



GALAN
LITHIUM LIMITED

Hombre Muerto Lithium Project

Targeting production of Lithium Carbonate in the Lithium Triangle of South America

October 2018 **ASX:GLN**

Disclaimer and Important Information

This presentation has been prepared by Galan Lithium Limited (“Galan”). It contains forecasts and forward looking statements which are no guarantee of future performance and which involve certain risks. Actual results and future outcomes will in all likelihood differ from those outlined herein. The presentation should not be construed as an offer or invitation to subscribe for or purchase securities in Galan. Nor is it an inducement to make offer or an invitation with respect to said securities.

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves nor recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

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

The information contained herein that relates to Exploration Results is based on information compiled or reviewed by Dr Luke Milan, who has consulted to the Company. Dr Milan is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Dr Milan consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.



Hombre Muerto Project

Rights to earn 100% interest in projects located within the world renowned 'Lithium Triangle' in Argentina

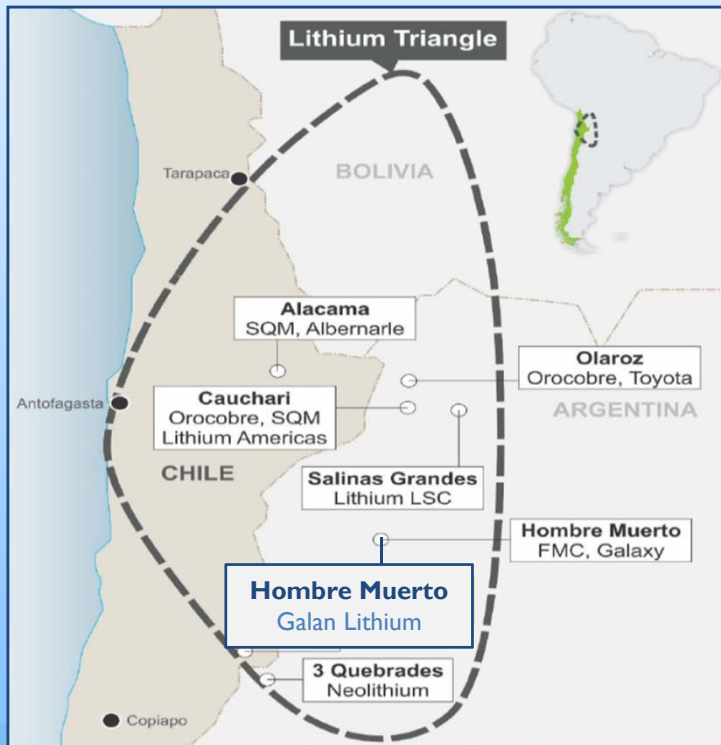
Projects situated on the *Hombre Muerto* salar adjacent to;

- Galaxy Resources (GXY, mkt cap; A\$1.2bn)
- Livent Corp. (ex-FMC, NYSE:LTSM, mkt cap; ~US\$2.4bn)
- POSCO (purchasing part of GXY's Sal de Vida project)

The Hombre Muerto Salar:

- *THE...* premiere lithium brine basin in Argentina
- *HAS...* the highest grade & lowest impurities in country
- *HOSTS...* LTSM's *El Fenix* operation, in production for >27 years

Candelas project covers >6,000 ha of potential brine reservoirs contiguous with Galaxy Resources' Sal de Vida lithium project
(* 29 May 2018: GXY sell portion of Sal de Vida containing 2.54Mt of LCE to POSCO for US\$280M)



Capital Structure



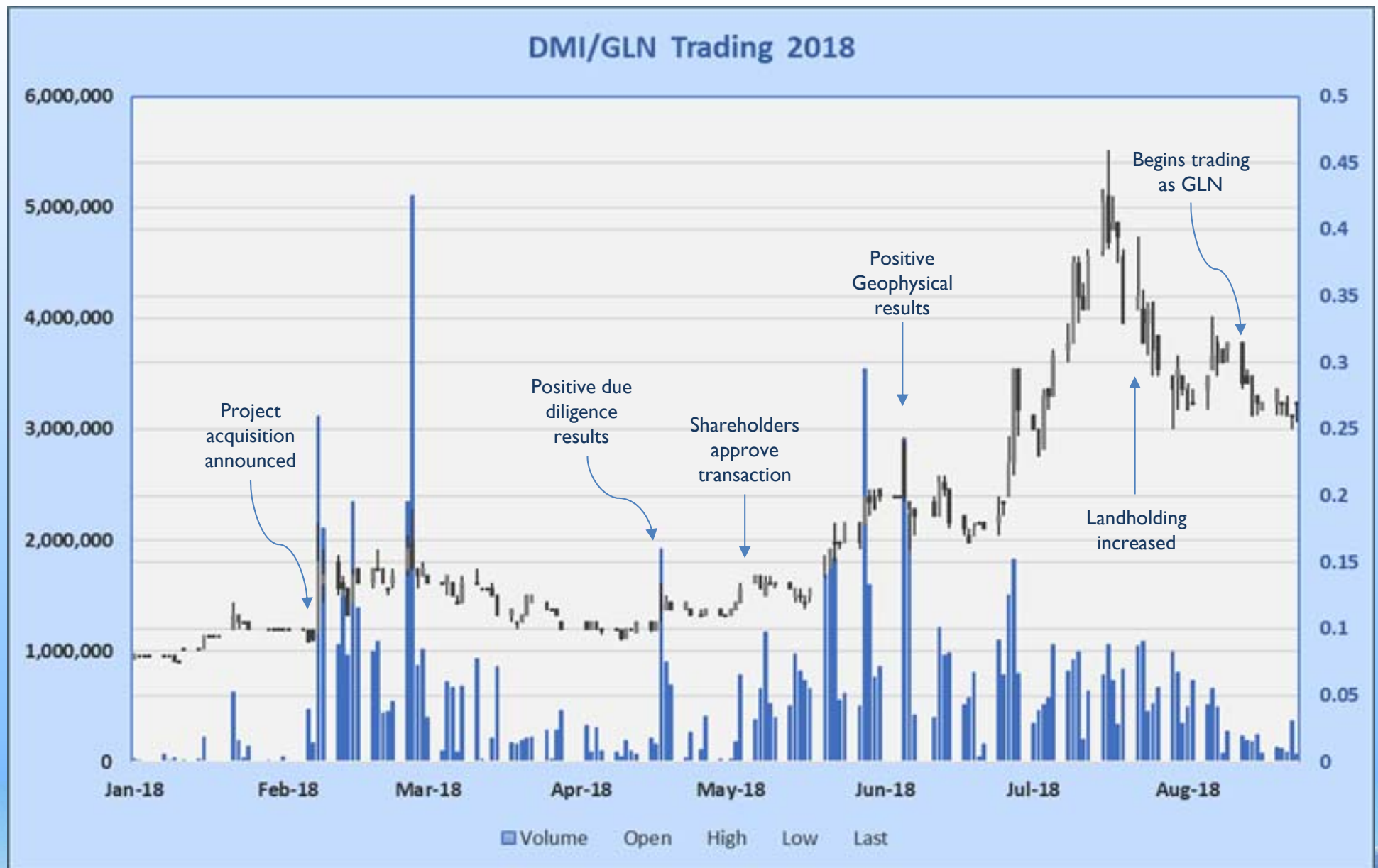
Securities	Galan Shares	Galan Options
Existing issued securities	95,240,001	16,300,000* Listed: GLNOA 3,500,000** 25,000,000***
Current Cash	~\$1.0 million	* Quoted options exc. \$0.14, Dec. 2018 ** Options exercisable \$0.15, Nov.2019 *** Options exercisable \$0.14, Dec. 2019
Directors/Management: 37.4%	Top 20: 59.8%	Market Cap.: A\$28M

