GALAN LITHIUM LIMITED

ASX ANNOUNCEMENT

03 July 2023

Phase 1 of Hombre Muerto West (HMW) DFS Delivers Compelling Economic Results for Accelerated Production

Highlights:

- **Phase 1 DFS delivers compelling economics from an initial 5.37ktpa LCE operation at HMW; targeting a high quality, 6% concentrated lithium chloride product (equivalent to 12.9% Li_2O or 31.9% LCE) in H1, 2025.**
- **Phase 1 on its own delivers a post-tax $NPV_{8\%}$ of US$460m, IRR of 36% and free cash flow of US$54m per year, facilitating Galan's funding for further expansions.**
- **Capex before contingency of US$104m and opex of US$3,963/t of recoverable LCE contained in concentrated lithium chloride product; Phase 1 costing in the first half of world lithium cost curve.**
- **Approximate 2 year payback from commencement of production.**
- **Minimal fresh water and power required for lithium chloride production.**
- **Phase 1 provides an exceptional foundation for significant economic upside in the Phase 2 DFS (20ktpa LCE), due in September 2023; with Phase 2 production expected in 2026.**
- **Initial Phase 1 development permits granted; top-soil removal, camp expansion and other earthworks have commenced, allowing the project to maintain schedule for first production in H1 2025.**
- **Procurement of long lead construction items underway.**

Galan Lithium Limited (**ASX: GLN**) (**Galan** or **the Company**) is very pleased to announce the results of its Phase 1 Definitive Feasibility (**DFS**) for its 100% owned Hombre Muerto West (**HMW**) Project in Catamarca Province, Argentina.

The HMW DFS Phase 1 delivers an annual production rate of 5,367 recoverable tonnes of lithium carbonate equivalent (**LCE**), contained in a concentrated lithium chloride product for a period of 40 years. The Phase 1 DFS results and analysis provided outstanding outcomes that demonstrated the HMW Project was a very competitive and highly compelling project in the lithium brine industry, with significant upside.

As previously announced, the DFS was separated into two phases. This initial Phase 1 of the DFS focuses on the production of a lithium chloride concentrate, as governed by the production permits. The DFS optimisation work continues and will culminate in the release of a Phase 2 DFS in September 2023, addressing full 20ktpa LCE production rate.

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

"We are delighted by the compelling economics produced from just the first phase of the HMW DFS. The re-evaluation of the DFS process and long-term production strategy will now deliver a high-quality lithium chloride product into the market which will provide Galan with strong early cash-flows. The numbers speak for themselves with an approximate 2-year payback and a project NPV that represents more than twice our current market cap. Thanks to our loyal project team for their tireless commitment to the Galan cause."

Cautionary Statements

The Definitive Feasibility Study (**DFS**) referred to in this announcement is based upon a JORC Code Compliant Mineral Resource Estimate (ASX: HMW Project Resource Increases to 6.6Mt LCE @ 880mg/l Li: 1 May 2023) (inclusive of the updated Proven and Probable Ore Reserve referred to in this announcement). Galan confirms that there are no Inferred Resources included in the DFS production schedule and that the schedule is comprised 100% of Ore Reserves.

The Mineral Resources underpinning the Ore Reserve and production target in the DFS have been prepared by a competent person in accordance with the requirements of the JORC Code (2012). The Competent Person's Statement(s) are found in the section of this ASX release titled *"Competent Person's Statement(s).* For full details of the Mineral Resources estimate, please refer to the body of this announcement. Galan confirms that it is not aware of any new information or data that materially affects the information included in this release. All material assumptions and technical parameters underpinning the estimates in the ASX release continue to apply and have not materially changed.

Process and engineering designs for the DFS were developed to support capital and operating estimates to an accuracy of -10% to +15%. Key assumptions that the DFS was based on (including those defined as Material Assumptions under ASX Listing Rule 5.9.1) are outlined in the body of this announcement and Appendix 1. Galan believes the production target, forecast financial information derived from that target and other forward-looking statements included in this announcement are based on reasonable grounds.

Several key steps need to be completed in order to bring the Hombre Muerto West Project into production. Many of these steps are referred to in this announcement. Investors should note that if there are delays associated with completion of those steps, outcomes may not yield the expected results (including the timing and quantum of estimated revenues and cash flows). The economic outcomes associated with the DFS are based on certain assumptions made for commodity prices, exchange rates and other economic variables, which are not within the Company's control and subject to change. Changes in such assumptions may have a material impact on the economic outcomes.

To achieve the range of outcomes indicated in the DFS, funding will likely be required. There is no certainty that Galan will be able to source the amount of funding when required. 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 shares. It is also possible that Galan could pursue other value realisation strategies such as an off-take with prepayment, sale, partial sale or joint venture of the Hombre Muerto West Project.

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Galan Lithium Limited operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward- looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside Galan Lithium Limited's control. Galan Lithium Limited does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Galan Lithium Limited, its directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

Definitive Feasibility Study (DFS)

The preparation of the Phase 1 DFS was carried out by several consultants. The Mineral Resource and Ore Reserve estimates were prepared by SRK Consulting (**SRK**), the lithium recovery method was designed by Ad-Infinitum and the pond designs and water contour channels were developed by AIA Engineering and Consulting Services International (**AIA**) and EIC Engineering (**EIC**) respectively. Both are specialised engineering firms with sound previous experience with similar projects. M3 Engineering and Technology Corporation (**M3**) were responsible for reviewing and documenting the recovery method and the civil material take-off quantities for ponds and water contour channels, as well as developing the engineering design of the reagents and filtering plant. M3 also developed the Project's layout, infrastructure designs, capital cost and operating costs estimates and economic evaluation. The price estimates of the lithium carbonate and lithium chloride concentrate were developed by Wood Mackenzie and iLiMarkets respectively. Key financial highlights are presented in Table 1.

Table 1: Phase 1 Definitive Feasibility Study Results – HMW Project

Parameters	Units	Values
Lithium Carbonate Equivalent Production (after ramp-up)	tonnes/year	5,367
Project Life Estimate	Years	40
Capital Cost (CAPEX)	US$m	118.4
Capital Cost (ex-contingency)	US$m	103.6
Average Annual Operating Cost (OPEX)	US$/tonne	3,963
Average Lithium Chloride Selling Price (2025-2064)	US$/tonne	20,252
Average Annual EBITDA	US$m	83
Average Annual Free Cash Flow	US$m	54
Pre-Tax Net Present Value ($NPV_{8\%}$)	US$m	736
After-Tax Net Present Value ($NPV_{8\%}$)	US$m	460
Pre-Tax Internal Rate of Return (IRR)	%	48
After-Tax Internal Rate of Return (IRR)	%	36
Payback Period (After-Tax, from start of production)	Years	2.2

Tables 2 and 3 display the key HMW Project Phase 1 DFS team members including the responsibilities of the Competent Persons (CPs).

Table 2: DFS Competent Persons (HMW Project - Phase 1)

Competent Person	Company	Areas of Responsibility
Mr Marcelo Bravo	Ad-Infinitum	Project Background, Project Layout, Wells Field and Pond Design, Recovery Method, Production Schedule, Project Schedule, Environmental and Social Studies, Test Work and Piloting, Market and Contracts, Opex and Capex estimates, Economic Evaluation, Upside Potential and Risk Analysis
Mr Brian Luinstra	SRK	Mining Tenements, Mineral Resource Estimate, Brine Extraction, Ore Reserve Estimate
Mr Mike Cunningham	SRK	Mining Tenements, Mineral Resource Estimate, Brine Extraction, Ore Reserve Estimate
Mr John Woodson	M3	Infrastructure, with the exception of the wells field and Ponds areas

Table 3: Key DFS Team Members (HMW Project – Phase 1)

Team Member / Background	Company	Contribution / Experience
Alfredo Carrasco (Civil Engineer)	AIA	Ponds and hydraulic designs (>25 years' experience in the lithium industry)
Alfredo Edwards (Civil Engineer)	EIC	Water contour channels design (> 25 years' experience in the mining industry including tailing dams and water channels among others
Jose Antonio Merino/Martin Saez/Daniel Jimenez	ILiMarkets	Lithium chloride concentrate pricing and markets (ex SQM key personnel with >25 years' experience in the lithium industry)
Bill Oppenheimer (Registered Geologist)	M3	General Arrangement, Equipment List, Engineering design and MTOs for the reagent plant, filtering plants and other infrastructure items (>25 years' experience in the mining industry)
Daniel Liera (Civil Engineer with Masters in Construction Engineering and Management)	M3	Lead of the Capital Estimate team (26 years' experience on industrial and mining projects)
Gabriel Quiroz (Accountant)	M3	Preparation of the economic evaluation (28 years' experience on institutional accounting and financial analysis)

Mineral Resource Estimate

The most recent HMW Mineral Resource estimate was announced to the market on 1 May 2023 (Refer ASX Announcement entitled "Galan's 100% Owned HMW Project Resource Increases to 6.6MT LCE @ 880 mg/l Li (72% in Measured Category)". It incorporated geological and geochemical information obtained from nineteen (19) drillholes totalling 5,918 metres within the Pata Pila, Rana de Sal, Casa del Inca (III & IV), Del Condor, Pucara del Salar, Delmira, Don Martin and Santa Barbara tenements (see figure 1). A total of 610 brine assays were used as a foundation of the estimation, all of which were analysed at Alex Stewart International (**Alex Stewart**) laboratory in Jujuy. The QA/QC program includes duplicates, triplicates, and standards. In total, 325 QA/QC samples were considered using Alex Stewart (duplicates) and SGS in Argentina (triplicates) as the umpired laboratory.

The updated HMW Mineral Resource was supported by new core porosity data. Also endorsing the directly obtained brine samples and core recovery, was approximately 51 km of additional surface resistivity (CSAMT and TEM) which was completed in the 2021 and 2022 campaigns at the HMW Project.

The HMW Mineral Resource was reclassified based on the new data, resulting in a Measured Resource exceeding 4.7Mt of contained lithium carbonate equivalent (**LCE**) product grading 873 mg/L Li. In accordance with JORC Code Guidelines, the total HMW Mineral Resource (Measured + Indicated + Inferred) increased by approximately 14% to just over 6.6Mt of contained LCE grading at 880 mg/L Li. A summary of the updated HMW Mineral Resource estimate is provided in the Mineral Resource Statement (Table 4). No cut-off grade was applied to the updated Mineral Resource estimate as minimum block grades of 805 mg/L Li exceeded the anticipated economic threshold. This exceptional characteristic of the HMW reservoir reflects the highly homogenous brine quality throughout the tenements which permits the aggregation of the complete ore body and simplifies future operational, and process constraints.

Table 4: Mineral Resource Statement for Hombre Muerto West and Candelas (effective date May 2023) (Inclusive of Ore Reserves)

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:							
Measured	1,020	890	873	4,737	7,638	7,782	14,841
Indicated	205	185	904	986	7,733	1,585	3,022
Inferred	182	161	887	859	7,644	1,391	2,653
HMW Total	1,407	1,237	880	6,582	7,653	10,758	20,516
Candelas North (*)							
Indicated	196	129	672	685	5,193	1,734	3,307
Galan's Total Resource Inventory							
Grand Total	**1,603**	**1,366**	**852**	**7,267**	**7,793**	**12,492**	**23,823**

Notes:

1. No cut-off grade applied to the updated Mineral Resource Estimate as minimum assays values are above expected economic concentrations (Li 620 mg/L).
2. Specific yield (SY) values used are as follows: Sand – 23.9%, Gravel – 21.7%, Breccia – 8%, Debris – 12%, Fractured rock – 6%, and Halite – 3%.
3. The conversion for LCE = Li x 5.3228, and KCl = K x 1.907.
4. There may be minor discrepancies in the above table due to rounding.
5. (*) The Candelas North Mineral Resource Statement was originally announced by Galan on 1 October 2019.
6. There may be minor discrepancies in the above table due to rounding.

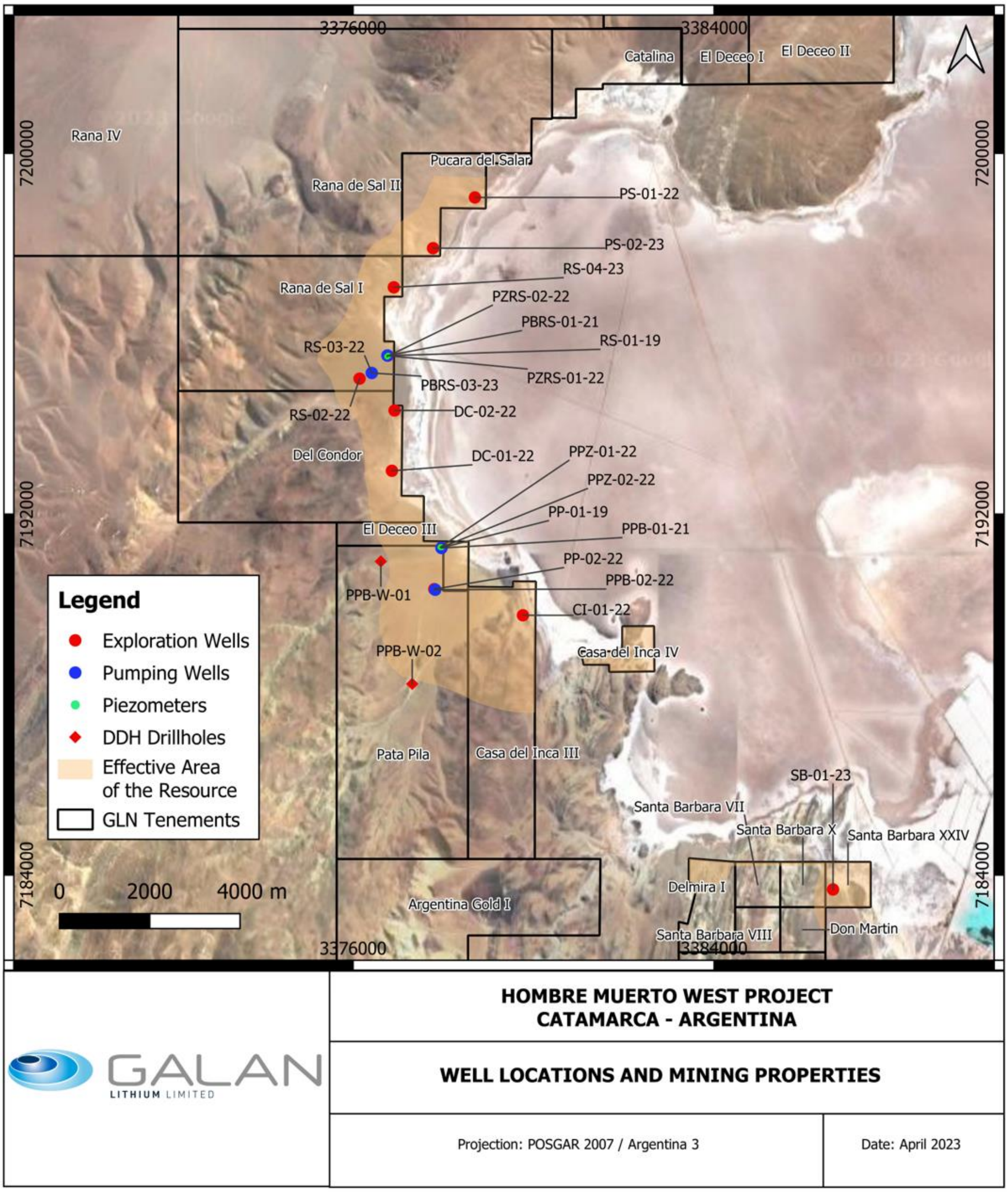

Figure 1: Hombre Muerto West Resource limits and drilling locations

Ore Reserve Estimate

The HMW Project Phase 1 DFS reports an initial Ore Reserve estimate of 212Kt of recoverable LCE (Table 5). The Ore Reserve estimate was signed off by Dr. Brian Luinstra, who is a Competent Person as it is described in the competent person statement. This initial Ore Reserve is based only on Phase 1 and so is expected to significantly increase during the Phase 2 DFS, where production is increased approximately fourfold to 20ktpa LCE.

