ASX ANNOUNCEMENT
1 October 2019

HIGH-GRADE MAIDEN LITHIUM RESOURCE EXCEEDS EXPECTATIONS

685Kt LCE @ 672Mg/L Li FROM CANDELAS NORTH ZONE

CANDELAS LITHIUM BRINE PROJECT, HOMBRE MUERTO, ARGENTINA

Highlights

- **Maiden Indicated mineral resource of 684,850 tonnes of contained lithium carbonate equivalent (LCE) @ 672mg/l Li (500mg/l Li cut off) for North Zone, Candelas project**
- **Resource estimate exceeds the Company's expectation and forms a solid basis to advance the Pre-Feasibility Study at Candelas**
- **Resource achieved just 8 months following maiden drilling at the project**
- **Additional lower grade resources at Candelas North and Candelas Central Zones**
- **Exceptional maiden drill results from the Western Tenements indicate potential for further additional resources**
- **The resource represents one of the highest grade/ low impurity resources within Argentina**

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is pleased to announce the maiden JORC (2012) compliant Mineral Resource estimate for the Candelas lithium brine project located in Catamarca province, Argentina. The resource estimate was completed by the Company's consultants SRK (Australia) and was conducted by their Australian and Argentinian based teams.

The indicated mineral resource estimate for the higher grade Candelas North zone is 684,850 tonnes of contained lithium carbonate equivalent (**LCE**) product grading at 672mg/l Li (at 500mg/l Li cut off).

A summary of the Candelas North Zone mineral resource and sensitivity to grade-tonnage and cut-off, as well as an inferred resource for the Central Zone, is provided in the Summary of Resource Estimate (Table 2).

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

"We are delighted to deliver a JORC compliant maiden Resource estimate resulting in an approximate 685,000 tonnes of LCE product within the Candelas project area. This indicated resource forms a solid basis for the upcoming Pre-Feasibility Study and has exceeded the Company's expectations, further validating the high-grade, low impurity nature of the Candelas project and our strategy to fast-track Candelas towards commercial development. With further drilling, we are confident of delivering future upgrades to this resource and I look forward to updating investors on our progress across our tenement holdings."

Summary of Resource Estimate and Reporting Criteria

The mineral resource estimation was undertaken by SRK Consulting (Australasia) (**SRK**) and was based upon results from a total of eight (8) holes drilled in the North and Central Zones of its tenement holding at Candelas for a total of 3,537 metres total length. See Table 1 for assays summary (C-01-19 to C-08-19) and Figure 1 for location of drill holes at Candelas.

The location of holes was mainly based on the results of gravity and Controlled Source Audio Magneto-Tellurics (CSMAT) data, and in most cases, located on survey lines.

Table 1: Candelas Drillhole Assays Summary (C-01-19 to C-08-19)

Hole ID	From (m)	To (m)	Interval (m)	Li mg/L	Mg mg/L	B mg/L	K mg/L	Mg:Li	Location
C-01-19	205	397	192 m@	**802**	2,224	577	8,219	2.77	**Candelas North**
C-02-19	470	662	192 m@	121	368	347	1,854	3.04	Candelas Central
C-03-19	311	454	143 m@	**784**	2,144	544	7,095	2.73	**Candelas North**
C-04-19	371	488	117 m@	141	525	349	1,880	3.72	Candelas Central
C-05-19	240	377	137 m@	**680**	1,721	506	6,682	2.53	**Candelas North**
C-06-19	350	404	54 m@	**508**	1,363	462	5,670	2.68	**Candelas North**
C-07-19	150	331	181 m@	99	126	281	1,859	1.27	**Candelas North**
C-08-19	270	340.4	70.4 m@	**744**	1,974	566	7,684	2.65	**Candelas North**