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

DIRECTORS

Nathan McMahon:	Chairman
Juan Pablo Vargas de la Vega:	Managing Director
Raymond Liu:	Non-Executive Director
Terry Gardiner:	Non-Executive Director
Christopher Chalwell:	Non-Executive Director

Trading

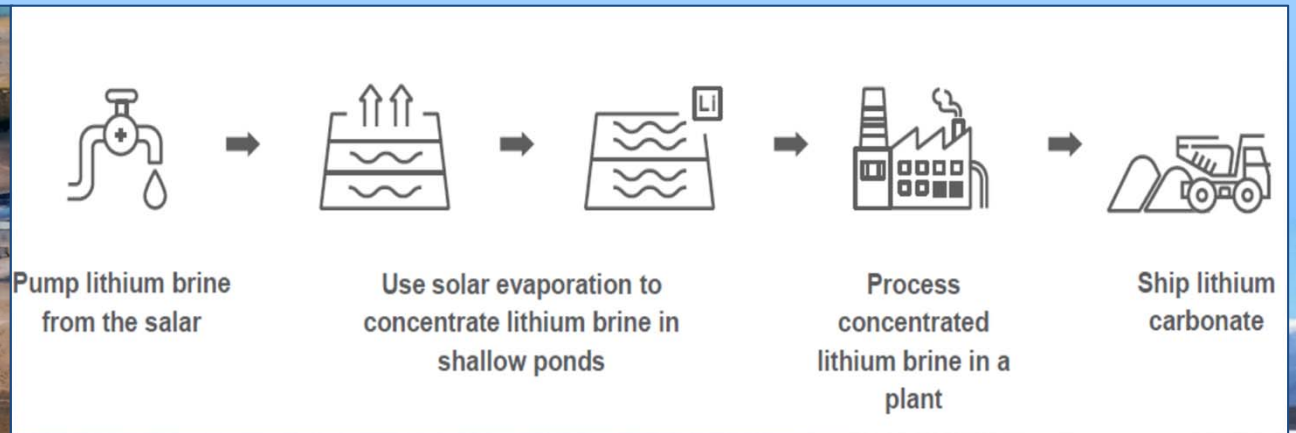


Lithium Brines

An Overview

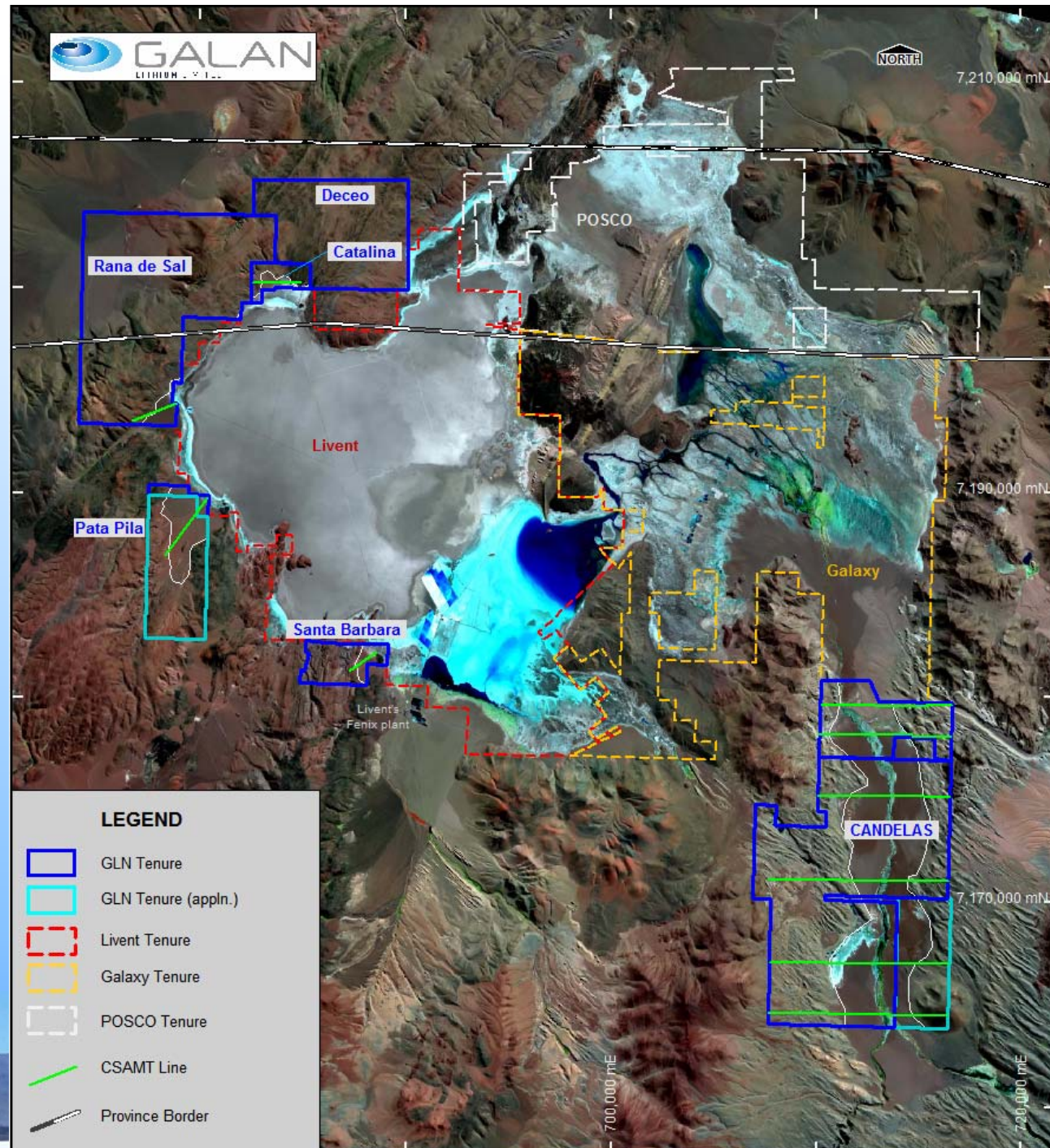


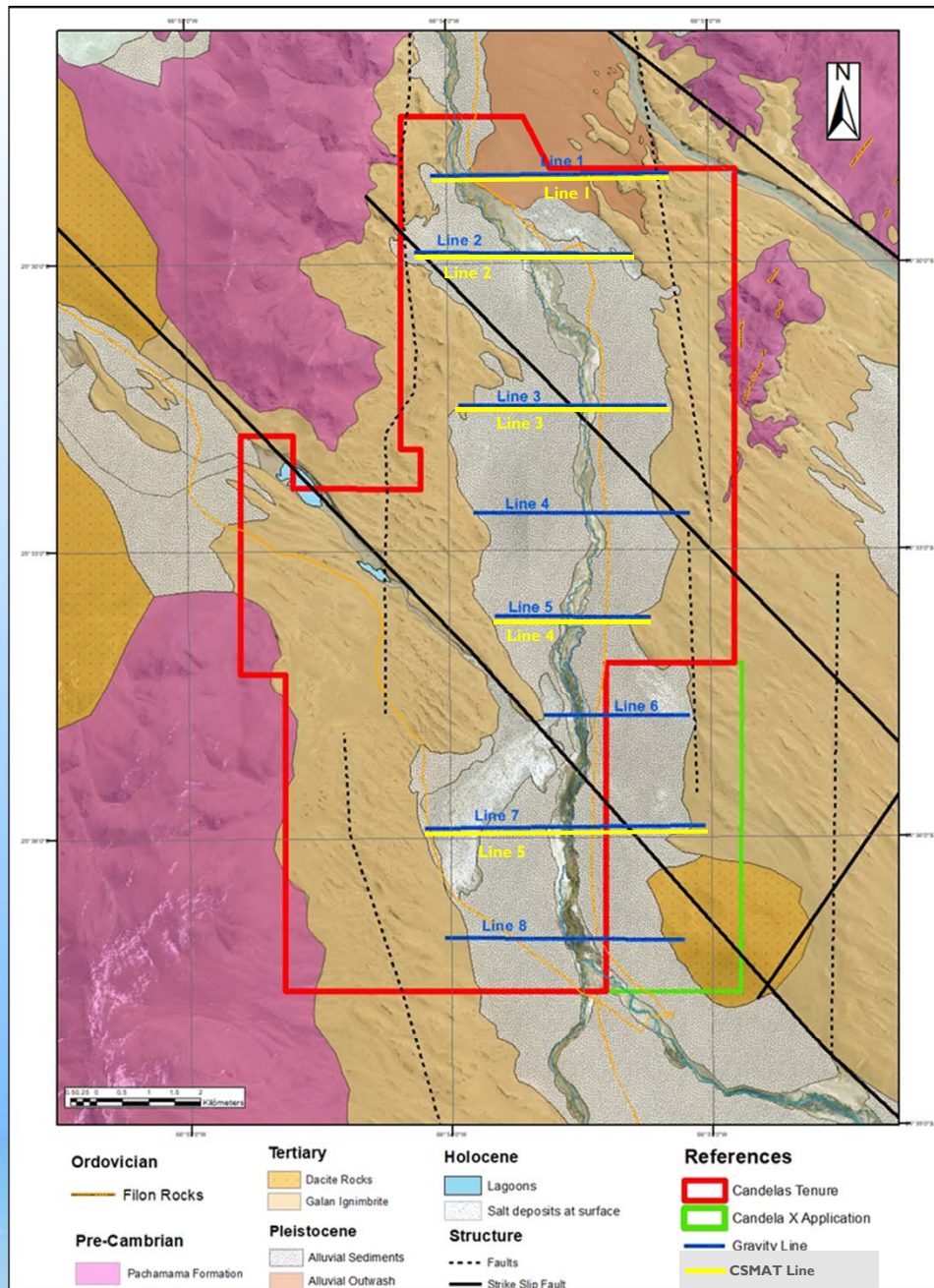
- The largest reserves of lithium worldwide are found in the “Lithium Triangle” between Argentina, Bolivia and Chile
- The geology is comparable to petroleum exploration rather than conventional mining as it targets aquifers rather than a static resource
- Aquifer porosity plays a significant part of resource estimation, with higher porosity allowing for higher extraction rates. Brine impurities play an important part of the production cost to produce lithium carbonate
- Typically, Capex and Opex for lithium brine operations are lower than conventional hard rock mining