Table 5: Ore Reserve Statement for HMW Project Phase 1 DFS (effective date 31 May 2023)

Ore Reserve Category	Production Period (years)	Pumped Brine Vol. (Mm^3)	Recovered Li Metal (Kt)	Avg. Li Grade (mg/l)	LCE (Kt)
Proven	1-10	19.7	17.8	901.6	53.7
Probable	11-40	59.1	52.4	886.9	158.7
HMW Total	**1-40**	**78.8**	**70.2**	**890.6**	**212.5**

Notes:

1. Ore Reserves are included in the Mineral Resources
2. No cut-off grade applied for HMW Ore Reserve.
3. A combined recovery factor of 57% applied accounting for: ponds and processing (66%); 90% efficiency assumed for lithium chloride to LCE process conversion. Additional 4% allowance applied for transport and operational losses.
4. "Li Metal" and "LCE" are expressed as total contained metals.
5. Lithium carbonate equivalent ("LCE") calculated using mass of LCE = 5.3228 multiplied by the mass of lithium metal.
6. There may be minor discrepancies in the above table due to rounding

Development of Ore Reserves in a brine deposit involves the application of mining modifying factors with the use of a fully integrated brine/groundwater numerical model. The model simulates the flow of brine to abstraction wells with an associated concentration of lithium to produce tonnes of lithium carbonate equivalent as part of a mine plan. Aquifer properties including storage, permeability and Li concentration of host aquifers used in the numerical model are calibrated to collected pumping data and water /brine levels to represent the hydrogeologic system as accurately as possible in order to facilitate forward-looking brine production estimates.

The Ore Reserve estimate has been developed using detailed integrated groundwater flow, density and solute transport finite difference modelling software MODFLOW (see figure 2), an industry standard numerical groundwater modelling platform. The models have been used to simulate the Ore Reserve estimate and support the mine plans for the Hombre Muerto West Project. Detailed modelling reports describing the construction, calibration and operation of the model are being developed as part of the DFS.

The aquifer properties in the numerical model have been zoned according to the Mineral Resource model and calibrated to steady state and transient conditions using all collected hydrogeological data, including pumping tests and level measurements in monitoring bores across the Project. Brine concentrations were assigned to the groundwater model directly from the resource block model.

Water balance for the West sub-basins margin of Salar del Hombre Muerto, where the HMW Project is located, has been studied and calibrated using the stationary numerical model. Due to relatively low annual rainfall (approx. 80mm/year) and limited extension of the catchment area on the west limit of the Salar del Hombre Muerto, there is no evidence of important density driven mechanisms for dilution or mixing of the Ore Reserve.

Monthly production rates were simulated from year 1 to year 40 according to seasonal brine demand. Abstraction rates and concentrations have been modelled iteratively to manage grade and optimise pumping to meet pond requirements. The Ore Reserve estimate is based on the nominal Phase 1 mine production plan of 40 years. A global recovery factor of 57% was used to derive the LCE production rates from the abstracted brine volume and Li content. This factor considers the chemical process evaporation ponds recovery and purification plant (approx. 66%) and LCE conversion recovery (90%). Additionally, a 4% allowance was applied for transport and operational losses.

Abstraction capture zone analysis was used to determine the origin of brine from each production well throughout the life of mine and Ore Reserve volumes were all derived from capture zones contained from within the Measured Resource blocks.

At the time of the release of the Ore Reserve estimate, Galan has fully tested three pumping wells, all of which form part of the project infrastructure, with measured flow yields ranging between 18 and 25 L/s. Two additional wells are now completed and are undergoing hydraulic testing. For the modelled wells a 20 L/s projected maximum flow has been assumed for the balance of the wells to complete the six required wells infrastructure. Under this scenario, and considering the seasonal variability on brine demand program, efficiencies for the wellfield are assumed to range between 30% (winter) and 75% (summer), averaging 52% on a yearly basis. This indicates that there will be sufficient installed well capacity to accomplish the abstraction scheme.

Due to the high and consistent grades of lithium within brines derived from Hombre Muerto West, no cut-off grade has been applied to the Ore Reserve (this means if a cut-off grade of 500mg/l was applied, the resource estimate would be the same ie. same tonnage and grade). The impact of density driven flow was accounted for in the modelling, however, is not considered to be material to the Ore Reserve estimate given the low-density gradients that have been mapped across the deposit.

The Ore Reserve estimate is considered to be a conservative representation of the aquifer systems with very high confidence in modelled outputs during the early to mid-life of mine production plan and reducing confidence during later production. Brine derived in years 1-10 of the Phase 1 mine plan is predominantly from areas with high levels of confidence with good geological and test pumping control and has therefore been categorised as Proven Ore Reserves. Brine derived in years 11-40 of the Phase 1 mine plan tends to be derived from areas with lower confidence and has therefore been categorised as Probable Ore Reserves.

It is important to note that hydrogeological numerical models have significant areas of uncertainty, and that the mine plan developed over a 40-year period is not definitive, as declared by Galan, the Project intends to upscale production in additional sequential stages, which are not part of this Ore Reserve declaration.

Model sensitivity, predictive uncertainty analysis and professional judgement have been incorporated into the numerical model development to determine the most sensitive parameters. A conservative approach to these parameters has been adopted to ensure the model is representative of the level of understanding of the hydrogeology.

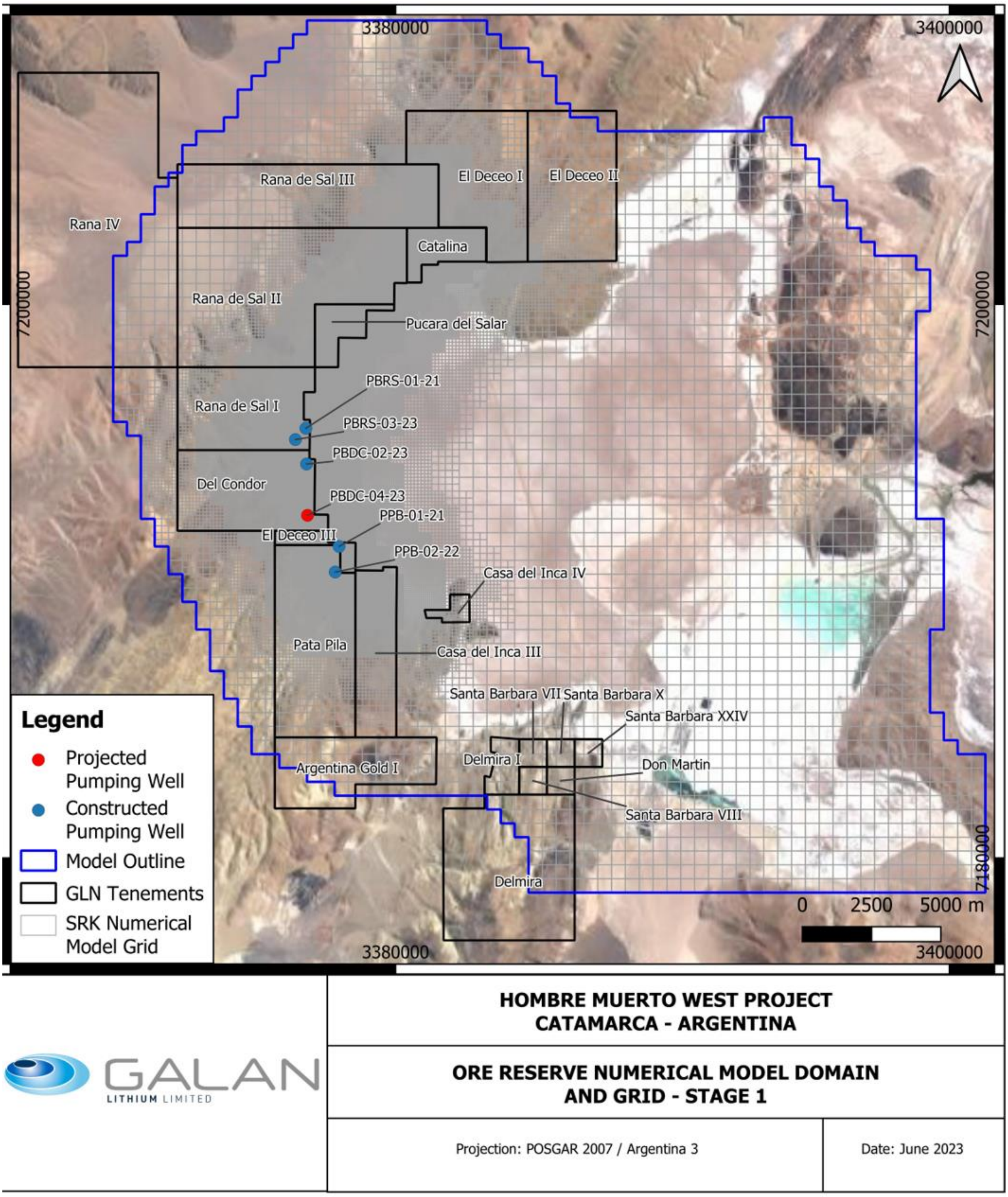

Figure 2: Hombre Muerto West Ore Reserve numerical model domain limits

Project Background

Location

The Hombre Muerto West Project (**HMW Project** or **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 4,000m above sea level. The Project is in the geological province of Puna, 90 km north of the town of Antofagasta de la Sierra, in the province of Catamarca, Argentina as shown in Figure 3. 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 Allkem Resources, Posco and Livent and 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).

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.

Mining Tenure

The HMW Project comprises twenty one (21) mining tenements - Rana de Sal (I, II & III), El Deceo (I, II & III) Pata Pila, Catalina, Rana IV, Del Condor, Pucara del Salar, Casa del Inca (III & IV), Argentina Gold I & el Grupo Santa Barbara (Delmira, Delmira I, Santa Barbara X, Santa Barbara VII, Santa Barbara VIII, Santa Barbara XXIV & Don Martin), covering an area of approx 26,059 hectares (Figure 4).

All mining tenure is 100% owned by Galan (via its wholly owned sibsidiaries in Argentina).

Design work shows the HMW brine wells will be located in the Rana de Sal, Del Condor 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.