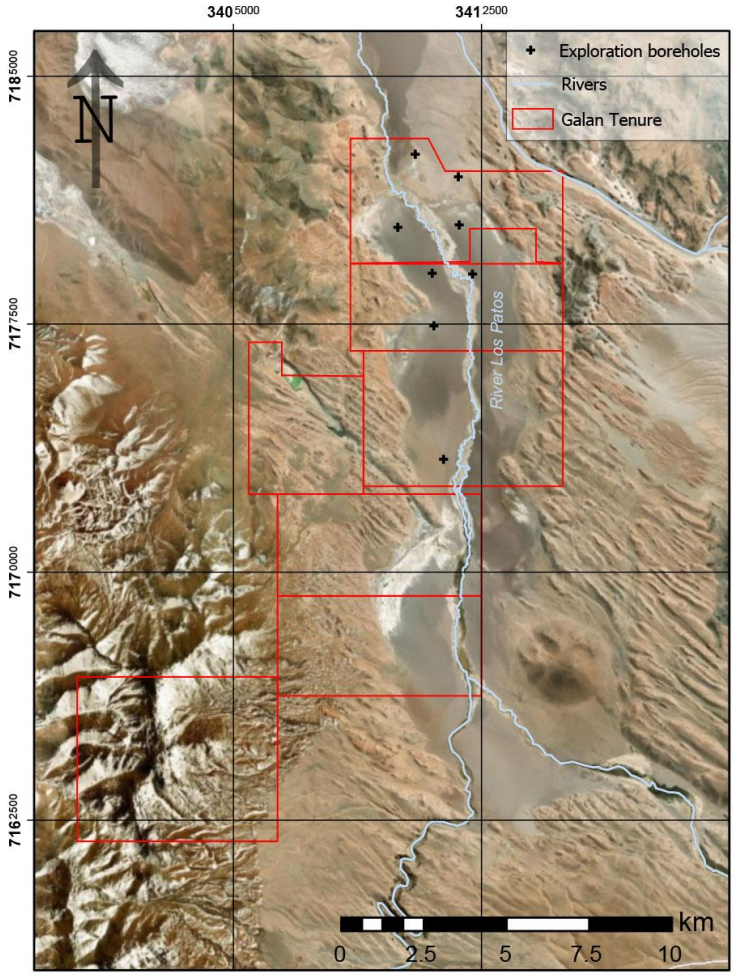

Figure 1: Location of resource drilling, Candelas Lithium brine project

The mineral resource estimates undertaken by SRK were determined for lithium and potassium. Lithium is reported as lithium carbonate (Li2CO3) equivalent, and potassium as potassium chloride (KCl). The Candelas project covers a structurally controlled basin in a lithium brine salar environment, with normal faults on the west and east and a number of northwest-southeast traverse faults that cut the deposit.

A summary table (table 2) of the resource reported in accordance with the JORC Code guidelines is provided below:

Table 2: Mineral Resource Statement for Candelas Project – September 2019

Resource Category	In situ Li (t)	Li (mg/l)	LCE (t)	Avg. K (mg/l)	In situ K (t)	KCl Equiv. (t)
CANDELAS NORTH						
Indicated	166,834	**496**	**888,020**	5,193	1,734,090	3,306,900
CANDELAS CENTRAL						
Inferred	50,838	130	270,600	2,024	846,170	1,613,640

nb; Reported at zero cut-off grade. There may be minor discrepancies in the above table due to rounding.

The Mineral Resource Estimate is categorised for the North Zone as Indicated and the Central Zone as Inferred. The Inferred category primarily reflects the large spacing between the two drill holes within the Central Zone. Table 3 tabulates the sensitivity of the resource estimate to cut-off grade.

Table 3: Sensitivity of grade-tonnage to cut-off for Candelas North zone

Global Grade Tonnage – Candelas North				
Cut-off (Li mg/l)	Li Grade (mg/l)	Brine Vol. (m^3)	Li (t)	LCE (t)
400	639	237,270	147,668	786,000
450	653	200,850	140,693	748,880
500	672	195,660	128,664	684,850

According to SRK, the maiden Candelas Mineral Resource represents geologically well-defined zones of low to high-grade lithium mineralisation. It comprises three main mineralised hydrogeologic domains spread over two zones. The units within the domains show some variation in thickness along strike and depth.