- Lithium brine operations are relatively simple with only a small number of steps required to produce Lithium Carbonate



Hombre Muerto Projects

- Six project areas totalling ~25,000 Ha of landholdings
- Potential brine areas conservatively comprise ~7,800 Ha
- Rich setting for lithium brine development – ground waters sourcing volcanic rocks, hydrothermal activity, a closed basin, arid climate, faulted environment
- Candelas project main focus of exploration
- Other targets lie within the Western Basin; *Catalina, Pata Pila, Rana de Sal, Catalina & Deceo*





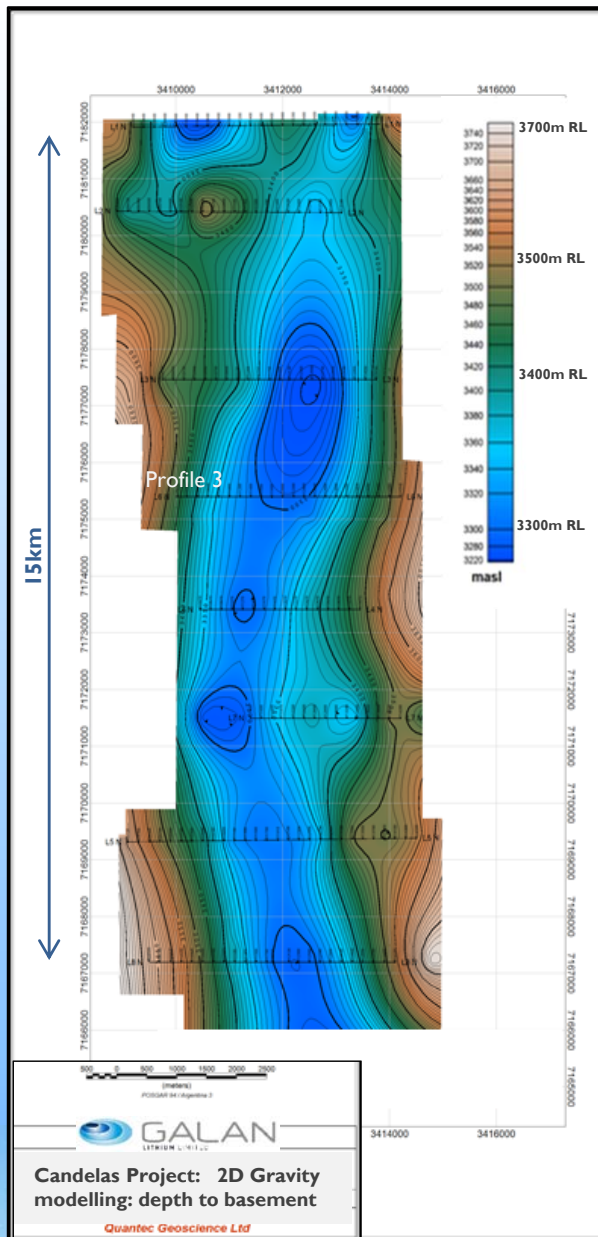
CSMAT

- Controlled Source Audio-frequency Magnetotellurics survey conducted by Quantec Geoscience Ltd in May and Sept 2018
- Survey covered ~15km over 6 profile lines
- Profiles interpreted to contain “...very conductive and shallow units that are compatible with units being saturated with brine...” (Quantec; ASX:DMI 6 June 2018, ASX:GLN 4 Oct. 2018)
- Interpreted brine layers range from ~150-400m+ thickness over entire extent of the survey
- Interpreted brine layers remain open to the west