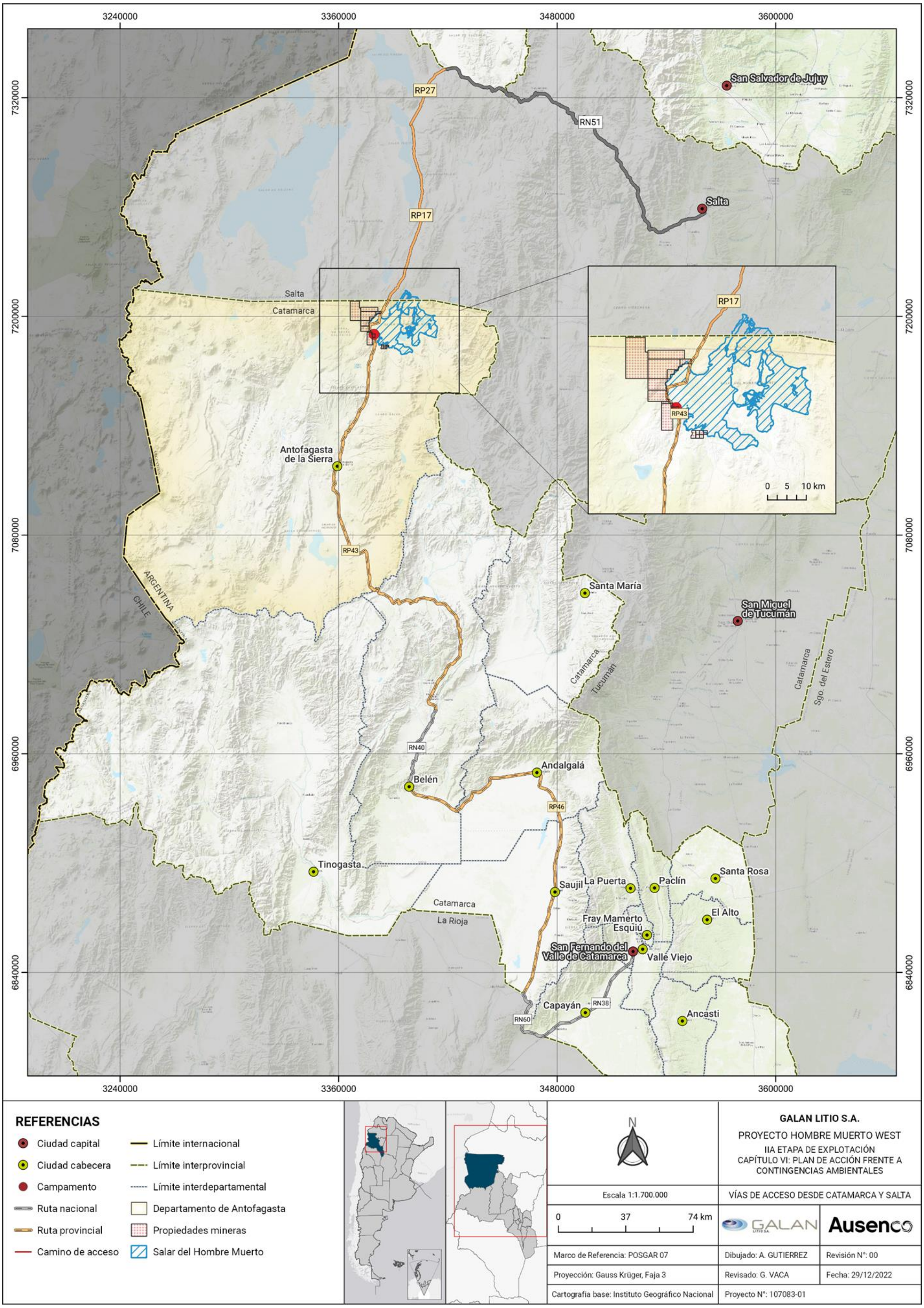

Figure 3: Location of HMW Project, Hombre Muerto Salar, Catamarca Argentina

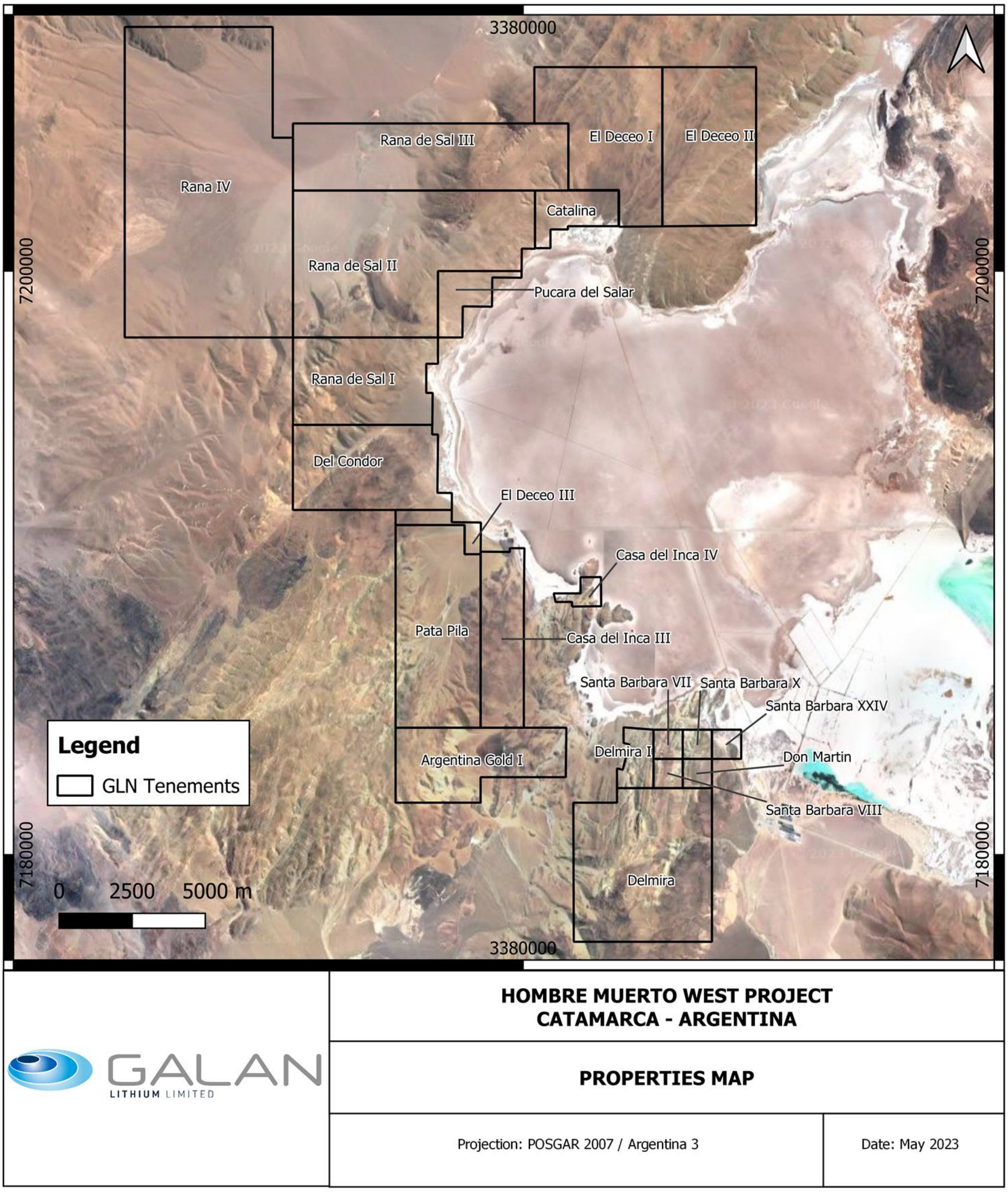

Figure 4: Hombre Muerto West Mining Tenure

Mining and Process Methodology

Brine Extraction

The raw brine extraction will be executed using vertical wells. At the time of this release, five (5) pumping wells have been completed, with the expectation that a total of 6 wells will be constructed and tested by the end of July 2023. Wells are approximately 350-400 metres deep and designed to capture and extract high grade brine volumes.

The brine wells field is positioned in the same area as the ponds system, the raw brine extraction is conducted through four to six production wells depending on the seasonal brine demand. The raw brine from each well will be pumped to an accumulation pond to enable a more homogeneous brine feed quality. From the accumulation pond, the raw brine will be transported to the first pond of the evaporation system. The average raw brine flow required to feed the ponds system is 60.6 L/s.

Recovery Method

The process, specifically defined and designed for the HMW Project, is based on conventional solar evaporation ponds and impurity removal treatment by addition of reagents to obtain a concentrated lithium chloride product with 6% Li content (equivalent to 12.9% Li_2O or 31.9% LCE).

Figure 5 displays the general process diagram.

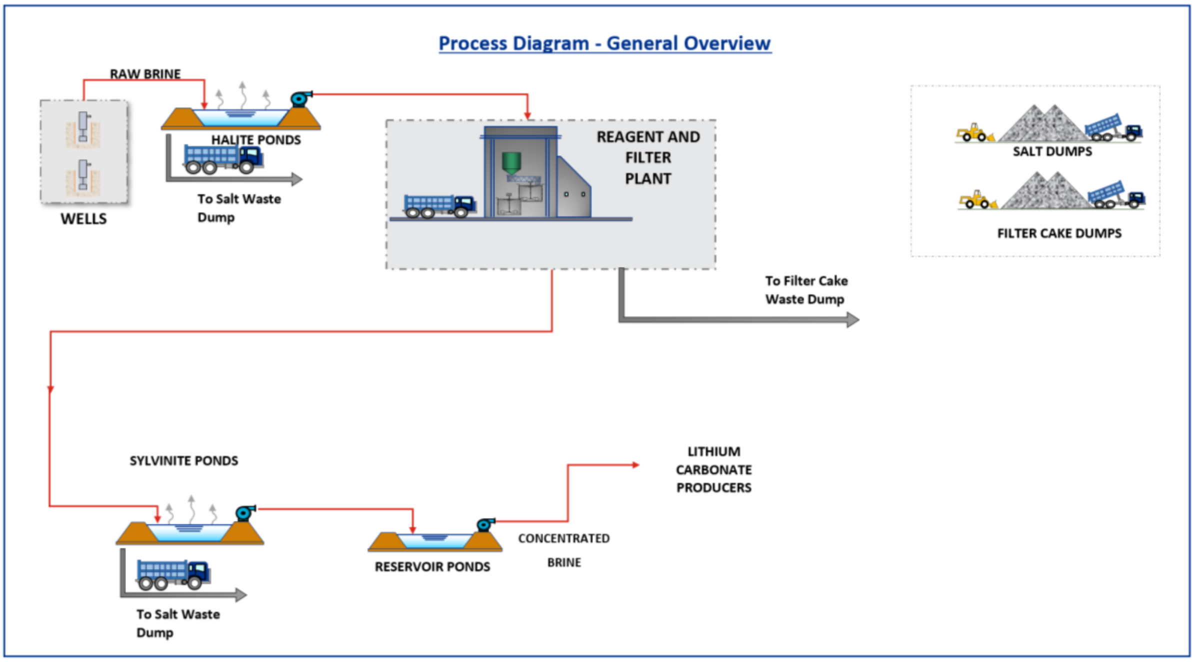

Figure 5: Process Diagram HMW Project

The process begins with the extraction of brine from wells located in the Rana de Sal, Del Condor and Pata Pila mining properties. Then, the brine from the wells is transferred to the pre-concentration ponds and through the action of solar radiation, wind and other environmental conditions, the water evaporates from the brine producing a change in the thermodynamic equilibrium point of the brine, which will cause the precipitation of salts and the concentration of lithium present in said brine.

After the preconcentration stage, the pre-concentrated brine progresses to a reagent addition stage in a plant that was designed to facilitate further precipitation of impurities, but not of the lithium present in the brine. This stage of the process requires a separation of solids and liquids to remove the precipitated solids after the mixture between the brine and the reagents. Filter presses will be used to perform this separation of solids and liquids.

After mixing with the reagent and separation of solids and liquids, the filtered brine will be transferred to the concentration ponds to continue with the lithium concentration until reaching 6% Li.

The summary of the areas considered in the process design is described in the following paragraphs:

<u>Pre-concentration ponds</u>
There are seven pre-concentration ponds at the beginning of the brine evaporation process, where the main salts precipitating are halite salts (NaCl). From the last pre-concentration ponds, it is fed to the reagent plant to generate the reaction between ions of elements present in the brine and the reagent, and thus cause the precipitation of impurities. The pre-concentration ponds will be arranged in a single string (or train of pools), passing the brine from one pool to another, through floating transfer pumps.

<u>Reagents and Filtering Plant</u>
The reagent plant treats the pre-concentrated brine adding reagents to precipitate the impurities, mainly magnesium and sulphate. After the addition of the reagents, the blended solution, brine and reagents mixed is filtered to separate the precipitated salts from the brine (mainly magnesium hydroxide and gypsum). The filtered brine is fed into the first concentration pond, with the aim of continuing with the brine evaporation path. While the precipitated solids are sent to a discard waste dump.

<u>Concentration ponds</u>
These ponds are smaller and are fed with lower flows than the pre-concentration ponds. Sylvinite salts (KCl) and other salts precipitate in these ponds. The end product of this stage is a concentrated lithium brine with 6% of Li content.

Figure 6 shows the evaporation ponds system process diagram.

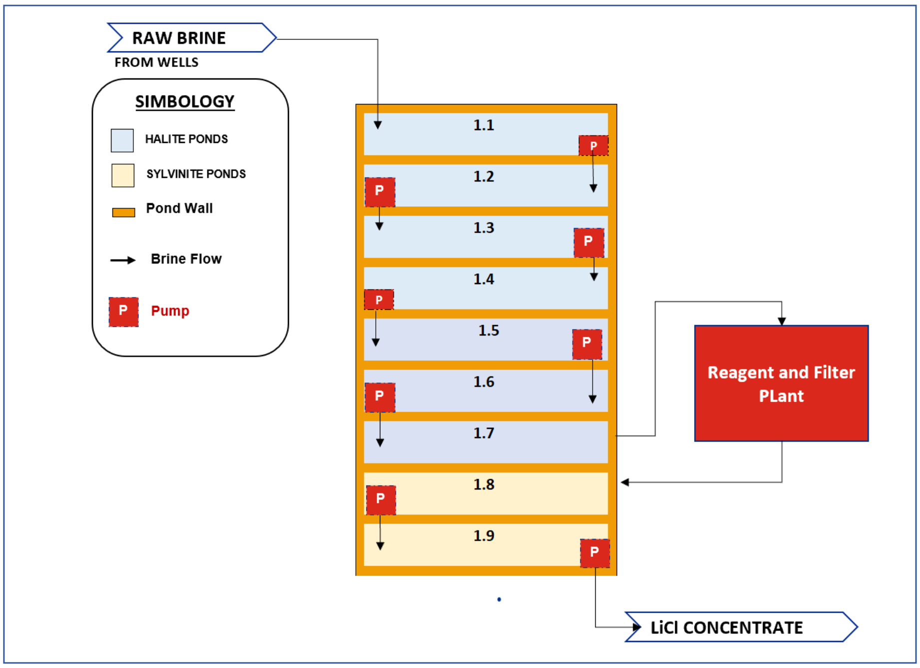

Figure 6: Brine Flow Diagram of the Evaporation Ponds System

Project Layout & Infrastructure

The HMW Project has developed a layout allowing the closer location of the project's main facilities. The brine wells field, evaporation ponds system, lithium carbonate plant, water wells, camp etc are located within a radius of around 6 km. These facilities are also located next to the Hombre Muerto Salar.

Figure 7 shows the HMW Project Layout describing the major infrastructure items.