Location & Tenure

The Candelas Project is part of the Hombre Muerto basin, one of the most globally prolific salt flats, located in the Argentinean Puna of the high Andes mountains at an elevation of approximately 4 km above sea-level. The Project comprises nine exploration permits, covering an area of ~17,750 hectares and lies adjacent to Galaxy Resources' and POSCO's Sal de Vida projects and FMC's Fenix lithium operations. It is approximately 1,400 km northwest of the capital of Buenos Aires and 170 km west-southwest of the city of Salta (in a straight line). See figure 2 for tenure and drill collar locations.

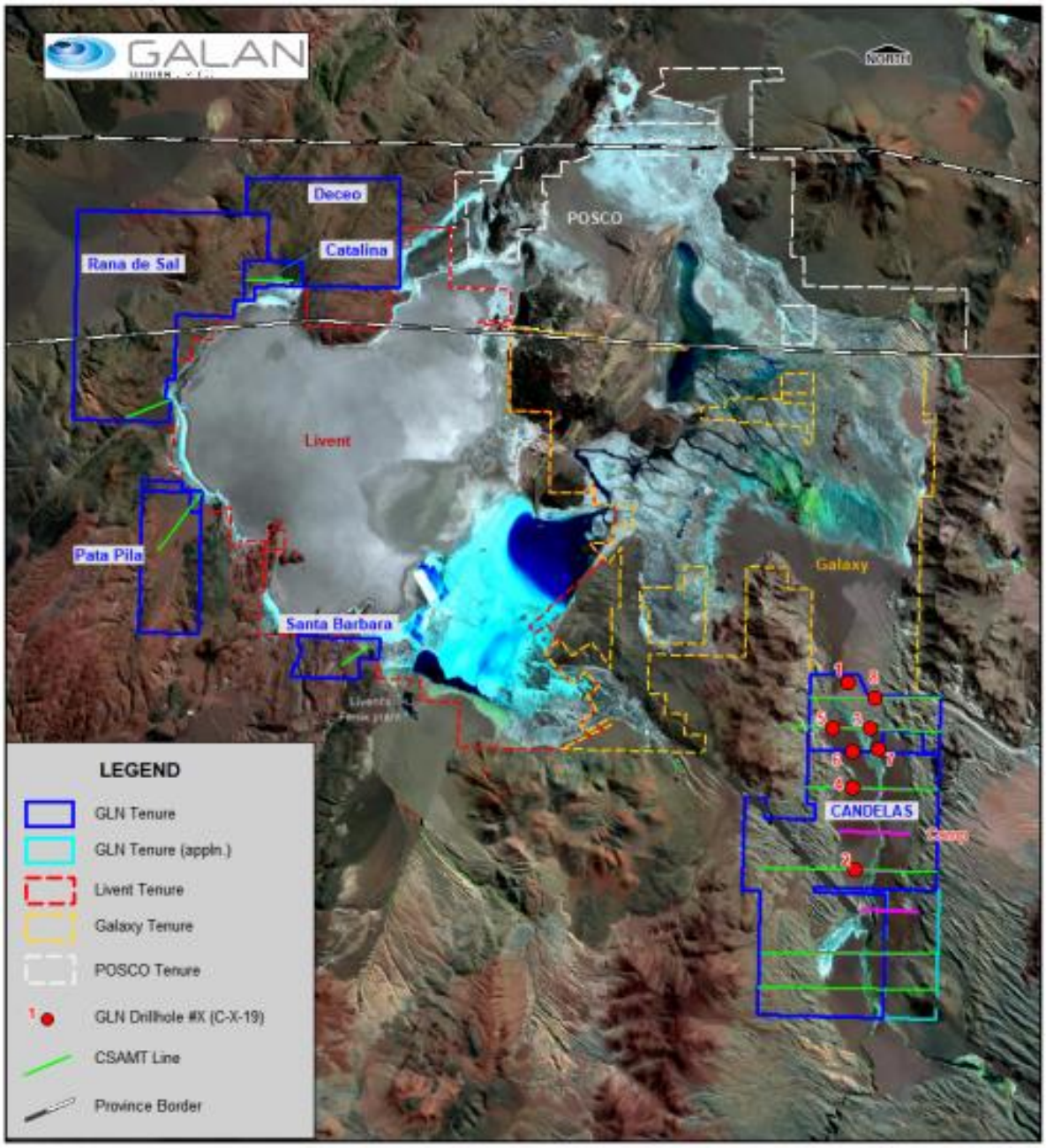

Figure 2: Location of drillholes and Galan Lithium's tenure, salar Hombre Muerto, Argentina

