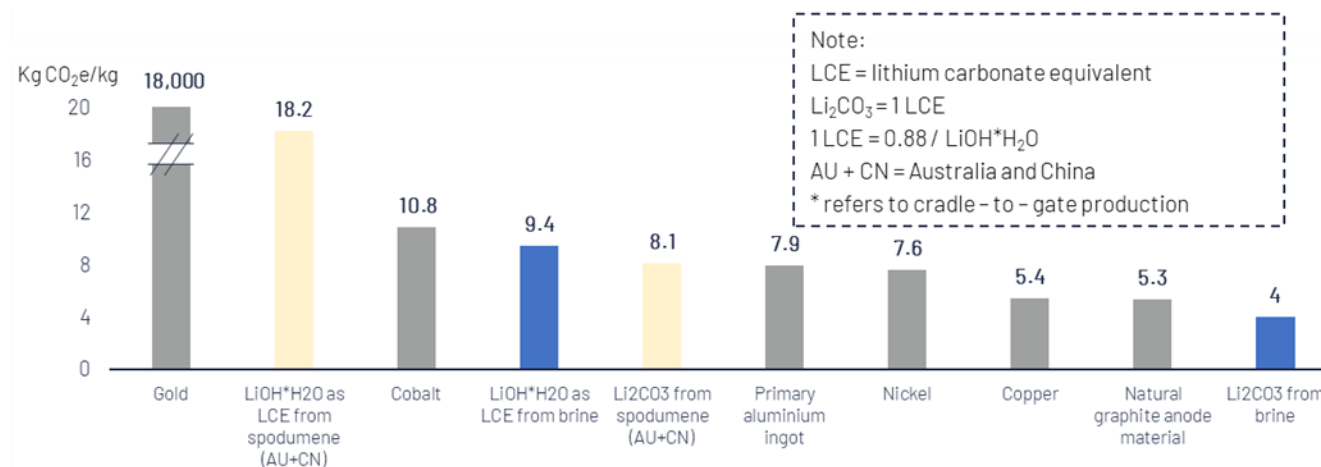
## Attractive relative environmental footprint – low impact production

- Brine-based lithium has superior environmental credentials
- Lower energy and CO<sub>2</sub> equivalent emissions

Comparison of energy consumption



Comparison of CO<sub>2</sub>e emissions



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



# 04 Rapid project delivery

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

## Targeting first-phase lithium concentrate production from HMW in CY24 and $\text{Li}_2\text{CO}_3$ from CY25

- HMW Mineral Resource estimate upgrade on track for Q3 CY22
- HMW Feasibility Study and associated work progressing well



Key business activities	Q3 CY22	Q4 CY22	Q1 CY23	Q2 CY23	Q3 CY23	Q4 CY23
<b>Hombre Muerto West</b>						
Mineral Resource update	X					
Pilot plant operations	X	X	X			
Feasibility Study	X	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



**JP Vargas de  
la Vega**

Company  
Founder &  
Managing  
Director



**Daniel  
Jimenez**

Non-Executive  
Director



**Christopher  
Chalwell**

Non-Executive  
Director



**Terry  
Gardiner**

Non-Executive  
Director

# 05 Strong Operational team in Argentina

A talented group of professionals with world class knowledge and extensive local experience

**Boris Caro**

Project Director

20 years project management experience including senior roles with Orocobre and BHP

**Alvaro Henriquez**

GLN -Geology Manager

20 years applied geology and hydrogeology experience including senior roles with SQM & WSP

**Francisco Lopez**

Exploration Manager - Argentina

15 years exclusively in lithium exploration in Argentina including Orocobre, Neolithium and Lake Resources