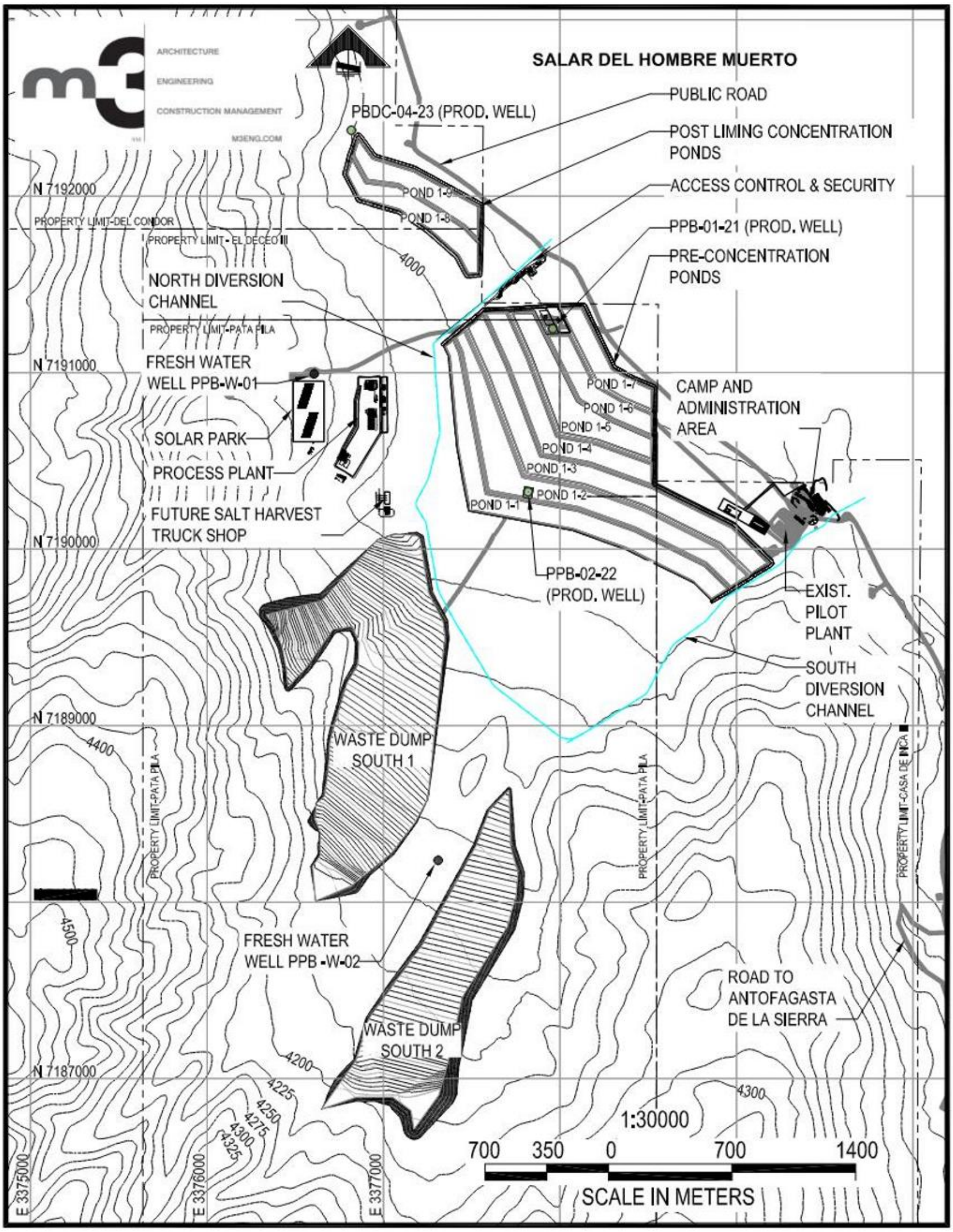

Figure 7: HMW Project Layout

The Project layout prioritised the usage of the Pata Pila, Deceo III and Del Condor tenements, because they offered the most competitive areas for the location of the main production facilities. This engineering design resulted in significant initial capital cost savings.

A brief description of the main facilities follows:

Brine Wells Field

The brine wells field is located in the same area of the ponds system. The Project team designed suitable accesses and drilling areas for facilitating the operation, maintenance and potential replacements of the wells during the life of the Project.

Evaporation Ponds System

The evaporation ponds system has an effective evaporation area of 133 Ha. The ponds system has been designed to take advantage of the topography, the location and the shape of each pond was designed to minimise the amount of earthworks (cut and fill) needed to build them.

The brine flow between ponds will be carried out through floating pumps. For the design of the flow direction between evaporation ponds, one of the main objectives was reducing brine pumping distances, allowing the reduction of energy consumption and maintenance requirements of the pumps.

Water Contour Channels

The annual rainfall in the Project area is only 86.4 mm. An analysis of a major event in one hundred years was evaluated to design the water contour channels to serve the Project infrastructure, mainly in the area of the evaporation ponds system.

Reagents and Filtering Plant

The reagents plant will be located upstream, close to the ponds and the main access road to the project. The totality of the utilities (water, power, reagent storage, etc.) are also located in the same area.

The filtering plant will include two press filters and associated support equipment (electrical, compressors, etc.). The filtered cake will be trucked to a final disposal area located within the salt waste dump facility.

Water Supply

The industrial water source to serve the HMW Project should come from two water wells and one trench located within the same project footprint. The water demand for the Phase 1 is 5.0 L/s, which is considered sufficient for both construction and operation purposes.

The water quality for the three sources has been assayed and analysed at Alex Stewart (Jujuy) and is adequate for process and camp requirements, but not for direct drinking usage. Galan has implemented a monitoring program to check the water quality coming from the water supply sources.

Power Supply

Diesel generators will provide the electrical energy required for all areas of the HMW Project. The average power draw is 2.3 MW. The installed power capacity has considered the efficiency losses of the diesel generators caused by the altitude above the sea level. For the estimate of the installed electric power capacity and the electric power consumption, the equipment list was utilised.

Galan is also investigating the use of renewable, solar power in Phase 1 with the installation of a 1 MW solar generator plant in 2026. The solar plant would then be expanded in size in line with the next production phases of the HMW Project.

Diesel Storage

The Project design has included a dedicated area to accommodate the reception and storage of diesel. This facility is conveniently located close to the diesel generators and also provides easy access to serve mobile equipment and machinery.

The supply of diesel for the salt harvest off-road mobile equipment units will be executed through the usage of a dedicated diesel tank of 50,000 litres. The diesel supply for on-road trucks should also have a dedicated diesel storage and distribution facility. Finally, the diesel supply of light vehicles will be done at the camp area through the usage of two independent 20,000 litre tanks.

Truck Workshop

The preferred contractor in charge of the construction of the ponds system will be required to install a truck workshop for serving the construction period.

In the third year of operations, the HMW Project intends to construct a workshop facility to serve the salt harvest mobile equipment fleet. This workshop is conveniently located close to the ponds and salt harvest waste dump area.

Reception, Handling, Storage and Distribution of the Main Supplies

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

Camp and Administration Area

The HMW Project infrastructure considers the installation of camp facilities to accommodate 308 people. The administration area also includes the access gate, office, mess, crib room, medical facility, entertainment area and warehouse.

The Phase 1 camp would also serve the future expansion phases of the HMW Project and will therefore reduce any capex required for further expansions.

A dedicated location has also been assigned for any additional temporary camps that may be required in future. The construction manning levels consider a peak of around 400 people on site.

Sewage and Waste Management

The HMW Project has already existing infrastructure to manage the waste generation on site. The development of Phase 1 considers the expansion of these facilities to treat the extra demand of generation of domestic and industrial wastes.

Project Access and Product Transport

There are existing roads allowing an easy access to the Project for personnel, equipment and supplies. The incoming freight will consist of equipment, spares, reagents, consumables, and construction merchandise. Some inbound goods will be in break bulk or customised packaging. However, others will be in sea containers. Road transport of diesel fuel will be in conventional tanker trucks.

For the production period, the import of some reagents will be shipped via the Antofagasta port in Chile and/or from the San Juan Province in Argentina. There are two existing border crossings close to the Project, "Paso de Jama" and "Paso de Sico". A rail facility also exists for the transport of equipment and supplies from Pocitos to Antofagasta. Pocitos is located only 130 km north of the HMW Project.

The Phase 1 sale of the lithium chloride concentrate from the HMW Project is expected to be within the northern region of Argentina, therefore, the transport of the product can be easily done using adequate trucks. This practice is broadly used by other companies such SQM, where the lithium chloride concentrate is trucked from the Salar de Atacama area to the conversion plants located near Antofagasta city.

Environmental and Social Studies

Galan is focusing on the discovery of lithium as a critical resource for the development of EV batteries, to assist with the decarbonisation of the economy and the transition to a more sustainable future. From its early ventures in Argentina, Galan has strived to put the well-being of its employees, communities and the environment first and foremost, as it continues its ongoing commitment towards a sustainable future for all its stakeholders.

Galan is developing and evolving its Environmental, Social and Governance (**ESG**) framework to enable it to report against the 21-core metrics and disclosures as promoted by the World Economic Forum. The Company has and continues to consult with all its stakeholders when addressing the planned systems and actions required for the key four ESG pillars – Governance, Planet, People and Prosperity.

In 2021, Galan partnered with Circulor for full traceability and ESG tracking for its lithium brine assets in Argentina. To further enhance the building of its ESG journey, Galan also engaged Socialsuite to assist in the compilation of its baseline ESG reporting, database and systems.

The HMW Project has an existing permit (granted in July 2019) to run exploration, project studies and piloting related activities. In addition, Galan lodged an application to the relevant local authority in November 2022, to extend the piloting facilities for Phase 1 under the same permit scope. This includes the evaporation ponds system and associated facilities to test the production, at industrial level, for a lithium chloride product with 6% Li content. The initial development permit was granted on 23 June 2023 (as announced by Galan on 26 June 2023) and associated works have commenced. Full construction permits and the commencement of Phase 1 pond construction is expected during Q3, 2023.

Galan has also well advanced its Environmental Impact Assessment documentation in respect of the application for the Phase 2 exploitation Permit (20ktpa LCE production) at the HMW Project. The submission of the application for this permit is expected in Q3, 2023. The original document was developed by Ausenco Limited and updated by Galan personnel.

The Company is currently running environmental monitoring activities on site as required under its permitting. These activities involve the data collection for the weather, water sources, control of the sewage system, etc. The domestic and industrial wastes are managed using adequate storage, transport and final disposal procedures, as is required by the local environmental authorities in Catamarca. Galan strives to meet world's best practice in these areas.

The Company engaged early in the Project assessment process, with communities that could be influenced by the project. This includes local government authorities, and indigenous communities located within the influence area of HMW Project. Phase 1 of the Project was presented to local communities on 3 and 4 April 2023, with a formal endorsement and positive reception being obtained from these public meetings.

Galan has an existing workforce of around 70 people, including personnel with long and sound experience in the construction and operation of wells and evaporation pond units. Galan has ensured the recruitment of personnel from the communities close to the Project. It is expected to increase the workforce to around 350 people during construction, the majority should come from the Catamarca Province, some additional personnel may come from nearby Provinces of the northern Argentinian region.

The Company has an ongoing, solid working relationship with all local communities and actively continues with meaningful engagement with local people, communities and businesses. Wherever possible, training, employment and procurement opportunities will be made available for nearby and surrounding communities of the HMW Project. Galan continues to encourage its suppliers and contractors to adopt similar policies, standards and practices.

Production Schedule

The HMW Project study team has developed a Phase 1 production schedule for the lithium chloride concentrate, based on the process design and mass balance developed by the specialised process consultants, Ad-Infinitum. Table 6 displays the annual production schedule of the Project. To facilitate the understanding of the production, the program is expressed in recoverable units of LCE.

Table 6: Production Schedule (HMW Project – Phase 1)

	2025	2026	2027	2028	2029	2030	2031 - 2040	2041 - 2050	2051 - 2060	2061 - 2064	Total Production
Extraction of Brine (Mm3)	1,912	1,912	1,912	1,975	1,975	1,975	19,753	19,753	19,753	9,877	80,989
Recoverable LCE (tonnes)	4,249	4,249	5,367	5,367	5,367	5,367	53,674	53,674	53,674	21,470	212,458

The production schedule utilised a fixed average grade of 0.073% of Li with no cut-off grade being applied. The extracted brine volumes and Li contents were utilised in the production modelling, developed by Ad-Infinitum, using thermodynamic simulation software and their own mathematical models for the ponds and reagents plant. The production schedule assumes the full use of the current Ore Reserve estimate, with Proven Ore Reserves being used in the first ten years of production and Probable Ore Reserves from year 11 onwards.

The Ad-Infinitum developed predictive models also utilised key parameters for the evaporation rate, availability of the evaporation area, brine entrainment rate in the precipitated salts and leakage.

The operation of the evaporation ponds for producing lithium chloride concentrate has a long-term Li recovery of 66.7%, but in the first two years, due to the accumulation of operational 'working capital' (salt and brine inventory in ponds) during the ramp-up period, the Li recovery is 52.7%, which explains the lower production of 4,249 tonnes of recoverable LCE in years 2025 and 2026.

The estimate of the recoverable LCE produced by the lithium chloride concentrate after the conversion process considers a recovery of 90%. Galan considers this number quite achievable by an average lithium carbonate plant, based on the high quality of the lithium chloride concentrate produced by the HMW Project.

The total long-term Li operational recovery, considering both the evaporation process at the ponds system and the conversion process into LCE at the lithium carbonate plant is 59.6%.

Test work and Piloting Activities

During 2022, Galan conducted test work activities at the HMW Project site for obtaining lithium chloride with a content of 6% Li. Test work utilised a batch methodology starting with a volume of around 40m^3 of brine, to obtain around 10 litres of lithium chloride. Another set of lab test work activities were conducted in the Antofagasta Region of Chile during 2021. These tests also obtained lithium chloride products with similar qualities with the results being released to the market on 21 March 2021.

Galan has also conducted lab scale test work activities using the lithium chloride product obtained in the test work, for successfully achieving the obtention of lithium carbonate within the battery grade specifications. The result of these tests were released to the market on 12 July 2021.

All the test work undertaken and described previously, was released in line with the ASX disclosure requirements.

The Company also started the piloting activities in April 2022 by filling the first evaporation pond of the existing pilot plant. This plant has a small scale, the main purpose of early pilot plant construction and operation was to prove the process design of the HMW Project, and to provide samples to the potential buyers of the lithium chloride product.

During June 2023, the pilot plant has progressed with the brine evaporation able to currently achieve around 5% of Li content. The prediction of the processing models is for the pilot plant to achieve 6% of Li content in July 2023.

Market and Contracts

Estimate of the Lithium Carbonate Price

The estimate of the battery grade lithium carbonate price (for the period 2025-2040) used to run the economic evaluation of the HMW Project, was taken directly from the latest battery grade lithium carbonate, contract price forecast prepared by Wood Mackenzie Q1, 2023*. In addition, from year 2041 to 2064, the long-term price of LCE was projected by Galan to remain steady at US$28,000/t LCE.