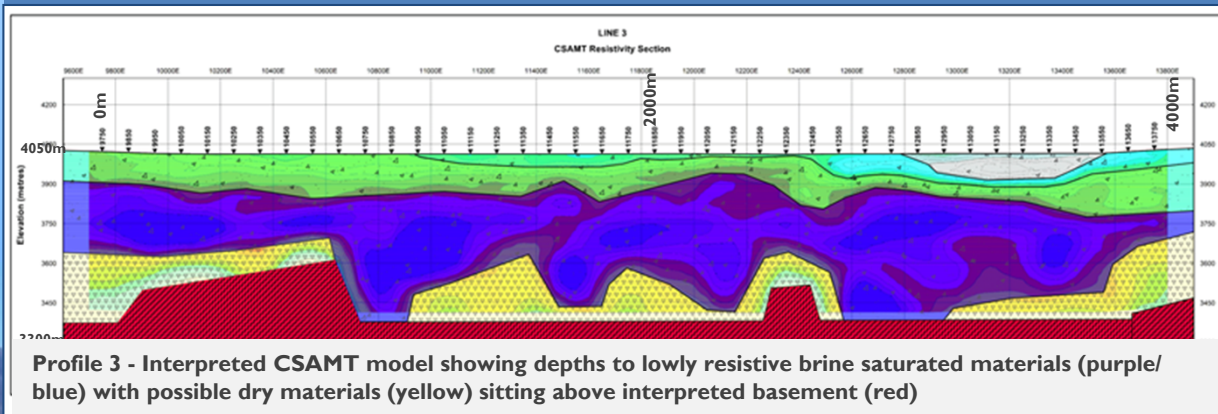
Gravity

- May 2018 survey over ~15km along 8 profile lines
- Profiles interpreted a deep basin-channel environment with depths of up to 600m
- Interpretation supports CSMAT findings of a large, deep channel hosting significant brine layers
- Follow up geophysics extending lines completed in August

CANDELAS Geophysics



- Candelas channel lies within a structurally controlled graben formed into basement Pre-cambrian metamorphic rocks
- Extends for the length of the project, over 15km
- Channel filled with Tertiary ignimbrites, sourced from the nearby Cerro Galan volcano, and more recent Pleistocene sediments (alluvial fan and channel deposits and salar sediments)
- Interpreted Gravity and CSAMT survey results support each other showing depths to basement overlain by lowly resistive units compatible with units being saturated with brine
- Brine thicknesses interpreted to range from ~150 to 400m+
- Profile 3 (below) and 2D Gravity interpretation (left) show examples of the data obtained
- Scale of the results far exceeded Company expectations