**Pablo Sanz**

Business Development & Permitting

25 years of prospecting in Argentina and tenement management



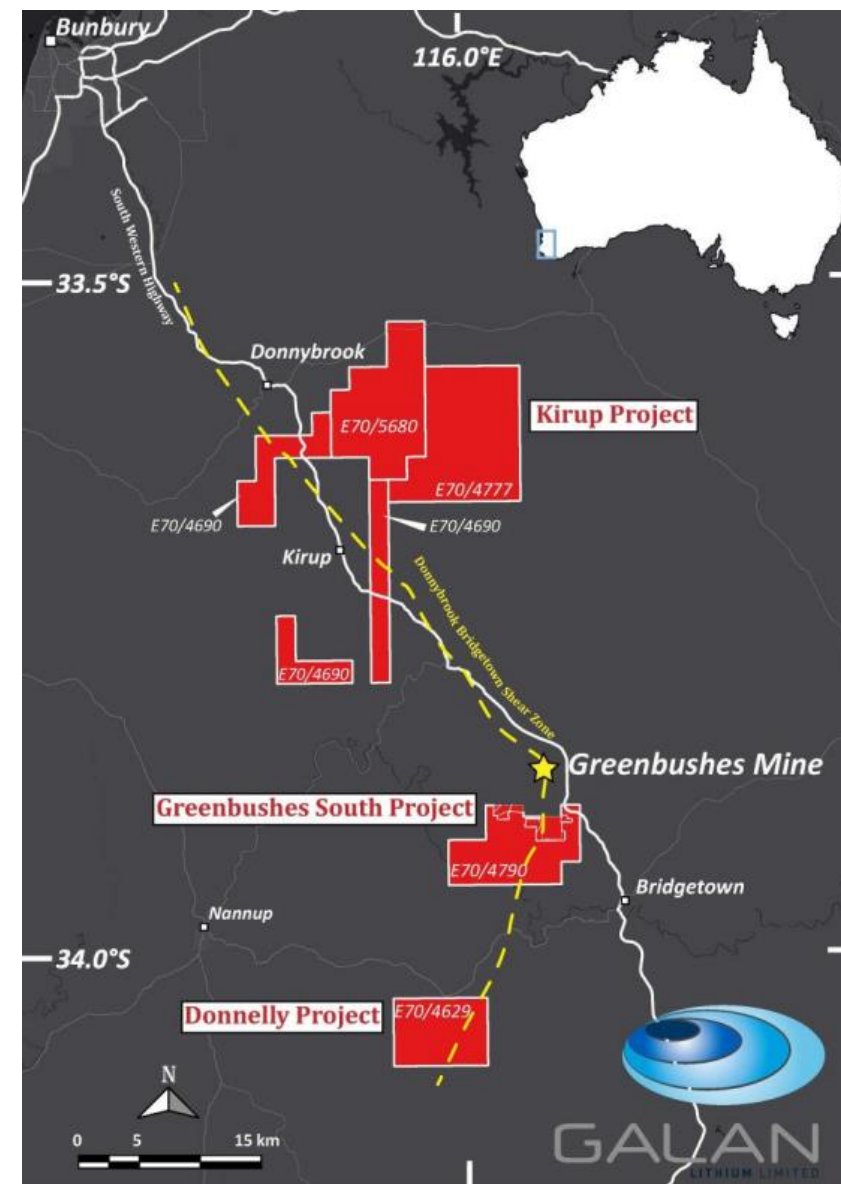
**Supported by a professional and dedicated team of staff and contractors, working towards a common goal**

# 06 Further project pipeline

Hardrock lithium exploration upside

## Greenbushes South Lithium Project Joint Venture 80% ownership

- 3km south of Greenbushes Lithium mine
- Tenements intersect the Donnybrook-Bridgetown Shear Zone
- Discovery of lithium bearing pegmatites with 500m+ strike length
- Initial geochemical results; anomalous Li concentrations up to 215ppm
- Targeting drilling from late CY22