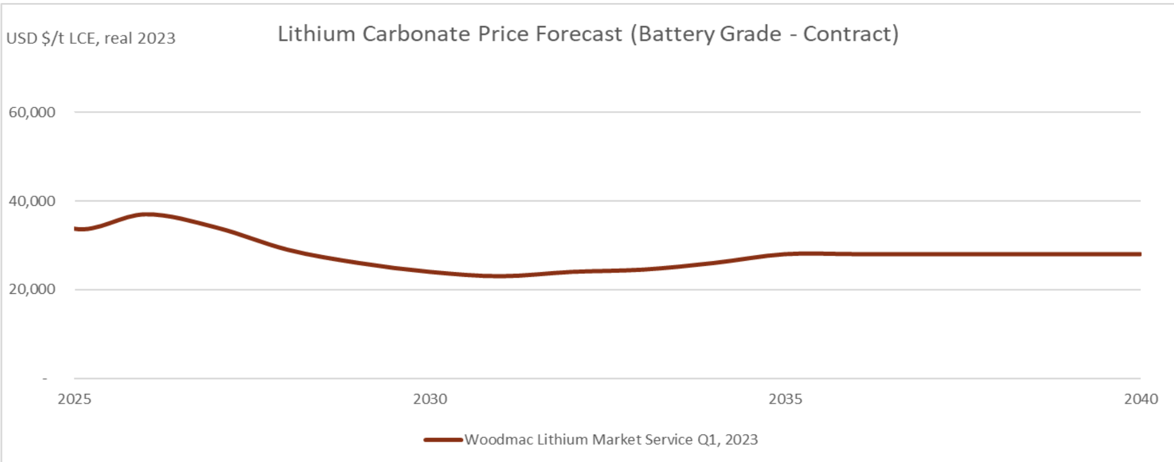

Figure 8: Lithium carbonate price forecast (Battery grade – contract)

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Estimate of the Lithium Chloride Price

Galan conducted a sale price estimate study for a concentrated lithium chloride (**LiCl**) product. The study involved the following considerations:

- Technical analysis of the quality of the HMW LiCl product, the focus of this analysis was to define the technical effort required for converting LiCl concentrate into a lithium carbonate product, by any of the plants located in the northern region of Argentina.

- Commercial analysis for defining a range of off-take prices, taking into account the attractiveness of the business model for both Galan and any potential off-taker.

There are approximately ten projects located in northern Argentina, that can potentially utilise the LiCl concentrate to be generated by HMW Project, to subsequently produce a lithium carbonate product. Galan has also identified than the quality of the LiCl concentrate to be produced by the HMW project is superior due to higher content of Li and lower contents of impurities to the average LiCl concentrates being utilised by the majority of the lithium carbonate plants in Argentina. Therefore, there is an opportunity for any of the lithium carbonate plants located in Argentina to use the LiCl concentrate produced by the HMW Project which would allow them to improve the efficiency of their own conversion process, adding value to their business.

The estimate of the price of LiCl concentrate has been analysed considering the price of the lithium carbonate battery grade but deducting from it the costs and losses of the conversion process to transform the LiCl concentrate into lithium carbonate. The conversion cost includes the operating cost, capital cost and an economic margin for the converter. The losses include the metallurgical recovery of the Li embedded in the lithium carbonate plant.

The estimate of the LiCl concentrate price is nominated as a percentage of the lithium carbonate price, a pricing formula was developed by iLi Market, a specialised company for analysing the lithium market.

The average lithium chloride payable price for the period 2025-2064 is US$20,252/t of LCE. This price is estimated on a real basis, excluding the impact of the inflation, representing approximately 72% of Galan's long term price estimate for lithium carbonate.

Capital (CAPEX) Estimate

Scope of the Capital Cost Estimate

The estimation includes direct and indirect Project costs, owner costs and contingency. Direct costs include equipment and materials supplied by Galan, labour, construction equipment, materials supplied by the construction contractor, indirect costs and construction contractor profits.

The scope of the estimate involves the brine extraction wells, solar evaporation ponds, reagents plant, water supply, power supply, access and internal roads, diesel storage, camp and associated facilities, owner's team, engineering and construction management services and other indirect costs.

Basis of the Capital Estimate

The capital cost estimate (**CAPEX**) was developed using the standards established for a DFS study as defined by the JORC Code.

The basis of the estimate utilised the information coming from actual costs being spent in Argentina and the estimate for new cost items developed by specialist teams.

The main source of inputs incorporated into the capital cost estimate are described in Table 7.

The CAPEX estimate structure was defined using the following criteria:

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

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

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

All CAPEX costs are expressed in US dollars (US$). The US$-Argentinian Peso exchange rate used was ARS 230.76 per US$ (May 2023 average). This rate was taken from the official website of the Banco de la Nación de la República Argentina.

Table 7: Information Utilised in the Capital Estimate (HMW Project - Phase 1)

Item	Quantities / Size	Price Source
Evaporation ponds	Engineering design and estimate of quantities	Budget quote
Main mechanical equipment	Engineering design and vendor sizing	Budget quote plus scalation on specific items
Main electrical equipment	Engineering design and vendor sizing	Budget quote and benchmark
Main pipelines	Engineering design and estimate of quantities	Budget quote
Camp and administration buildings	Engineering design and estimate of quantities	Tender quote
Water supply	Engineering design and estimate of quantities	Tender quote and budget quote
Diesel storage	Engineering design and estimate of quantities	Tender quote
Instrumentation	Discretional allowance	% of direct cost
EPCM services	First principle and factors	Actual cost, budget quote and benchmark
Owner's team	First principle estimate of quantities	Based on actual cost
Transport	Discretional allowance	% of direct cost

The contingency was calculated as a percentage of the total cost according to engineering standards. Due to the level of engineering development, an overall contingency of 13% is defined for this project.

The following items were excluded from the CAPEX estimate:

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

In the case of working capital, it was included as part of the economic evaluation in the financial model. For the development of the CAPEX, Galan provided the following information to M3:

- Property of the land
- Location of brine well area and total flow
- Number of production wells
- Basic meteorological data
- Location of the fresh water well

- Civil design of the ponds
- Civil design of the water contour channels

Existing Facilities (sunk costs)

The HMW Project has existing facilities, which have been considered as sunk costs for the capital estimate, these facilities include the following items:

- The construction of five (5) production wells, including pumps and electrical equipment. The low CAPEX component considered for this area in the capital estimate is explained because of the sunk cost
- Existing camp and ongoing expansion, including accommodation and utilities (water, power and sewage)
- Other administration and services buildings such as kitchen, dining room, polyclinic and offices
- Diesel tanks for both light vehicles, road maintenance and on-road trucks
- Boom truck, small excavators and other minor equipment and tools
- Pipe welding equipment and other tools for doing the installation of HDPE pipes
- Waste management storage area

Some of these facilities require an upgrade to fully serve the construction and operational activities for Phase 1 production from the HMW Project.

Work Breakdown Structure (WBS)

The WBS was prepared taking into consideration the current scope under Phase 1 of the DFS but also the future expansion phases of the HMW Project.

The WBS of the HMW Project is displayed in Table 8.

Table 8: Work Breakdown Structure of the Capital Estimate (HMW Project - Phase 1)

Number	Area	Sub Areas
1000	Brine Wells and Brine Transport	Brine wells, raw brine transport pipelines
2000	Evaporation Ponds System	Pre-concentration ponds, concentration ponds
3000	Ponds Reagent Plant	Reagents plant, filtering plant, ancillaries
4000	Not in use	n/a
5000	Not in use	n/a
6000	Not in use	n/a
7000	Utilities	Power supply, water supply, sewage, diesel storage
8000	Infrastructure	Camp, kitchen and dining room, other administration buildings
9000	Indirect Cost	Owners cost, EPCM, community, environmental, taxes, insurance and logistic

Areas 4000, 5000 and 6000 have been preserved for the installation of further facilities, such as a lithium carbonate plant.

CAPEX Estimate Results

The total CAPEX for Phase 1 of the HMW Project is estimated at US$118.4m which is broken down into direct, indirect and contingency costs. This includes the following estimates:

- Direct project costs equal to US$83.8 m, equivalent to 71% of the total CAPEX value.
- Indirect project costs equal to US$19.8 m, equivalent to 17% of the total CAPEX value.

- Project contingency equal to US$14.8 m, equivalent to 13% of the total CAPEX value.

Table 9 presents a summary of the capital cost estimate required for the implementation of Phase 1 of the HMW Project in accordance with the scope developed and all the information available in this stage.

Table 9: Capital Cost (CAPEX) Estimate (HMW Project – Phase 1)

Area	US$M
Brine Wells and Brine Transport	3.3
Evaporation Ponds System	31.3
Ponds Reagent and filtering plant	27.0
Utilities	9.3
Infrastructure	12.9
Total Direct Cost	**83.8**
Total Indirect Cost	19.8
Total Capex without contingency	**103.6**
Contingency (13%)	14.8
Total Capex	**118.4**

<u>Operating Cost (OPEX) Estimate</u>

The operating cost estimate (**OPEX**) is expressed in US dollars (US$). The US$-Argentinian Peso exchange rate used was also ARS 230.76 per US$ (May 2023 average), the same number used in the capital cost estimate.

The scope for the OPEX estimate considers the all the activities being required for the production of lithium chloride. The study team prepared a first principle estimate through the usage of a comprehensive Excel model.

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

From : Raw brine feed from the brine wells.
To : Lithium chloride intermediate product delivered at the converter plant.

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

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

- General administration: all general business and administrations associated expenses that support the project site operation. Among these are the rental of offices, administration personnel (overhead salary), catering and personnel transport costs among others.

The OPEX estimate for Phase 1 of HMW Project to Lithium Chloride is presented in Table 10.

Table 10: Operating Cost Estimate (HMW Project - Phase 1)

Area	**US$ / Recoverable t of LCE**
Brine Field	256
Ponds	334
Reagents and filtering plant	1,207
Site services	657
Salt harvesting	512
General administration	997
Total Opex	**3,963**

The cash cost for the production of lithium chloride, is US$3,963 per recoverable tonne of LCE, excluding the conversion cost from lithium chloride to Li_2CO_3. Galan expects to materially reduce the operating cash cost in the Phase 2 DFS for the HMW Project, because the economies of scale (higher production) will assist in reducing the fixed cost component, including G&A and site service items of the per tonne operating cost.

A brief explanation of each operating cost item is described below:

Brine Field
This cost area covers the operation of the six brine extraction wells, including manpower, electricity consumption, pipe replacements among others.

Evaporation Ponds
This cost area covers the operation of the nine evaporation ponds and other minor reservoirs and includes manpower, electricity consumption, maintenance of pumps and pipe replacements among others.

Reagents and Filtering Plant
This cost area involves the operation and maintenance of the reagents and filtering plant and includes the consumption of reagents, manpower, maintenance, power consumption among other items.

Site Services
The maintenance costs calculated for the Project are related to a relative annual maintenance cost associated with each area, plus the usage of the mobile equipment for road maintenance, maintaining the water deviation channels, transporting filtered cake and to serve some production activities. The mobile equipment fleet includes forklift, boom truck, bobcat, front end loader, water truck, grader, etc. Finally, this cost item also includes the cost for some small tools and supplies, for example lubricants, safety items among others.

Salt Harvesting
This cost item includes the extraction of the precipitated salts from the ponds and the subsequent transport of this material to the designated stockpiles. A detailed cost estimate was prepared assuming that this activity will be conducted by a specialised contractor.

Product Transport
The transport costs consider the transport of the lithium chloride product from the final product area on site to the lithium carbonate plant located in Argentina. An average transport distance was estimated considering the location of several potential plants in the northern region of Argentina.

General Administration

This item includes all costs related to the Catamarca office and camp services on site. It also includes the personnel transport, training, travel among other items.

In terms of the operating cost estimate for energy consumption, this was prepared based on an analysis of total electrical consumption required for the Project. A detailed list of the electrical equipment was prepared and the power consumption for each of them was estimated.

Galan conducted an analysis of the number of personnel or manpower required for the project, excluding the salt harvesting personnel which is included in the salt harvesting cost.

HMW Project Within the Lithium Cost Curve

The lithium carbonate equivalent (LCE), All-In sustaining cost curve is based on the latest Q1, 2023 forecast prepared by Wood Mackenzie*.

The costs include the cash operating cost for lithium chloride concentrate in this report and estimated conversion costs to Li_2CO_3, including the impact of sustaining CAPEX, royalties and selling costs.

Figure 9 displays the lithium carbonate equivalent cost curve and the location of the HMW DFS Phase 1 5.4ktpa LCE Project being within the first half of the industry cost curve. It is anticipated that HMW DFS Phase 2 project will move the position of HMW materially to the left, due to economies of scale associated with full 20ktpa LCE production rates.

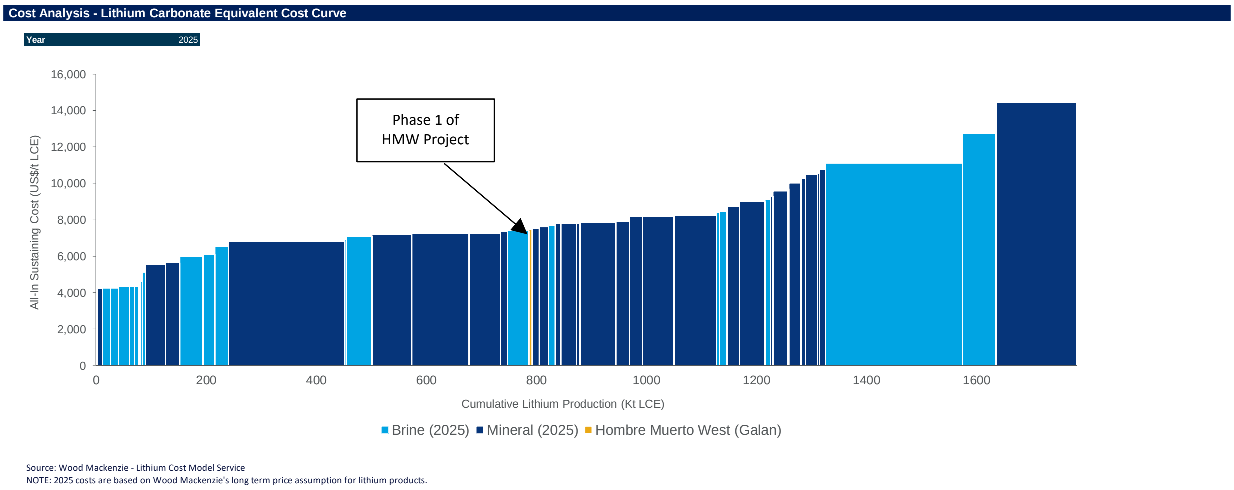

Figure 9: All in sustaining cost curve (source: WoodMac – Lithium Cost Model Service)
(Wood Mackenzie data from Q1, 2023 with Galan's assumptions applied)

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Project Schedule

Galan is actively executing the pre-construction activities including the improvement of the camp facilities, procurement of long lead items, tender of major contracts, recruiting personnel among other activities. Following the granting of the initial Phase 1 development permits in late June, top-soil removal and other earthworks have commenced, allowing the project to maintain schedule. The expectation is to start with the pond construction activities in Q3, 2023, once the full Phase 1 construction permit is granted by the authorities.