Geological Model

As part of the mineral resource estimation process, SRK conducted geological modelling of Candelas using the software packages Leapfrog™ (Seequent, geological modelling) and GEMS™ (Geovia, geological modelling and section interpretation).

The modelling used the following datasets:

- Gravity (original data and re-modelled profiles);
- Resistivity and Conductivity profiles (CSMAT);
- Downhole geophysics (particularly gamma);
- Assays obtained from Alex Stewart laboratory;
- Relative Brine Release Capacity data including total porosity and specific yield,
- Zelandez downhole data including total porosity and specific yield; and
- Lithological logs

The geology of the Candelas project is interpreted as a structurally controlled basin which forms a feeder channel to the Hombre Muerto basin to the north. A number of faults have been interpreted by Galan and are obvious from imagery and offset topographic ridges. These structures have been factored into the geological modelling of lithology to form hydrogeologic domains (Figure 3).

The west and east boundaries are determined by the north-south normal faults. The north boundary is constrained to the limit of the tenement, and the south boundary is about 200 m south of the last drill hole (C-02-19). The model has been divided in two by a major northwest-southeast fault. This structure provides a convenient break between the (1) North, and (2) Central zones. There are 5 holes in the North zone, but hole C-07-19 was drilled on a basement high and is not included in the final resource estimate. This zone has higher grades than the south and has reasonable drillhole coverage. The south zone has lower grades and only two holes located about 4 km apart. Therefore, this zone was treated differently for estimation of grades.

A proportional block model was created to cover the extents of the drill coverage over Candelas and confined by a wireframe model based upon the various lithologies. When choosing appropriate model cell dimensions, consideration was given to drill spacing, sample interval, the interpreted geometry and thickness of the hydrogeologic domains and the style of mineralisation.

Interpolated cell grades were visually compared to the drill hole sample composites to ensure that the cell grade estimates appear to be consistent with the drill hole data. Comparisons were conducted in cross section and long section. There was generally good correlation between the estimated and composite grades, with regional grade trends observed in the composites also evident in the model cells. No significant issues were identified, with local grade characteristics in the composite data being adequately reproduced in the model. Statistical comparisons were also conducted between the interpolated model cell grades and the sample composite grades.

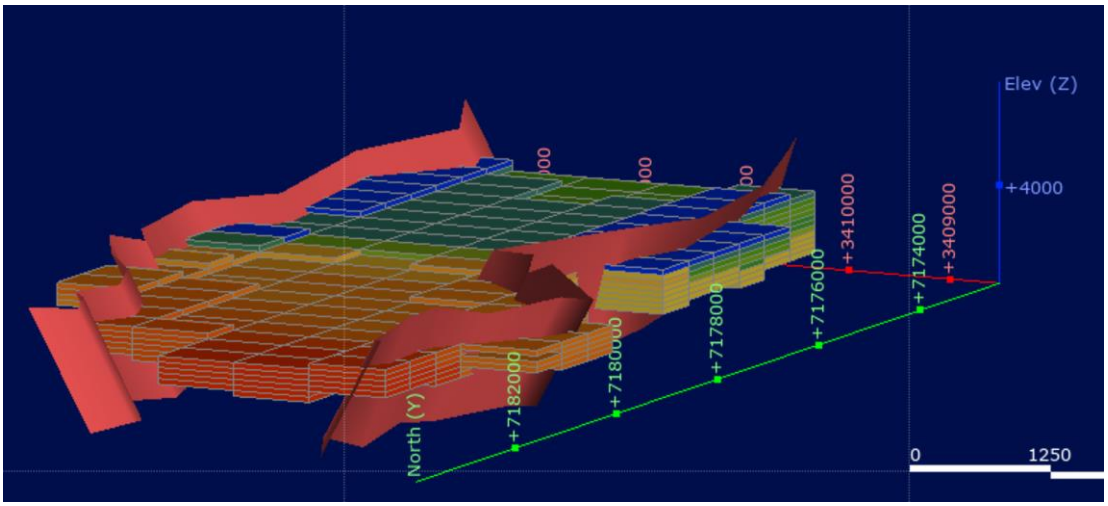

Figure 3: Resource block model showing major basin controlling faults (red planes) – looking south-southwest