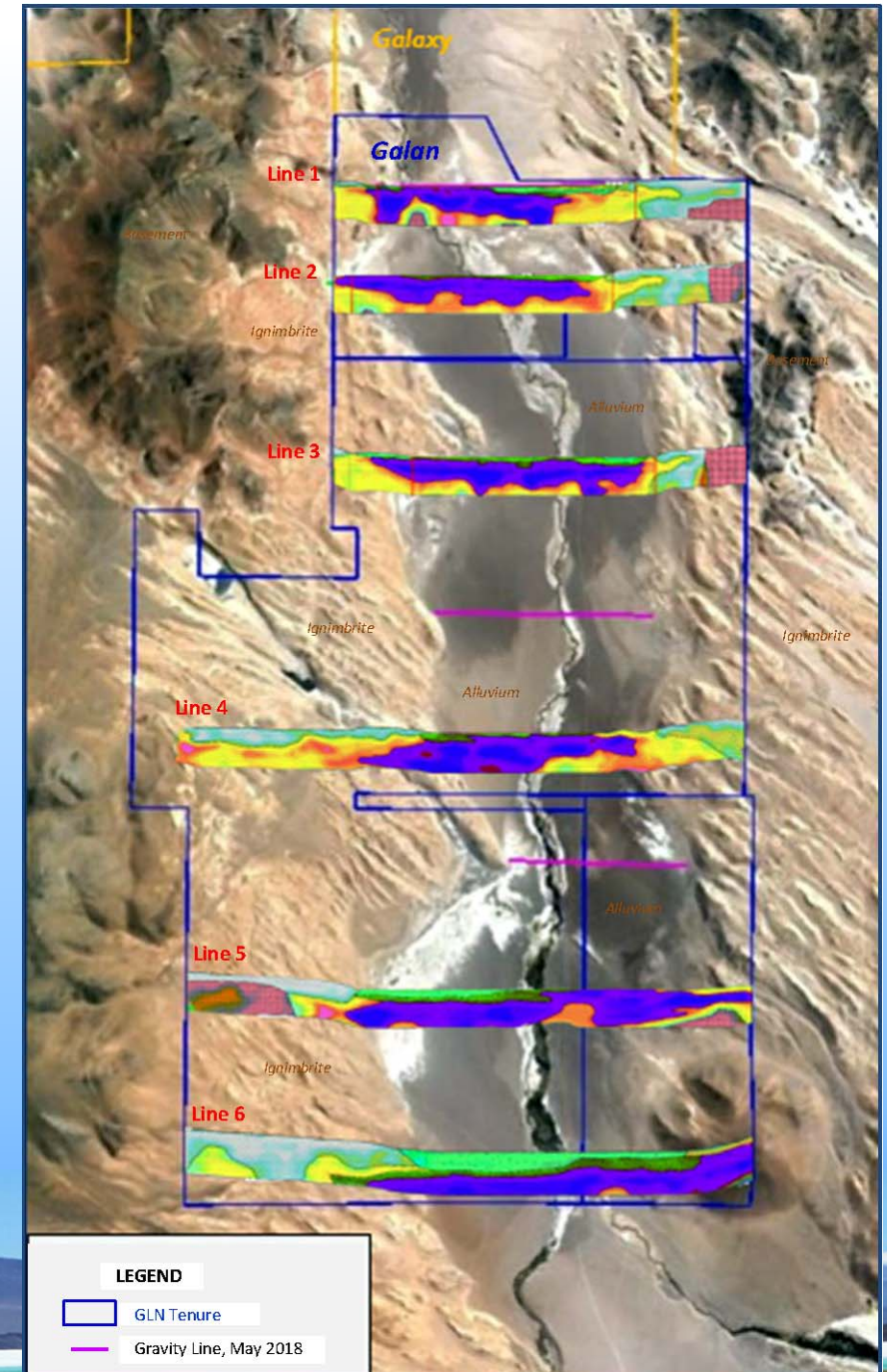


CANDELAS

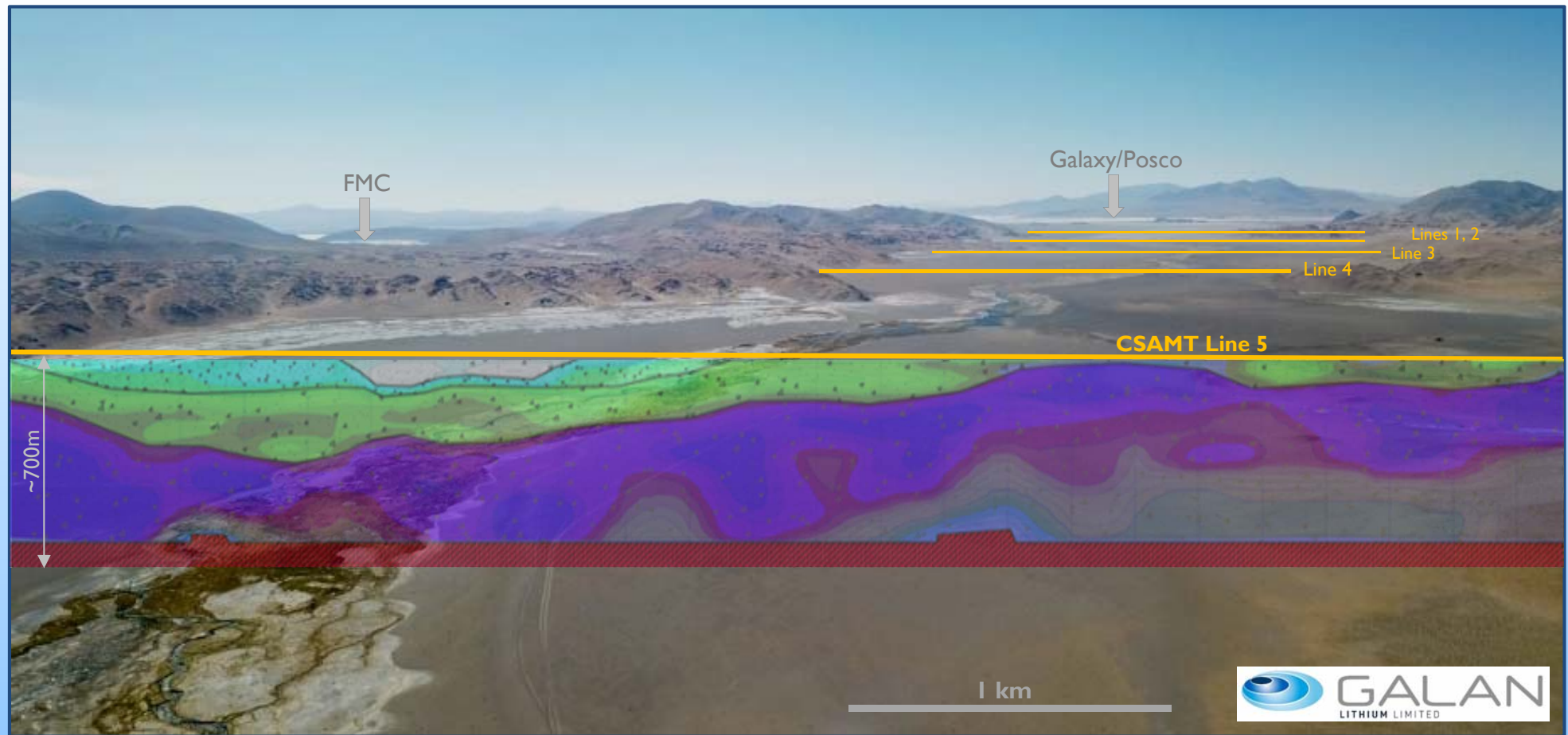
- Encompasses the 15km x 3-5km Los Patos channel
- Extensive exploration potential, adjacent to Galaxy's Sal de Vida project
- Very shallow targets below surficial alluvial cover
- Sufficient area for evaporation ponds, processing infrastructure & great fresh, process water
- Rio Los Patos accounts for ~79% of incoming waters & lithium into the salar. Likely Li source rocks from the Cerro Galan volcano (associated fumaroles noted in the delta)



Testing fumaroles at Candelas



CANDELAS Geophysics

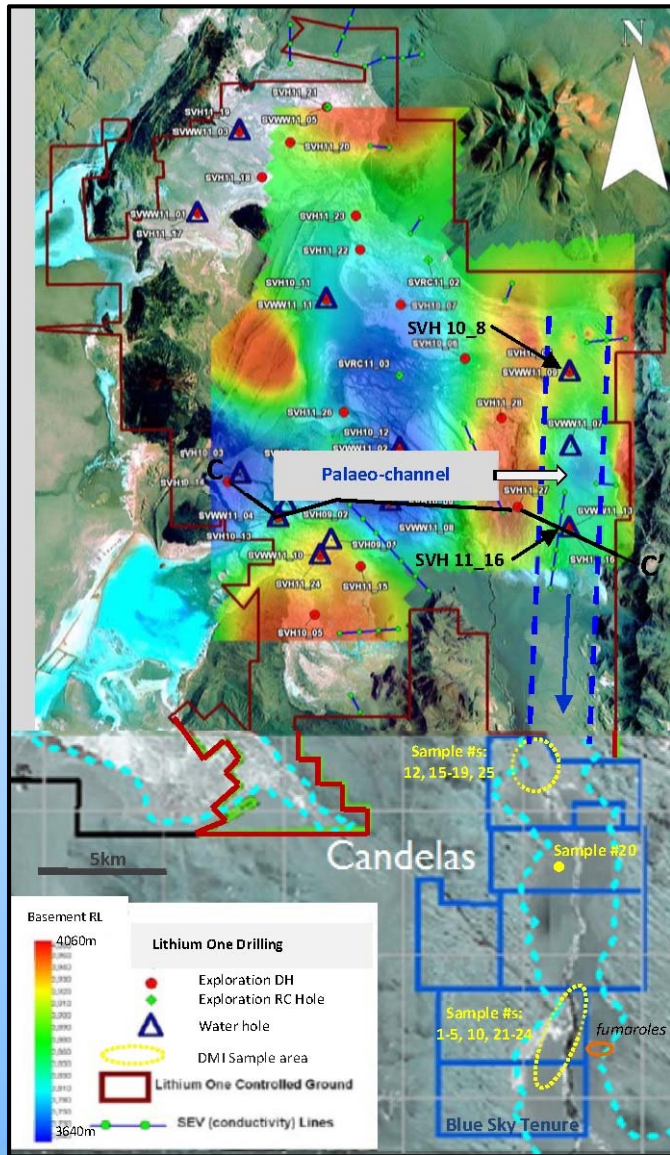


Oblique aerial view looking northwards along the Rio Los Patos channel at Candelas.