The construction period of Phase 1 is between Q3 2023 to Q4 2024, with the production of lithium chloride expected to commence in H1 2025.

Galan developed a construction schedule for the Project, considering the special conditions on site. Productivity rates were also checked by M3 Engineering for major disciplines such as earthworks, installation of liner in the ponds system, concrete and structural steel. In addition, the fabrication time for the long lead items (press filters and lime plant, among others) were also considered for the estimate of the construction time.

Table 11 shows the most important milestones for the development of HMW Project.

Table 11: Development Milestones (HMW Project – Phase 1)

Milestone	Completion Timeframe
Start of construction	H2 2023
First pond filled	H1 2024
Completion of construction	H2 2024
Start of production of lithium chloride	H1 2025

Galan expects to continue with the expansion of the HMW Project through the implementation of successive Phases. The construction of Phase 2 is subject to the approval of the 20ktpa LCE permit application, which Galan is expecting to obtain in 2024, which would allow the continuous construction of ponds, once Phase 1 has been finalised.

Economic Evaluation

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

All costs are expressed in US dollars (US$). The US$-Argentinian Peso exchange rate used was ARS 230.76 per US$ (May 2023 average). This rate was taken from the official website of the Banco de la Nación de la República Argentina.

Forecasted lithium carbonate prices for the period from 2025 to 2040, utilised for the economic evaluation, were provided by Wood Mackenzie. The lithium carbonate price for the period from 2041 onwards was left constant, at the 2040 value, as indicated by Galan.

Income tax and royalty assumptions are as follows:

Tax - There is no income tax at the provincial level. A rate of 35% was effectively applied for Argentinian federal income taxes.

Catamarca Royalty – applied under the Mining Investments Law system at 3% of the 'mine mouth value' of the mineral extracted. The 'mine mouth value' is defined as the value obtained in the first sale, less the direct and/or operating costs necessary to bring the ore from the mine mouth to said stage, with the exception of direct or indirect expenses and/or costs inherent to the extraction process.

The evaluation is based on ex-works Argentina; no withholding tax for repatriation of dividends was considered.

No potential potassium credits were included in the economic evaluation.

The key assumptions and results of the economic evaluation are displayed in Tables 12 and 13 respectively.

Table 12: Key Assumptions Utilised for the Economic Evaluation HMW Project - Phase 1)

Assumption	Units	Values
Lithium Carbonate Production	tonnes/year	5,367
Project Life Estimate	Years	40
Discount Rate	%	8
Royalty	%	3
Corporate Tax	%	35
Dividend Payment Withholding Tax	%	n/a
Capital Cost (CAPEX)	US$m	118
Sustaining Capital	US$m	59
Average Annual Operating Cost (OPEX)	US$/tonne	3,963
Average LiCl Selling Price (2025-2065)	US$/tonne	20,252

Table 13: Economic Evaluation Results (HMW Project - Phase 1)

Parameters	Units	Values
Average Annual Net Income (after-tax)	US$m/year	51.1
Average Provincial Royalty	US$m/year	2.6
Average Operating Expenses	US$m/year	21.0
Average Corporate and Withholding Taxes	US$m/year	27.5
Average Annual EBITDA	US$m/year	83.3
Average Annual Operational Free Cash Flow	US$m/year	80.0
Average Annual Net Free Cash Flow	US$m/year	54.0
Pre-Tax Net Present Value ($NPV_{8\%}$)	US$m	736.1
After-Tax Net Present Value ($NPV_{8\%}$)	US$m	459.8
Pre-Tax Internal Rate of Return (IRR)	%	48.2
After-Tax Internal Rate of Return (IRR)	%	35.5
Payback Period (After-Tax)[2]	Years	2.2

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

(2) Payback years after the commencement of production.

Sensitivity Analysis

The sensitivity of the economic evaluation of HMW Project was analysed for the most important parameters. Tables 14 and 15 display the variation of the NPV and IRR respectively when the most important parameters fluctuate within the range of -30% and +30%.

Table 14: Sensitivity of the NPV After Tax (HMW Project - Phase 1)

Driver Variable	Base Case Value		NPV After Tax (US$) Percentage of Base Case Value						
			70%	80%	90%	100%	110%	120%	130%
CAPEX (Initial)	US$m	$118.4	$493	$482	$471	$460	$449	$437	$426
Lithium Chloride Price	US$/tonne (Avg)	$20,252	$246	$317	$389	$460	$531	$602	$673
OPEX	US$/tonne	$3,963	$503	$488	$474	$460	$446	$431	$417

Table 15: Sensitivity of the IRR (HMW Project - Phase 1)

Driver Variable	Base Case Value		IRR After Tax (%) Percentage of Base Case Value						
			70%	80%	90%	100%	110%	120%	130%
CAPEX (Initial)	US$m	$118.4	47.0%	42.4%	38.7%	35.5%	32.9%	30.6%	28.6%
Lithium Chloride Price	US$/tonne (Avg)	$20,252	23.9%	28.0%	31.8%	35.5%	39.1%	42.6%	46.0%
OPEX	US$/tonne	$3,963	37.7%	37.0%	36.3%	35.5%	34.8%	34.1%	33.3%

Project Funding

The relatively technically simple and strong economics of the HMW Project give Galan the foundation to source additional financing through debt and equity markets. This may include other fund raising channels that could benefit shareholders. However, there is no certainty that Galan will be able to source the required finance. Galan has not commenced formal financing discussions with any party.

To achieve the range of outcomes indicated in the DFS, funding of part of the US$104m (ex-contingency) capital cost will likely be required. Typical project development financing involves a combination of debt and equity. The Company may also elect to pursue other funding options, which could include undertaking a corporate transaction or other value realisation strategies such as an off-take with prepayment, sale, partial sale or joint venture of the HMW Project. Galan is of the opinion that there is a reasonable basis to believe that requisite future funding for Phase 1 of the HMW Project DFS will be available when required. However, the economic analysis does not price in the cost of funding over and above the application of the 8% discount factor, based on conventional mining methods and a very short capital payback period. It is also a possibility such funding may only be available on terms that may be dilutive or otherwise affect the value of Galan's existing shares on issue. The grounds on which this reasonable basis is founded include:

- Finance availability for high-quality projects remains robust
- Early offtake opportunities due to more flexible commercial outcomes
- The HMW Project Phase 1 will produce a premium, high-grade concentrated lithium chloride product with 6% Li content (equivalent to 12.9% Li_2O or 31.9% LCE)
- The HMW Project Phase 1 is technically simple and has a rapid payback of only 2.2 years from production
- The strategic nature of lithium, especially in the context of urgent global climate issues
- The release of Phase 1 of the HMW Project DFS enables Galan to discuss outcomes with potential financiers
- The HMW Project has significant growth in its Ore Reserves as it moves further down the Phase 2 DFS encompassing 20ktpa LCE production
- There are significant capital savings and other sunk costs that flow through to Phase 2 DFS
- Two years earlier cashflow from lithium chloride production versus lithium carbonate production

Upside Potential of HMW Project

Phase 1 of the HMW Project DFS is the initial step in Galan's much larger development footprint. Phase 1 will provide:

- A premium product: High grade, low impurity concentrated lithium chloride product with 6% Li content (equivalent to 12.9% Li_2O or 31.9% LCE)
- Strong ESG credentials: Minimal fresh water usage and 50% lower power costs compared to lithium carbonate including a solar power plant
- Significant Economics: CAPEX approximately 40% less than lithium carbonate
- Up to 2 years earlier cash flow than lithium carbonate production saving sustaining CAPEX
- Flexible commercial outcomes: Opens up early offtake opportunities and pre-payments

The DFS optimisation work being conducted by the team continues and will culminate in the release of the Phase 2 DFS in September 2023, which will address full 20ktpa LCE production rates.

Broader, more expansive studies have continued which envisage Phase 3 production from HMW in 2028 (40ktpa LCE) followed by Phase 4 production in 2030 (60ktpa LCE) from both the HMW and Candelas projects.

The most significant and material items to be improved in the next expansion Phases of the HMW Project are:

- Additional Ore Reserves; the amount of reserves of 212Kt of recoverable LCE is not representative of the full potential for the HMW Project. It is expected that the Phase 2 DFS will significantly increase the quantity of Ore Reserves.

- Capital intensity; it is expected for the subsequent Phases of the HMW project, to have a lower capital intensity, expressed as US$/LCE production capacity, in comparison with the capital intensity of Phase 1. The facilities to be constructed by Phase 1 and the economies of scale should allow this reduction, to be reflected in the CAPEX intensity of Phase 2.

- Operating cash cost; the small production volume of Phase 1 does not reflect a competitive cost for some fixed expenses, such as G&A and site services. It is expected to reduce in Phase 2 due to the addition of a much larger production volume of recoverable LCE. In addition, a solar power plant will be incorporated in the second year of production which will facilitate a reduction in the OPEX costs.

- Annual Production Increase and cash flow generation; Phase 2 production of 20kt of recoverable LCE per annum will significantly increase the cash generated from the HMW Project.

Risk Analysis

Galan has identified several risks which may impact the construction and operation of Phase 1 of the HMW Project. For these risks, five categories were defined; very low, low, medium, high and very high. Table 16 displays the main items of the risk analysis developed by Galan.

Table 16: Main Risk Items (HMW Project - Phase 1)

Risk Item	Risk Rate	Mitigation Measures	Residual Rate
Severe adverse weather causes lower production in one year	very high	Flexibility offered by the six production wells and the option to implement the recovery of the brine with high Li grade impregnated in the salts at the waste dump area would assist to mitigate this risk. However, it is too expensive to implement a design that would fully eliminate the referred risk	medium
Political risk in Argentina for changes in the legislation, for example: nationalization of lithium resources	high	This risk is not possible for Galan to manage. However, in the last year, the political parties in Argentina on the full spectrum, from the right to the left, have expressed no intension to enact major legislative changes. Therefore, Galan classifies the residual risk as medium, and not as high as it was a couple of years ago	medium
Difficulty with procuring key equipment items or supplies causes delays during construction	high	Early purchase of both; long lead items and critical supplies would assist in mitigating the delays in procuring them. In addition, a conservative construction time (12 months) for the ponds is considered	low
Major weather event causes disruption during construction or operation	high	Several individual measures are considered, such as a covered area for lithium chloride product, a conservative construction schedule, early procurement of key items, etc.	medium
Delay in obtaining construction or lithium chloride selling permits cause delays in the project construction or operations	high	Galan has created a solid relationship with the Authorities. All the permits related to exploration and process piloting activities have been obtained within the time needed to secure fast development of the project. There are solid grounds to reasonably expect obtaining the upcoming permits within the requested time; however, it is not possible to ensure that the risk is low	medium
Strong labour competition produces gaps in the project team	high	Galan has already recruited around 80% and 50 % of the personnel needed for construction and operations respectively	low
Community acceptance of the project is severely decreased due to Galan's poor reputation	high	Galan has implemented a robust plan to engage the community from the very beginning of the HMW Project. The plan has included the recruitment of local labour, training of local people conducted in the communities, donations etc. The public presentations of the permit to build Phase 1 of HMW Project did not face any opposition from the local communities	low
Provincial authorities do not support the award of the exploitation permit for the Project	high	Galan has educated the Provincial authorities about the value added for producing lithium chloride. In addition, the strategy to sell the lithium chloride product within Argentina assisted in significantly reducing the risk of not obtaining the exploitation permit	Low
Brine extraction (quantity and quality) does not achieve Project designs	high	Galan should finalize the construction of six production wells in July 2023. These wells are able to supply 120 L/s, a much higher rate than the average rate of 60.6 L/s required for Phase 1 of HMW Project	Low
Process design is inadequate to achieve the expected production levels	high	Galan has run test work in Chile and pilot activities on site to check the viability of the process design. These tests have achieved the required lithium chloride product quality. In addition, the process design has	Low

Risk Item	Risk Rate	Mitigation Measures	Residual Rate
		reserved the option to implement upside opportunities to avert any unexpected bad results caused by the process design during the operation stage	
Differences in real prices or quantities cause a negative impact in actual capital expenditures	high	The capital cost estimate was mainly based on quotes obtained in Argentina. The early procurement of some items is also helping to reduce this risk. However, due to external factors, such as market prices, inflation and exchange rate variations among others, it is not possible to further mitigate this risk	medium
Serious safety incidents negatively impact the performance of the HMW Project during construction and/or operations	high	Galan has obtained a good safety record during the exploration and piloting activities. The Health and Safety team is organising the safety plan for the construction of Phase 1. A similar process to implement a safety plan for the operation stage should be developed and executed	low
Differences in actual prices or quantities cause a negative impact on actual operating costs	high	The operating cost estimate was mainly based on quotes obtained in Argentina. However, due to external factors, such as market prices, inflation and exchange rate variations, it is not possible to further mitigate this risk	medium

The Galan Board has authorised this release.

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About Galan

Galan Lithium Limited (ASX:GLN) is an ASX-listed lithium exploration and development business. Galan's flagship assets comprise two world-class lithium brine projects, HMW and Candelas, located on the Hombre Muerto salar in Argentina, within South America's 'lithium triangle'. Hombre Muerto is proven to host lithium brine deposition of the highest grade and lowest impurity levels within Argentina. It is home to the established El Fenix lithium operation (Livent Corporation) and the Sal de Vida (Allkem) and Sal de Oro (POSCO) lithium projects. Galan is also exploring at Greenbushes South in Western Australia, approximately 3km south of the Tier 1 Greenbushes Lithium Mine.