Resource Classification

The mineral resource estimate for the Candelas project has been classified in accordance with the JORC Code, 2012 edition. 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, geological complexity and data quality**.**

The Mineral Resource Estimate is categorised as a combination of Indicated (North zone) and Inferred (South zone). The Inferred category primarily reflects the two widely spaced drillholes at over 4km apart.

Next Steps

Further work planned to better define mineral resources will include further drilling within the Central Zone to provide better geological definition and mineralisation potential of the aquifers. Additionally, initial works will commence leading into a Pre-Feasibility Study (PFS) which will include base hydrogeological modelling and the investigation of various processing technologies with a focus on traditional evaporation ponds as a precursor to processing.

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About Galan

Galan is an ASX listed company exploring for lithium brines within South America's *Lithium Triangle* on the Hombre Muerto salar in Argentina. Hombre Muerto is proven to host the highest grade and lowest impurity levels within Argentina and is home to Livent Corporation's El Fenix operation and Galaxy Resources and POSCO's Sal de Vida projects. Galan's primary target has been the adjoining Candelas channel target, a ~15km long by 3-5km wide valley filled channel which project geophysics and drilling indicated would host a substantial volume of brine and now results in a maiden resource of 685Kt LCE.

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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 relating to the Exploration Results and integrity of the database was compiled by Mr Francisco Lopez (Geology). Mr Lopez is a full-time employee of Galan Lithium Limited and has been engaged by Galan as their Geology Manager. The integrity of the database and site inspection was done by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM, MAIG, MGSA, FGSL. Dr Cunningham is a Principal Consultant and full-time employee of SRK Consulting (Australasia) Pty Ltd. The information in this report that relates to the Mineral Resources estimation approach at Candelas was compiled by Dr Cunningham. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix A: Table 1 - JORC Code 2012

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. • 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 (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Drill core was recovered in 1.5 m length core runs in core split tubes to minimise sample disturbance. Core recovery was carefully measured by comparing the measured core to the core runs. • Drill core was undertaken along the entire length of the holes to obtain representative samples of the stratigraphy and sediments that host brine. • Water/brine samples from target intervals were collected by either the Packer or Bailer tests. **Bailer tests**; purge isolated sections of the hole of all fluid multiple times to minimise the possibility of contamination by drilling fluid (fresh water), although some contamination (5-15%) may occur. The hole is then allowed time to re-fill with ground water. Following the final purge, the sample for lab analysis is collected. The casing lining the hole ensures contamination with water from higher levels in the borehole is likely prevented. **Packer tests** utilise a straddle packer device which isolates a discrete interval and allows for sampling purely from this interval. Samples were taken from the relevant section based upon geological logging and conductivity testing of water. • 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. • Downhole geophysical profiling was conducted using a Ponti Electronics MPX-14Multiplex Well Logger.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other	• Diamond drilling with internal (triple) tube was used for drilling. The drilling produced core with variable core recovery, associated with unconsolidated material. Recovery of the more friable sediments was difficult,