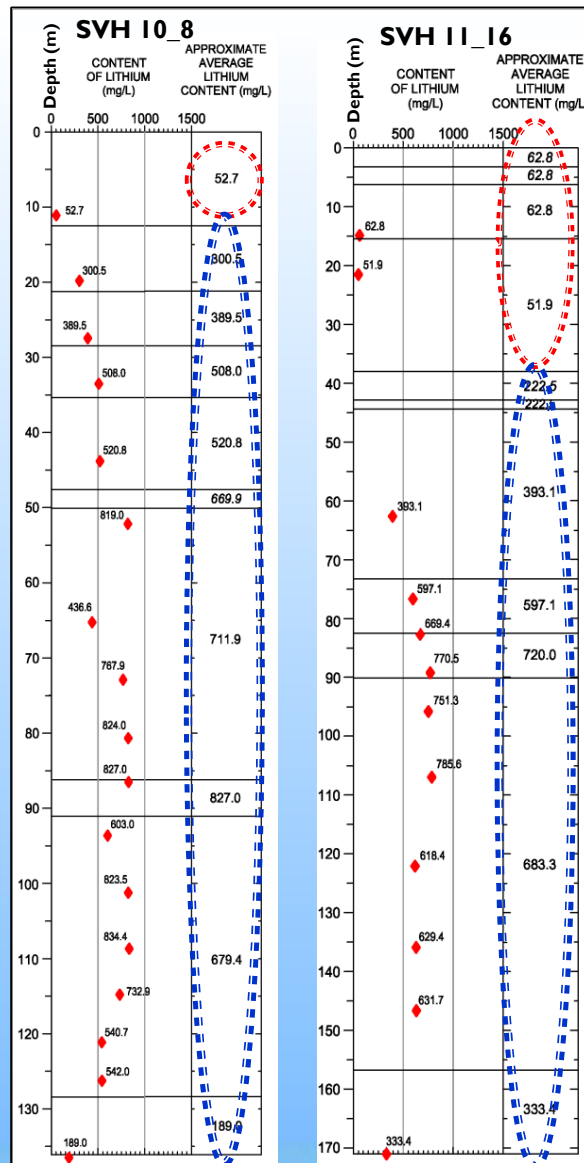
Location of the May 2018 CSAMT lines. CSAMT Line 5 cross-section (4.8km displayed from a 5.4km long line) showing very low resistivity values, compatible with geological units that may contain brines (in purple)



CANDELAS Surface Sampling



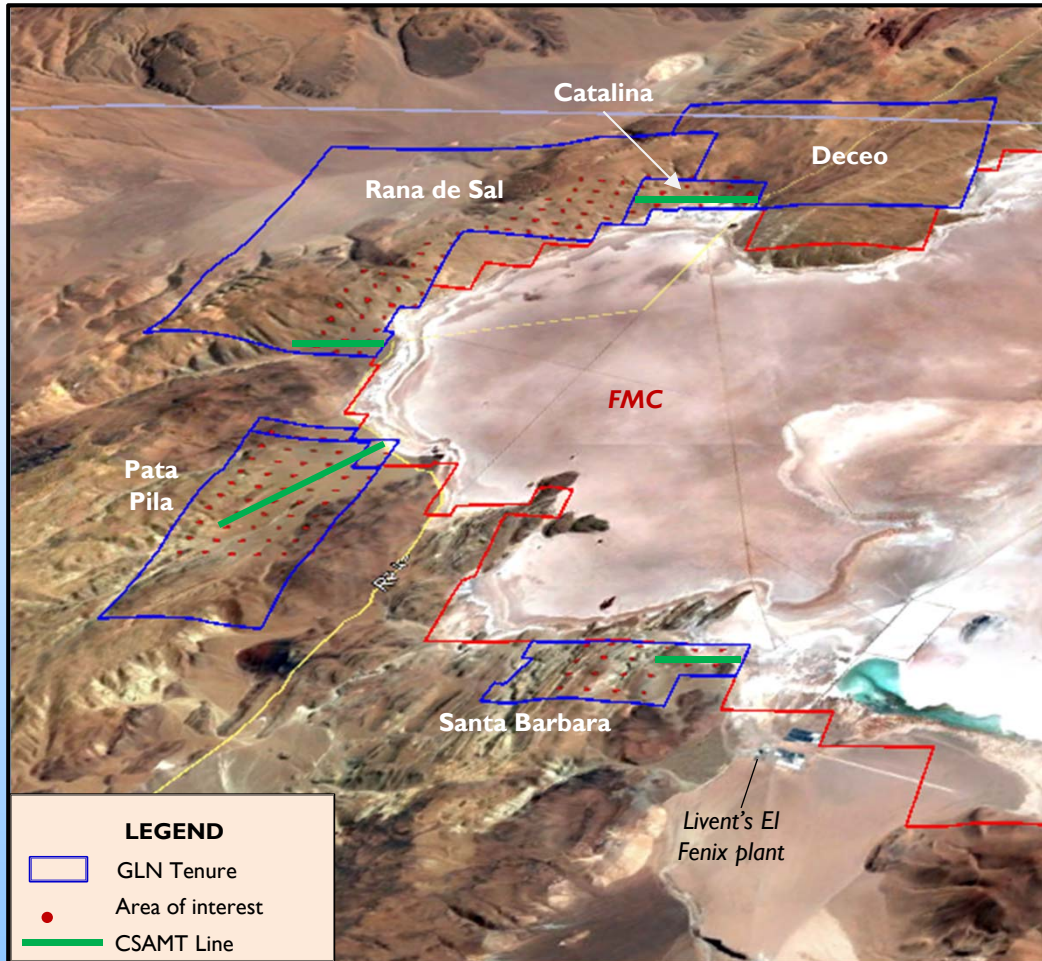
Base gravity/aerial foto image showing eastern palaeo-channel, location of Lithium One (Galaxy) drilling & GLN Samples – Candelas area (ref: Lithium One NI43-101, March 2012)



Lithium One (Galaxy) drillholes SVH10_8 & SVH11_16 noting near surface Li versus underlying economic Li grades (ref: Lithium One NI43-101, March 2012)