Hombre Muerto West (HMW): A ~16km 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 significant potential of a deep basin. In May 2023 an updated Mineral Resource estimate was delivered totalling 6.6Mt of LCE. There still remains exploration upside for other areas of the HMW concessions that have not been included in the current resource estimate.

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.

Greenbushes South Lithium Project: Galan now owns 100% of the tenement package that makes up the Greenbushes South Project that covers a total area of approximately 315 km^2. The project is located ~250 km south of Perth in Western Australia. These tenements are located along the trace of the geologic structure, the Donnybrook-Bridgetown Shear Zone, that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes. In March 2022 airborne geophysics was flown to develop pegmatite targets for all of Galan's tenements. Following on, in August 2022, a pegmatite associated with spodumene-bearing rocks was discovered at E70/4790. This tenement is approximately 3 km to the south of the Greenbushes mine. In early March 2023, drilling commenced within E70/4790.

Lithium classification and conversion factors

Lithium grades are normally presented in mass percentages or milligrams per litre (or parts per million (ppm)). Grades of deposits are also expressed as lithium compounds in percentages, for example as a per cent, lithium oxide (Li_2O) content or per cent and lithium carbonate (Li_2CO_3) content. Lithium carbonate equivalent ("LCE") is the industry standard terminology for, and is equivalent to, Li_2CO_3. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included further below to get an equivalent Li_2CO_3 value in per cent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li_2CO_3. Conversion Factors for Lithium Compounds and Minerals:

Convert from		**Convert to Li**	**Convert to Li_2O**	**Convert to Li_2CO_3**
Lithium	Li	1.000	2.153	5.323
Lithium Oxide	Li_2O	0.464	1.000	2.473
Lithium Carbonate	Li_2CO_3	0.188	0.404	1.000

Forward-Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Galan Lithium Limited operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward- looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside Galan Lithium Limited's control. Galan Lithium Limited does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Galan Lithium Limited, its directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

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.

Competent Persons Statement 4

The information in this report that relates to the Ore Reserves estimation approach at Hombre Muerto West was compiled by Dr Brian Luinstra. Dr Luinstra is a 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 Luinstra consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement 5

The information in this report that relates to the project infrastructure was reviewed by John Woodson, PE SME-RM as senior vice president of M3 Engineering and Technology Corporation. He has sufficient experience relevant to the activity which they are undertaking to qualify as a Competent Persons as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Mr Woodson 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.

ANNEXURE 1

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• Drill core was recovered in 1.5 m length core runs in core split tubes to minimise sample disturbance. Core recovery was carefully measured by comparing the measured core to the core runs. • Drill core was obtained with representative samples of the stratigraphy and sediments. • Water/brine samples were collected by purging the brine section of the hole of all fluid over an approximate 72-hour period. The hole was then allowed to re-fill with ground water and the purged sample was collected for lab analysis • Samples were taken from the relevant section based upon geological logging and conductivity testing of water. • Water/brine samples were collected as listed in table 1. • Conductivity tests are taken on site with a field portable Hanna Ph/EC/DO multiparameter. • Density measurements were undertaken on site with a field portable Atmospheric Mud Balance, made by OFI testing equipment. • For pumping wells, brine samples were collected in different times during the pumping period, ensuring enough brine is pumped to renew the well storage volume several times.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling with internal (triple) tube was used for drilling. The drilling produced core with variable core recovery based on the amount of unconsolidated material. Recovery of the more friable sediments was difficult, however core recovery by industry standards was very good. • Brine was used as base for drilling fluid/lubrication during drilling. • Pumping wells were drilled using mud rotary method.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond drill core was recovered in 1.5m length intervals in triple (split) tubes. Appropriate additives were used for hole stability to maximise core recovery. The core recoveries were measured from the core and were compared to the length of each run to calculate the recovery. • Brine samples were collected over relevant sections based upon the encountered lithology and groundwater representation. • Brine quality is not directly related to core recovery and is largely independent of the quality of core samples. However, the porosity and permeability of the lithologies where samples were taken is related to the rate of brine inflow.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in*	• The core was logged by a senior geologist and contract geologists (who were overseen by the senior geologist). The senior geologist also supervised the collection of samples for laboratory analysis. • Logging is both qualitative and quantitative in

	nature. Core (or costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially extractable brine were noted, as with more qualitative characteristics such as the sedimentary facies. Cores were split for sampling and were photographed. • All core was logged by a geologist.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Water/brine samples were collected by purging the hole of all fluid in the hole, to minimise the possibility of contamination. Subsequently the hole was allowed to re-fill with groundwater. Samples were then taken form the relevant section. • Duplicate sampling is undertaken for quality control purposes. • 102 core samples specific yield (Sy) tests were collected and shipped in sealed plastic sleeves in 30 – 40 cm lengths. Approximately 10 litres of brine were also provided.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The Alex Stewart laboratory located in Jujuy, Argentina, was used as the primary laboratory to conduct the assaying of collected brine samples. • The Alex Stewart 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. • The SGS laboratory was used for duplicate analyses and is also certified for ISO 9001 and ISO 14001.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Field duplicates, standards and blanks were used to monitor potential contamination of samples and the repeatability of analyses.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The survey locations were located using modern Garmin handheld GPS with an accuracy of +/- 5m. • The grid System used: POSGAR 2007, Argentina Zone 3 • Topographic control was obtained by handheld GPS, and the topography is mostly flat with very little relief.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Water/brine samples were collected within isolated sections of the hole based upon the results of geological logging. • Core samples were recovered from representative lithologies throughout the brine-bearing aquifer domain • Assay compositing has been applied for representative hydrogeological units.

Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The brine concentrations being explored generally occur as sub-horizontal layer, in lenses hosted by conglomerate, gravel, sand, salt, silt and/or clay. Vertical diamond drilling is ideal for understanding this horizontal stratigraphy as well as 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 to ensure that the data was not manipulated or altered. • Samples were transported from the drill site to secure storage at the camp on a daily basis. • Samples were checked by laboratories for damage upon receipt.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• SRK conducted audits related to the core logging, sampling and pumping procedures. • WSP (Chile) reviewed field procedures during exploration.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The HMW and Candelas projects in the Hombre Muerto Salar consist of numerous licences located in the Catamarca Province, Argentina. All the tenements are 100% owned by Galan Lithium Limited (via its subsidiaries in Argentina).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No historical exploration has been undertaking on this licence area. All drill holes completed by Galan (see below in drill hole information) are west of the adjacent licence area of Livent Corporation (NYSE:LVHM)
Geology	• *Deposit type, geological setting and style of mineralisation.*	• All licence areas cover sections of alluvial fans and fractured rocks located on the western margin 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 drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the*
		• Drillhole ID: PPB-01-21
		• Easting: 3377959 E (POSGAR 2007 Zone 3)
		• Northing:7191250 N (POSGAR 2007 Zone 3)
		• Vertical hole
		• Hole Depth: 220m
		
		• Drillhole ID: PP-01-19
		• Easting: 3377957 E (POSGAR 2007 Zone 3)
		• Northing:7191255 N (POSGAR 2007 Zone 3)
		• Vertical hole
		• Hole Depth: 720m
		
		• Drillhole ID: PBRS-01-21

Criteria	JORC Code explanation	Commentary
	understanding of the report, the Competent Person should clearly explain why this is the case.	• Easting: 3376761 E (POSGAR 2007 Zone 3) • Northing:7195517 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 220m • Drillhole ID: RS-01-19 • Easting: 3376769 E (POSGAR 2007 Zone 3) • Northing:7195514 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 480m • Drillhole ID: PPB-02-22 • Easting: 3377820 E (POSGAR 2007 Zone 3) • Northing:7190325 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 385.5m • Drillhole ID: PP-02-22 • Easting: 3377800 E (POSGAR 2007 Zone 3) • Northing:7190338 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 458m • Drillhole ID: RS-02-22 • Easting: 3376143 E (POSGAR 2007 Zone 3) • Northing:7195004 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 380m • Drillhole ID: RS-03-22 • Easting: 3376414 E (POSGAR 2007 Zone 3) • Northing:7195130 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 410m • Drillhole ID: PPZ-02-22 • Easting: 3377967 E (POSGAR 2007 Zone 3) • Northing:7191268 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 220m • Drillhole ID: PZRS-01-22 • Easting: 3376778 E (POSGAR 2007 Zone 3) • Northing:7195512 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 210m • Drillhole ID: CI-01-22 • Easting: 3379754 E (POSGAR 2007 Zone 3) • Northing:7189751 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 155m • Drillhole ID: DC-01-22 • Easting: 3376860 E (POSGAR 2007 Zone 3) • Northing:7192962 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 361m • Drillhole ID: DC-02-22 • Easting: 3376919 E (POSGAR 2007 Zone 3) • Northing: 7194299 N(POSGAR 2007 Zone 3)

Criteria	JORC Code explanation	Commentary
		• Vertical hole • Hole Depth: 552m • Drillhole ID: PS-01-22 • Easting: 3378699 E (POSGAR 2007 Zone 3) • Northing:7199021 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 300m • Drillhole ID: SB-01-23 • Easting: 3386633 E (POSGAR 2007 Zone 3) • Northing:7183680 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 455
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• A shallow sample was taken from RS-01-19 and was a significant outlier from the rest of the results. Therefore, this one sample was masked from the data. A comparison however was done between mask and non-mask and their global results were minimal (< 1%).
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• It is fairly assumed that the brine layers lie sub-horizontal and, given that the drillhole is vertical, that any 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 drill hole collar locations and appropriate sectional views.*	• Provided, refer to figures and tables in the document
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 to avoid misleading reporting of Exploration Results.*	• These results are from the wells at Pata Pila, Casa del Inca, Rana de Sal El Deceo and Santa Barbara licence areas.
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
Further work	• *The nature and scale of planned further work (eg; tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Exploration activities will continue to further consolidate all expansion tenements into the potential resource for the 60K project (including

Criteria	JORC Code explanation	Commentary
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Candelas). New production wells should demonstrate extraction yield and grade on the fractured domain, expected to conclude Q4 2023. Reserve Estimates imminent for the potential expansion Phase 2 (20ktpa LCE) production from the actual Measured Resource area

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• All logs provided to SRK were imported and validated in Postgres SQL database server. • Boreholes are plotted in ArcGIS for plan generation. • All data is checked for accuracy. • WSP audited DB integrity.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The CP visited the site from 22 to 26 July 2019 (Candelas and Hombre Muerto West), and 2 to 3 June 2022 (Hombre Muerto West only). • The CP reviewed core and cuttings for Hombre Muerto West. The CP consulted with exploration manager regarding details of the descriptions and lithologies. • The CP reviewed locations and drilling and sampling practices whilst at site.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The spacing of drill holes various between 2 and 0.3 km. There is also extensive coverage of conductivity surveys (30 lines) spaced on average 700m, giving a good degree of confidence in the geological model and brine continuity. • The brine body is horizontal and physical parameters of density, temperature and pH along with time and depth were recorded during drilling to identify any variation and assist in sampling.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The extents of the resource are approximately 2 km to 8 km (easting) by 14 km (northing) by 900 m (vertical), giving a total volume of interest of ~15km^3. • Downhole geophysics and depth-specific data (i.e. specific yield and brine chemistry) were used to estimate the resource. Priority was given to depth-specific packer samples. • Grades are relatively uniform with depth and lateral extent within hydrogeologic domains.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen, include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• 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. • Samples were composited to 20m length. • Block Model cell dimensions of 40m (easting) by 200m (northing) by 10m (elevation), consideration was given to drill spacing, sample interval, the interpreted geometry and thickness of the hydrogeologic domains and the style of mineralisation.

Criteria	JORC Code explanation	Commentary

	• *The assumptions made regarding recovery of by-products.*
	• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
	• *Any assumptions behind modelling of selective mining units.*
	• *Any assumptions about correlation between variables.*
	• *Description of how the geological interpretation was used to control the resource estimates.*
	• *Discussion of basis for using or not using grade cutting or capping.*
	• *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*
		• The search ellipse was anisotropic with a slightly longer north dimension and a relatively short vertical dimension. The search distances were at a distance to ensure all blocks within the hydrogeologic domains were estimated, up to a maximum of 4km.
		• The search ellipse used a first pass radius of 2 by 1.5 by 0.1 km. A second and third pass used a ratio of 2 and 4 respectively.
		• Downhole measurements of specific yield (SY) (drainable porosity) were obtained using a number methods including:
		  ○ Zelandez using Borehole Magnetic Resonance technology;
		  ○ Rapid Brine Release but were not used due to uncertainty in sample integrity; and
		  ○ Direct measurements derived from SGS laboratory.
		• SY values were also benchmarked against other similar deposits. The values assigned to each hydrogeologic unit are as follows:
		  ○ Sand – 23.9%
		  ○ Gravel – 21.7%
		  ○ Breccia – 8%
		  ○ Debris – 12%
		  ○ Fractured rock – 6%
		  ○ Halite – 3%
		• Lithium and potassium content were estimated into a proportional block model based on 20m composites for each domain using soft boundaries. The composite length was chosen to account for the lenses of halite and gravel.

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 805 mg/l Li, which is considered a relative 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 have zero grade. • The geophysics has shown that the basement topography is irregular and may result in some parts of the system being shallower towards the western margins of the resource domain. 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 with an*	• Potential brine abstraction is considered to involve pumping via a series of production wells. • The thick and mostly unconsolidated sand units dominate the drainable brine resource on the Measured Resource. Pumping tests have proven that the transmissivity of gravel and sands is favourable for brine production.