Criteria	JORC Code explanation	Commentary
	type, whether core is oriented and if so, by what method, etc.).	however core recovery by industry standards was very good. • Fresh water is used as drilling fluid for lubrication during drilling.
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 compared to the length of each run to calculate the recovery. • Brine samples were collected over relevant sections based upon the geology encountered and ground water 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 are taken is related to the rate of brine inflow.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged.	• The core is logged by a senior geologist and contract geologists who are overseen by the senior geologist who also supervised the taking of samples for laboratory analysis. • Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies. Cores are split for sampling and are 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.	**Bailer sampling:** • Utilises a stainless steel hollow 3m-long tube with a check valve at the bottom. The hole was first purged by extracting a calculated volume of liquid (brine and drilling mud) to ensure that sampled brine corresponds to the sampled depth. Once the calculated volume was extracted and brine was clear, samples were collected in plastic bottles and delivered to the laboratories. The lower part of the sampling hole section was temporarily sealed during purging and sampling. **Double packer sampling:**

Criteria	JORC Code explanation	Commentary
	• Whether sample sizes are appropriate to the grain size of the material being sampled.	• Water/brine samples were collected by purging • isolated sections of the hole of all fluid in the hole, to minimise the possibility of contamination by drilling fluid, then allowing the hole to re-fill with ground waters. Samples were then taken form the relevant section. • Duplicate sampling is undertaken for quality control purposes. **Airlift sampling:** • Utilises an airline that delivers compressed air to the end of the drill string (drill bit) within the drill hole • The compressed air is pumped into the air line and this lifts the water/brine sample up the rod string and is subsequently captured at the surface
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• The Alex Stewart laboratory located in Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected. • 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 secondary check analyses and is also certified for ISO 14001 • Core samples will also be sent to a laboratory for porosity test work.
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 are used to monitor potential contamination of samples and the repeatability of analyses. • Sub-sample duplicates are also being transported to a second reputable industry standard laboratory in country for check analysis • Duplicate brine samples were submitted to the same laboratory to confirm laboratory repeatability as part of the Quality Assurance and Quality Control (QA/QC) procedure. To date, a total of four duplicate samples were submitted during the exploration program • Comparison of the duplicate samples suggests that the samples are being analysed similarly; large differences

Criteria	JORC Code explanation	Commentary
		between the results for the duplicate samples do not occur. In addition to the duplicate samples, a total of 13 blank samples, and 11 standard samples were submitted during the program. None of the blank samples reported lithium concentrations above the detection limit, and the average error for the lab results compared to the 11 standard sample values were all within control. • Based on the results of the duplicate, blank and standard samples, it was concluded the laboratory results were sufficiently precise and accurate for mineral resource estimation
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • 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 by Quantec: POSGAR 94, Argentina Zone 3 • Topographic control was obtained by handheld GPS, and the topography is mostly flat with very little relief. SRTM was used for modelling purposes.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • 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.
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 for generally occur as sub-horizontal layers and lenses hosted by conglomerate, gravel, sand, salt, silt and/or clay. Vertical diamond drilling is ideal for understanding this horizontal stratigraphy and the nature of the sub-surface brine bearing aquifers.
Sample security	• The measures taken to ensure sample security.	• Data was recorded and processed by trusted employees, consultants and contractors to the Company and overseen by senior management ensuring the data was not manipulated or altered.

Criteria	JORC Code explanation	Commentary
		• Samples were transported from the drill site to secure storage at the camp on a daily basis.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• SRK has audited the exploration database and operation at the Candelas Licence area including reviews of sampling techniques and data as part of their JORC mineral resource estimate report.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 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 Candelas Lithium Project consists of numerous licences located in Catamarca Province, Argentina. The tenements are owned by Blue Sky Lithium Pty Ltd ('Blue Sky'). The Company and Blue Sky executed a Share Sale Agreement whereby Galan Lithium Limited purchased 100% of the issued share capital of Blue Sky.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• There has not been any historical exploration over the Candelas licence area • Galaxy Resources, who owns the Sal de Vida lithium brine resource situated to the north of Candelas with the Hombre Muerto salar, has conducted drilling within the Candelas channel approximately 1km east-northeast of Galan drillhole C-01-19.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Candelas licence area is located within a structurally controlled basin (graben) and is part of the Hombre Muerto salar. The salar hosts a world-renowned lithium brine deposit. The lithium is sourced locally from weathered and altered felsic ignimbrites and is concentrated in brines hosted within basin fill alluvial sediments and evaporites.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:	• Drillhole ID: C-01-19 Easting: 3,410,500 E Northing: 7,182,636 N Elevation: 4,001 m Vertical hole