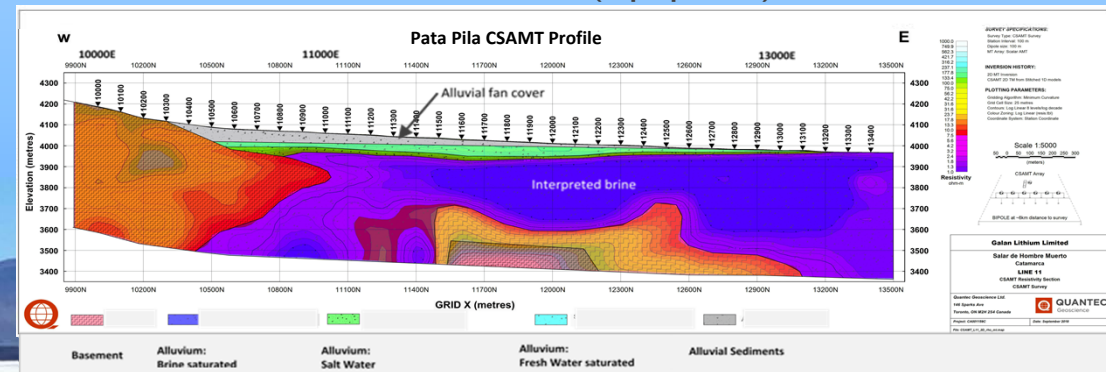
- Galaxy's closest drilling to Candelas indicates substantial volumes of brine hosted by coarse sands and gravels similar to those thought to exist at Candelas; perfect permeable host
 - Recent surface sampling in the north returned results similar to that obtained by Galaxy:
- GXY: ~50-120ppm Li DMI: to 59 ppm Li
- Los Patos palaeochannel clearly visible running into Galaxy ground, brine host
 - Potential for significant volumes of brine to exist at depth within the Candelas channel
 - Gravity & CSAMT (resistivity) survey completed. Aim to generate target areas for drilling
 - Survey conducted by highly regarded group Quantec who conducted work at Sal de Vida for Galaxy

WESTERN BASIN Projects



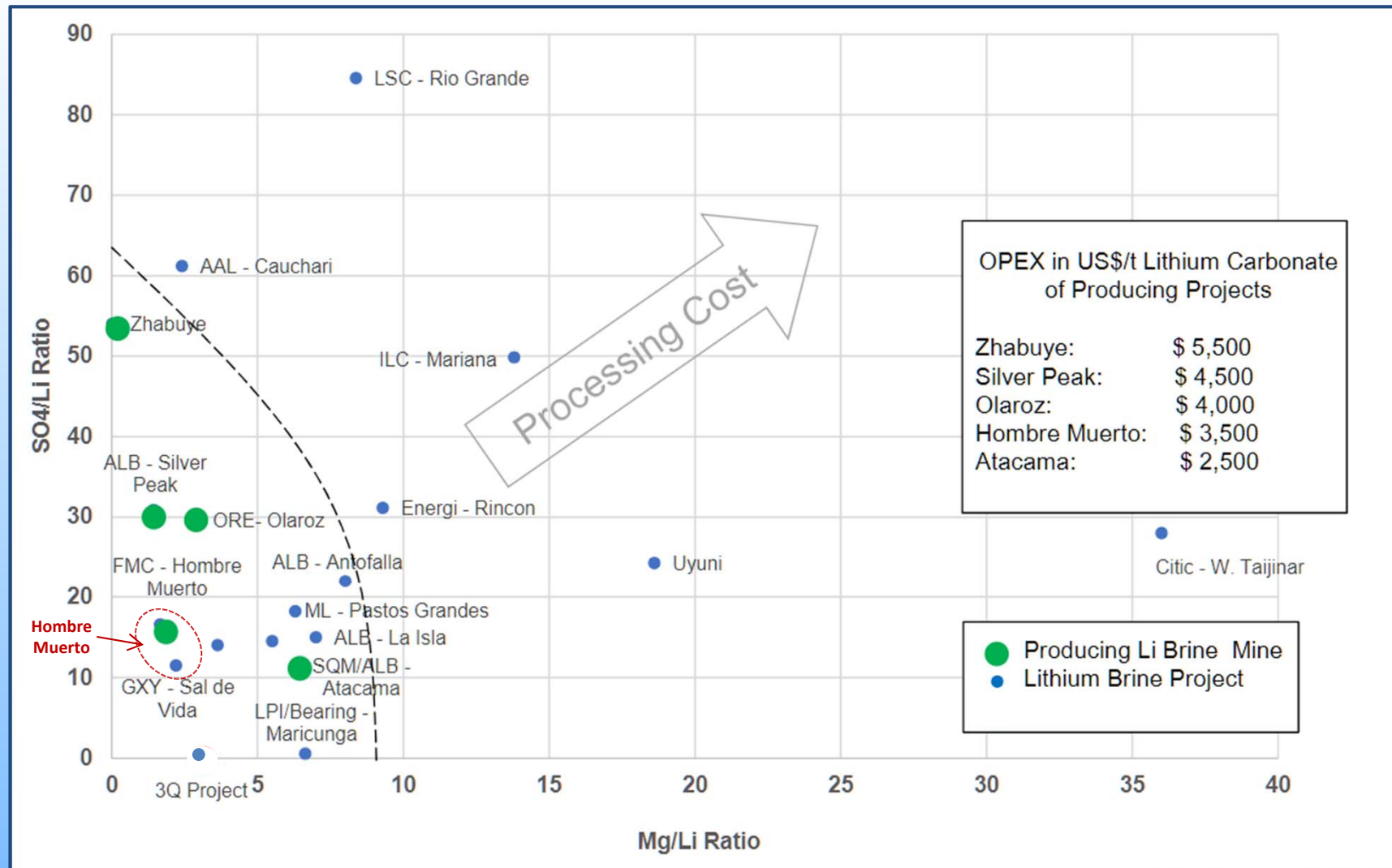
- Several areas covering margins of the Hombre Muerto salar, includes alluvial fan covered salar targets
- Recent resistivity surveys completed over 4 new targets at Hombre Muerto salar;
- Initial near surface water sampling highly encouraging, several samples $>1,000$ mg/t Li
- Follow up CSAMT resistivity survey confirms “very conductive and shallow horizons that are consistent with geological units saturated with brine”
- Resistivity values from the targets, which lie adjacent to Livent’s operations, are similar to those observed at Candelas giving positive implications for lithium grade potential for the projects