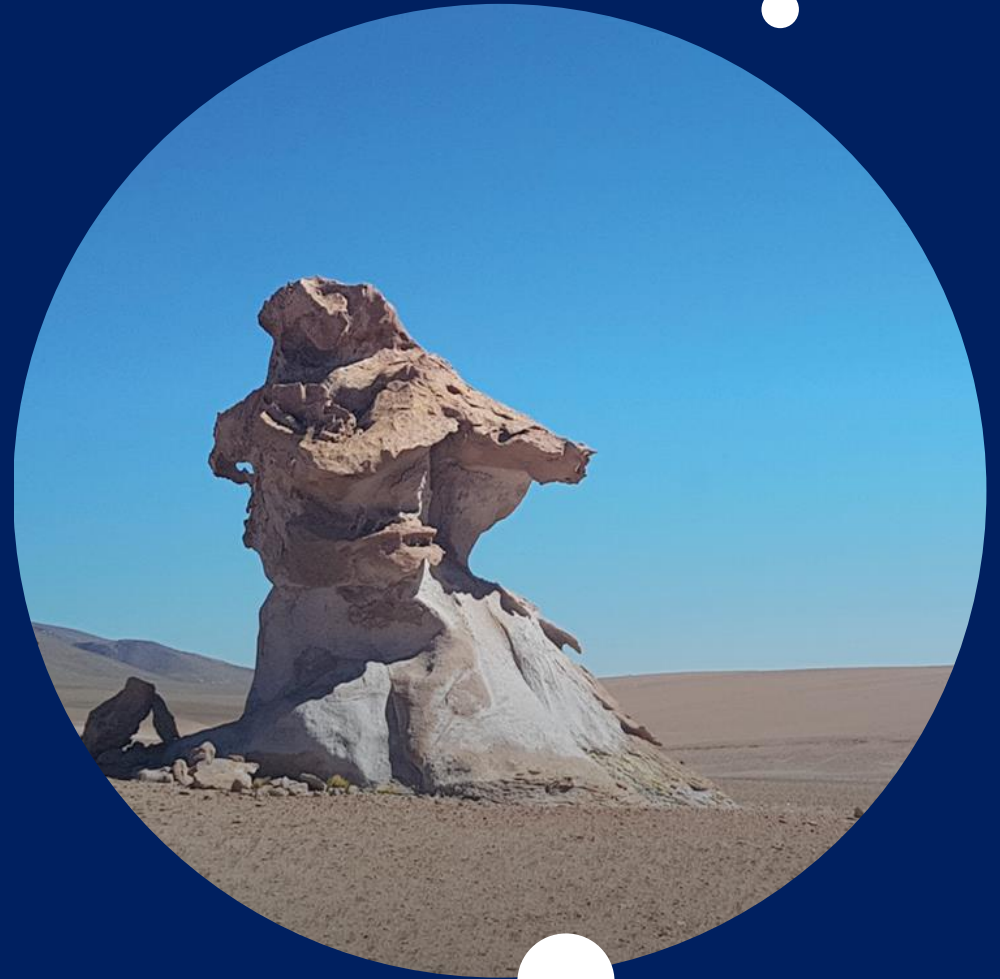
# The premier lithium developer

- 01 World-class location
- 02 Compelling economics
- 03 Sustainable supply
- 04 Rapid project delivery
- 05 Best-in class team
- 06 Further project pipeline



# On the fast track to lithium carbonate production

With flagship HMW and Candelas Projects in South America's lithium triangle



# Appendix 1: Mineral Resource estimate

## Mineral Resource Statement for Candelas<sup>1</sup>

Category	In situ Li (kt)	Avg. Li (mg/l)	LCE (kt)	Avg. K (mg/l)	In situ K (kt)	KCI Equiv. (kt)
Indicated	129	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, KCI = K x 1.907

## Mineral Resource Statement for Hombre Muerto West<sup>2</sup>

Category	In situ Li (kt)	Avg. Li (mg/l)	LCE (kt)	Avg. K (mg/l)	In situ K (kt)	KCI Equiv. (kt)
Measured	833	883	4,435	7,777	7,331	13,980
Indicated	125	820	663	6,993	1,101	2,099
Inferred	140	811	748	7,170	1,241	2,367
NMW total	1,098	866	5,846	7,599	9,733	18,561

Note: No cut-off grade for HMW. These results refer to the drainable porosity, the specific yield (SY) values used are as follows;

- Sand: 23.9%
- Gravel: 21.7%;
- Breccia: 8% and
- Halite: 4%

There may be minor discrepancies in the above table due to rounding. The conversion for LCE = Li x 5.3228, KCI = K x 1.907

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

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 "2.5x Increase in HMW Resource - Now 5.8Mt LCE 866 mg/l Li", dated 24 October 2022"

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# 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	866	4,435	663	748	5,846
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, adjusted for recent Mineral Resource estimate upgrade



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