Criteria	JORC Code explanation	Commentary
	explanation of the basis of the mining assumptions made.	
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.*	• Lithium and potassium would be produced via conventional brine processing techniques and evaporation ponds to concentrate the brine prior to processing. • The production of lithium carbonate (Li_2CO_3) and Potash (KCL) from brines have been demonstrated by a number of companies with projects in Argentina in close proximity to Hombre Muerto West, for example Livent Corporation's El Fenix, and Galaxy's Hombre Muerto. It is assumed Galan would use similar methods to enrich brine to 99.6% lithium and produce lithium carbonate (Li_2CO_3). • On-site metallurgical tests have demonstrated that solar concentration and additives are capable of producing 6% Li concentrated brine, with deployed contaminants.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No factors or assumptions are made at this time. However, an environmental assessment (EIA) is currently in progress by Ausenco Limited. • Environmental monitoring and reporting are ongoing
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density determination is not relevant for brine resource calculations as the drainable porosity or specific yield of the hydrogeologic units is the relevant factor for brine resource calculations. Brine density was measured for every sample assay. • Synthetic values of drainable porosity and specific yield values are obtained from downhole geophysics and core testing and includes all aquifer material. The CP did a comparison of similar aquifer material from other nearby projects as a check on the results, and where necessary modified accordingly. • A summary of samples including specific yield and modifications to the synthetic measurements per hydrogeological domain is provided in the main body of the report. • Specific yields for each domain are: o Sand 23.9% o Gravel 21.7% o Breccia 8% o Debris 12% o Fractured rock 6% o Halite 3%
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology*	• Most of the estimated Resource is assigned as Measured based on drill hole coverage, pumping tests, geophysics and good constraints of the hydrogeologic domains. This is consistent with recommendations by Houston et al., (2011) where

Criteria	JORC Code explanation	Commentary
	and metal values, quality, quantity and distribution of the data). • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	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 aquifers at depth. • Numerous factors were taken into consideration when assigning the classification applied to the Mineral Resource estimate. Of these factors, it is considered that the classification has been primarily influenced by the drill coverage, pumping tests availability, 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 some data aggregation. The large intervals have also resulted in some degree of smearing of high grades within the modelled domains.
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. • WSP (Chile) assisted in reviewing and validating Resource Modelling
Discussion of relative accuracy/ confidence	• *Where appropriate, a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Brine 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. Alex Stewart was consistently lower than SGS and was chosen as conservative values over SGS. The brine standards are made by Alex Stewart and was also considered in the selection of samples to use for brine estimation. • The sandy and fractured units that dominate the drainable brine resource have demonstrated transmissivity of brine and shown the resource is favourable for extracting brine. Fractured rocks have also been sampled and returned assay values > 800 mg/l Li. Geophysics allows further mapping of these based on brine conductivity. However, 6% Sy was chosen as a conservative value, considering the 10% porosity measured as part of Zelandez BMR probe, thus assuming a 40% brine retention.

Section 4 **Estimation and Reporting of Ore Resources**

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply in this section)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The latest revised Mineral Resource estimate 1 May 2023; Galan´s 100% owned HMW project resource increased to 6.6MT LCE @ 880 mg/l Li (72% in Measured Category) incorporating geological and geochemical information obtained from nineteen (19) drillholes totalling 5,918 metres within the Pata Pila, Rana de Sal, Casa del Inca, Del Condor, Pucara del Salar, Delmira, Don Martin and Santa Barbara tenements. A total of 610 brine assays were used as a foundation of the estimation, all of which were analysed at Alex Stewart International laboratory (Jujuy). SGS in Argentina (triplicates) as

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		the umpired laboratory. • The updated HMW Mineral Resource was supported by new core porosity data. Also endorsing the directly obtained brine samples and core recovery, was approximately 51 km of additional surface resistivity (CSAMT and TEM) which has been completed in 2021 and 2022 campaigns at HMW Project. • Mineral Resource are reported inclusive of the Ore Reserves. • Ore Reserves are defined based on the Measured and Indicated Mineral Resources, including all modifying factors related to brine recovery and process efficiency.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person Dr Brian Luinstra has visited the site in September 2022 during the drilling and hydraulic testing program and has a long-standing understanding of the Hombre Muerto Salar. • The Competent Person Mr. Marcelo Bravo has visited the Project site twice; once in August 2022 and then in January 2023 for pilot testing. Mr Bravo has more than 25 years of experience in the processing area of lithium brines operations and project development activities. He has been involved with HMW Project for almost 4 years.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• A Definitive Feasibility Study (DFS) has been completed on the project. The evaluation of ponds, process, and brine extraction and the associated modifying factors discussed more in detail below support the definition of Ore Reserves. • The DFS has defined a production well field configuration with numerous simulations of brine extraction over the proposed life of mine undertaken to evaluate the evolution of brine grade, potential environmental impacts and to develop a production schedule for the project. This schedule is based on the installation and operation of 6 wells over the life of the study. • The Ore Reserve estimate has been developed using detailed integrated groundwater flow and solute transport finite difference modelling in software MODFLOW, an industry standard numerical groundwater modelling platform.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• No cut-off has been applied to the Ore Reserve, as the deposit exhibits homogeneous high grade and brine quality distribution, which are all deemed to be economic, which extends to the limits of the properties owned by the company.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes,*	• The Mineral Resource was converted to Ore Reserves, based on the results of the DFS and consideration of the modifying factors identified in the DFS. As the project is advanced in nature, site-specific information is available for definition of the modifying factors. • The mining method is dictated by the deposit type, which is a brine deposit in which brine is hosted in pore spaces between grains of sediments. Wells are installed to allow flow of brine to the wells and exploitation of the brine by pumping from the

Criteria	JORC Code explanation	Commentary
	stope sizes, etc), grade control and pre-production drilling. • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	wells, developing cones of depression around the individual wells as brine flows to the wells. • There is no open pit or underground excavation (because the brine is pumped out from wells) and no geotechnical parameters are directly measured. The future change of lithium concentration in wells will be monitored as part of the future pumping and monitoring activities. • The Ore Reserve has potential dilution built in as it is the product of a 3D numerical groundwater model developed from drilling and water level information and is calibrated using actual project pumping data and water levels, with the estimation defined by the model showing the effects of and response to pumping and dilution simulated as part of modelling. There is no specific dilution factor. • The long term recovery of Li including the brine transport and evaporation ponds system is 66.7%, it is typical of results for lithium brine operations, taking account of losses/recoveries through the evaporation ponds. In addition, a further recovery factor of 90% was assumed for the conversion of the lithium chloride into lithium carbonate product, this is a reasonable recovery to be expected from a lithium carbonate production plant. Therefore, the net recovery of the Li from the raw brine extraction to obtain a final lithium carbonate product is 59.9% • Minimum mining widths are not relevant in the context of this project. • Inferred Resources are not considered for the purposes of the production plan and Reserves. Particle tracking modelling technique has been used to ensure Reserves are based on Measured and Indicated Resources brine volumes. • The infrastructure required for brine extraction is the establishment of the proposed wellfield and the associated pumps and pipework to allow brine to be transported to the evaporation ponds.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the Ore Reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The metallurgical process proposed is conventional pond evaporation; Preconcentration ponds, followed by the addition of reagents, a subsequent filtering stage prior to the final concentration ponds to produce a lithium chloride concentrate at 6% of Li content. The associated salts and filter cake are removed and deposited in permanent waste facilities. The majority of the proposed equipment is in use on existing brine projects and is considered appropriate for the purpose of producing lithium chloride concentrate. The DFS report explains the rational for use of this equipment. • The design of the evaporation ponds system and water contour channels were developed by AIA and EIC consultancy companies respectively. Both Companies have a large experience working for similar brine projects within the South American region. • The metallurgical equipment proposed for the project is well tested and is considered appropriate for the project.

Criteria	JORC Code explanation	Commentary
		• Metallurgical test work was carried out with bulk brine samples and is considered appropriate to support the project. • Pilot scale test work has been performed on site for around fifteen months, during this time the work has been supervised by the highly experienced processing company Ad-Infinitum.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• The baseline environmental studies for the project were prepared and submitted, along with the application to extend the activities of the current permit. The submission of the application to extend the piloting activities was executed on November 2nd, 2022. Galan is expecting a favourable response from the Authorities to commence the construction of the Phase 1 Project in Q3 2023. • The project comprised ponds, which at the end of the project will become large salt repositories, in addition to the salt waste storage piles where harvested waste salts are deposited. The environmental study prepared to support the application for extending the piloting activities at industrial scale, included an analysis of the environmental and social impacts, as well as the mitigation and compensation measures. • Galan is committed to comply all future requirement by the environmental authorities and develop the closure plan. • The Project is currently undertaking monitoring and environmental auditing activities, following the standards defined by the Authorities.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• The Project is a remote location but close to other Lithium projects from important Companies such as Livent, Allkem and Posco. The Project has a direct access from a public road. Electricity for the project will be supplied via diesel generation and supplemented with solar power at a later stage. The Company has access to industrial water via the future drilling of two boreholes within the project. Transportation to the site has been evaluated by experienced consultants, and the necessary relationships defined for importation of raw materials to site and the storage and transportation of product from the site to clients located in Argentina. • Labour for the Project is available in the Catamarca Region with an accommodation camp to be built to support construction and operation of the Project.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.*	• The project DFS has used costs based on vendor quotations, including information from M3, Ad Infinitum and Galan's purchasing team. • Operating costs were estimated based on the definition of the extraction process and test work which has been undertaken to define and optimise the process, with tests conducted at equipment suppliers and reagent consumption rates estimated for the process, conventional evaporation ponds. Vendor quotations were used for reagent costs, which together with power generation are the largest component of the project operation costs. Manpower levels are based on M3 experience.

Criteria	JORC Code explanation	Commentary
	• *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	Energy prices (mainly based on diesel fuel) and chemical prices correspond to expected costs for products delivered at the project location. • The process considers the removal of deleterious elements to specifications for the final high-quality product and has been considered in the estimation of costs. • The lithium carbonate price and associated lithium chloride concentrate price has been estimated using information provided by experienced industry analysts, Wood Mackenzie and iLiMarkets. • All costs were estimated in US$. All values are expressed in Q2 2023 US dollars; the exchange rate between the Argentinean peso and the US dollar has been assumed as ARS$ 230.76 / US$, based on May 2023 average; no provision for escalation has been included since both revenues and expenses are expressed in constant dollars. • Costs of all production supply items have been taken at the HMW plant, thus there is no transport cost to add from the supply side. • Allowance has been made for royalty payments to the government following the current legislation.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• The head grade has been determined by the Resource and Reserve model which has been developed for the project and is based on the drilling which was used to produce the Measured and Indicated Resources. • Commodity prices are based on forward estimates by experienced industry consultants. • Transportation costs are included in the estimation of operating costs (see section above). • Product sale prices and potential penalties are discussed in the preceding section. • The operating cost estimates are for lithium chloride concentrate and further processing to lithium carbonate only and do not include any allowance for by-product credits.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• A lithium market analysis has been provided by industry consultants Wood Mackenzie and iLiMarkets, who have provided a forecast of lithium carbonate and associated lithium chloride concentrate respectively. This forecast takes into account the supply and demand and changes in lithium product demands over this period. The trend is for very strong demand expansion for the sector, with factors likely to affect demand consisting principally in the uptake of electric vehicles globally, while supply is dependent of construction of additional mine supply but also refining capacity. • The Company is well placed to benefit from the market window caused by the significant increase in demand related to electric vehicle uptake. • The Company is well placed on the cost curve, considering the production of lithium chloride product, The project will fall in the lower part of the cost curve, being competitive with other existing and forecasted new lithium projects. • Wood Mackenzie forecasts average annual prices for lithium. This price level reflects the requirement for producers to invest in new capacity to satisfy future

Criteria	JORC Code explanation	Commentary
		consumption and to incentivise the financing of new projects.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The economic analysis was undertaken by M3 Engineering, using experienced engineering professionals. M3 Engineering used information compiled for the project and their extensive database of cost data. The project economics were estimated with discount rates between 6% and 10%, with 8% considered the mid-point base case. This was used to evaluate the range in the net present value (NPV).
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• The company engaged early in the project assessment process, with communities that could be influenced by the project. This includes local government authorities, and indigenous communities located within the influence area of HMW Project. Phase 1 of the Project was presented to the community in April 2023, with positive responses obtained at the public meeting. • Galan has an existing workforce of around 70 people, including personnel with long and sound experience in the construction and operation of wells and evaporation pond units. Galan has privileged the recruitment of personnel from the communities close to the Project. It is expected to increase the workforce to around 350 people during construction, the majority should come from the Catamarca Province, some additional personnel may come from nearby Provinces of the northern Argentinian region. Usage of experts coming from outside Argentina is limited to those skills and experience not possible to be obtained taking a reasonable effort.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals.* • *There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the Reserve is contingent.*	• The DFS has identified a number of risk factors, both related to the natural environment and other aspects of the project. The natural risks related to landforms, surface water run-off and water supply are considered to be relatively minor and manageable. • Material legal agreements are understood to be in good standing. Galan is the sole owner of the mineral properties. The properties are granted mining concessions. There is no current marketing arrangement in place, but an off-take agreement or similar is likely to be negotiated prior to or as part of the project financing.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The Ore Reserve estimate is considered to be a conservative representation of the aquifer systems with very high confidence in modelled outputs during the early to mid-life of mine production plan and reducing confidence during later production. Brine derived in years 1-10 of the life of mine plan is predominantly from areas with high levels of confidence with good geological and test pumping control and has therefore been categorised as Proven Ore Reserves. Brine derived in years 11-40

Criteria	JORC Code explanation	Commentary
		tend to be derived from areas with lower confidence and has therefore been categorised as Probable Ore Reserves. • Abstraction capture zone analysis was used to determine the origin of brine from each production well throughout the life of mine and Ore Reserve volumes were all derived from capture zones originating from within the Measured Resource blocks.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The Ore Reserves have been subject to an audit by WSP (Chile), including hydrogeologic parametrization, water balance and numerical model. Resource to Reserve conversion is in line with those for other brine projects.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 Ore Reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Ore Reserve is considered to have a high level of confidence based on the original quality of information collected, the continuity of mineralization and the geostatistics and understanding of the geology, plus the amenability to extract by pumping. This statement relates to the global Ore Reserve, which is based on Measured and Indicated Resources. • The groundwater model used to predict brine abstraction was constructed according to the Australian Groundwater Modelling Guidelines (Barnett et al., 2012). The model was calibrated to both transient and steady state conditions and has been assigned a Class 2 level of confidence under those guidelines. • Confidence in the predicted brine abstraction estimates which support the Ore Reserves considered to be high. • The confidence level for the capital and operating cost estimates are within the expected levels of the Phase 1 DFS. This is between –10 and +15%.