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



FMC historic pilot plant and evaporation ponds, Rana de Sal project

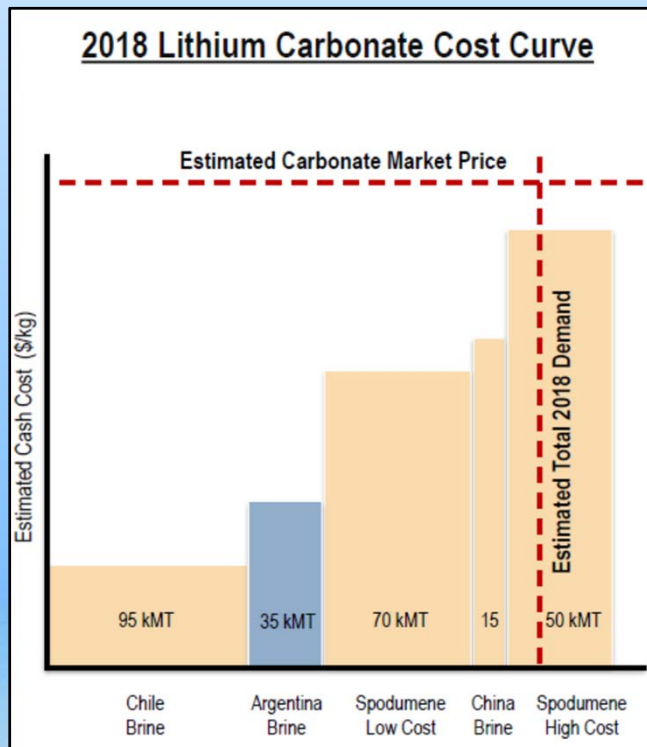
Impurities - Project Comparisons



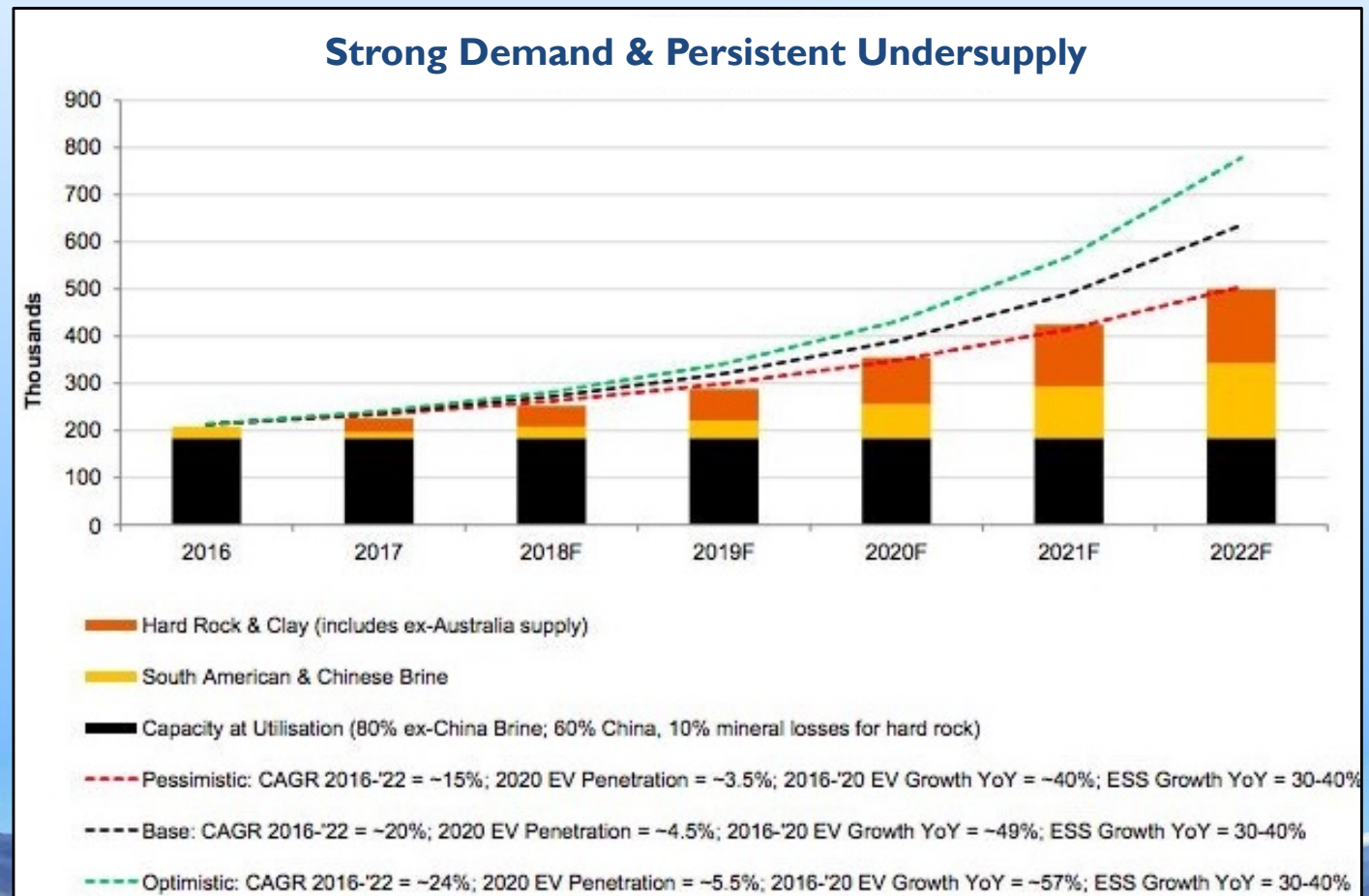
Source: Neo Lithium Corp. * excludes by-products

Lithium Market

- The lithium price has risen significantly in the past two years with unprecedented prices exceeding ~US\$16,400/ LCE for Q2 2018. China spot ~US\$13,500/ LCE
- Price rise primarily due to the demand for lithium batteries in electric vehicles
- Lithium demand is expected to further increase which should place further upward pressure on prices
- Li brine producers are the lowest cost producers & are economic at US\$5,000/t



Source: FMC Corp.



Source: Orocobre Ltd

Lithium: Some Recent news

- ✓ The Tesla Semi planned for 2019 requires 16 times the amount of lithium than that for a 50kWh electric car
- ✓ The number of electric buses will triple within seven years, all of them in China (Bloomberg)
- ✓ Contemporary Amperex Technology Ltd (CATL) is planning sites in the European Union for its first overseas plant (CATL is the largest producer of lithium ion batteries in the Chinese market)
- ✓ End users continue to scramble for access to lithium, eg; POSCO's signing a DSO offtake & funding agreement with Pilbara Minerals, purchasing Sal de Vida stake, Ganfeng buys out SQM's Cauchari-Olaroz stake in Argentina

	Plans to launch 30 new EV models by 2025 and to be 25% of total sales in 2025
 HONDA	Intention to release dedicated EVs in China in 2018
	All new models will have full or partial electric engines by 2019
	Plans to offer 25 electrified models, with 12 fully BEVs, by 2025
 JAGUAR	Stated that their new models from 2020 will be electric
	Plans to introduce 2 new EVs in the next 18 months, and the at least 20 new "all electric vehicles" by 2023
 TESLA	Model 3 launched in July 2017, the company is targeting 20k/month production in December
	Introduction of Leaf full model change in Sep 2017 aimed at millennial market
 RENAULT	Electrified fleet to include 8 pure electric vehicles and 12 electrified models

Source: Company data, Goldman Sachs Global Investment Research

ARGENTINA



- In 2015 Mauricio Macri was elected President and has championed the opening up of the Argentinian economy to international investment
- The fixed exchange rate between the US\$ and Argentinian Peso has been dropped and capital controls are no longer in place
- The majority of export duties and trade controls have been removed. Consistent royalty regime for all minerals across most of the country introduced in 2017
- FMC recently listed their lithium business on the NYSE as Livent Corporation (NYSE:LTHM) who has been successfully producing lithium carbonate and lithium hydroxide in Argentina for more than 20 years





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A Summary

- World Class location
- Proven high grade, low impurity setting
- Large resource potential
- Simple, proven chemistry at adjacent operations
- Experienced in-country team
- Significant project potential yet to be fully appreciated





GALAN
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