Criteria	JORC Code explanation	Commentary
	• easting and northing of the drillhole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar • dip and azimuth of the hole • downhole 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 understanding of the report, the Competent Person should clearly explain why this is the case.	Hole Depth 401m • Drillhole ID: C-02-19 Easting: 3,411,354 E Northing: 7,173,415 N Elevation: 4,028 m Vertical hole Hole Depth 662m • Drillhole ID: C-03-19 Easting: 3,411,827E Northing: 7,180,502 N Elevation: 4,004 m Vertical hole Hole Depth: 454m • Drillhole ID: C-04-19 Easting: 3,411,063 E Northing: 7,177,449 N Elevation: 4,015 m Vertical hole Hole Depth 488m • Drillhole ID: C-05-19 Easting: 3,409,971 E Northing: 7,180,429 N Elevation: 4,008 m Vertical hole Hole Depth: 380m • Drillhole ID: C-06-19 Easting: 3,411,011 E Northing: 7,179,039 N Elevation: 4,010 m Vertical hole Hole Depth: 425m • Drillhole ID: C-07-19 Easting: 3,412,229 E Northing: 7,179,014 N Elevation: 4,010 m Vertical hole Hole Depth: 331m • Drillhole ID: C-08-19 Easting: 3,411,800 E Northing: 7,181,955 N Elevation: 4,018 m Vertical hole Hole Depth: 340.4m
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	• No weighting or cut off grades have been applied to the assay results. • Some averaging was carried out for overlapping Bailer and/or Packer sample intervals only.

Criteria	JORC Code explanation	Commentary
	• 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.	
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 drillhole angle is known, its nature should be reported. • If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• It is reasonably assumed that the brine layers lie subhorizontal and, given that drillholes are vertical, the intercepted thicknesses of brine layers would be of true thickness.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	• Refer to maps, figures and tables in the Report
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 assay results are from all 8 holes drilled at the project to date. However, hole 7 was excluded from resource estimates as it was located on a basement high.
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 • Refer to previous ASX Company releases: ASX:GLN - 4 October, 2018 ASX:GLN - 11 March, 2019 ASX:GLN - 20 March, 2019 ASX:GLN - 4 April, 2019 ASX:GLN - 29 May, 2019 ASX:GLN - 2 July, 2019 ASX:GLN - 22 July, 2019
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	• The Company is currently drilling in its Western Basin tenements. A Pre-Feasibility study for the Candelas project will also commence soon.

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.	

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 are checked against geophysical down hole logs where possible and the exploration manager verifies all logs, any discrepancies are relogged • For accuracy and certainty boreholes are located with two GPS devices one using latitude and longitude and the other map coordinates • Boreholes are plotted in ArcGIS for plan generation • All data is checked for accuracy • Comparisons were made between samples and synthetic brines for the last batch of samples sent to SGS and Alex Stewart laboratories • Duplicate brine samples were submitted to the same laboratory to confirm laboratory repeatability as part of the Quality Assurance and Quality Control (QA/QC) procedure. Samples were also sent to two different laboratories to confirm repeatability.
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. • The CP's co-author, Dr Camilo de los Hoyos also conducted a site visit from July 22nd to 25th 2019, and was in receipt of daily exploration reports during the drilling program and at times suggested various actions to ensure consistency of data and best practice for sampling • The CP reviewed core and cuttings and 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.	• The borehole spacing, surface sampling and geophysics, gives a high degree of confidence in the geological model

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	• 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 brine level is horizontal and physical parameters of density, temperature and pH along with time and depth were recorded during drilling to identify any variation and assist in sampling.
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 is approximately 2.7 km (easting) by 9.5 km (northing) by 600 m (vertical), giving a total volume of 15,390 km^3.

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.
	• 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
		• 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 was deemed most appropriate at this stage. The search ellipse was flat and oriented north-south with ratios of 3:2:1 approximately. The search ranges were at a distance to ensure all blocks within the hydrogeologic domains were estimated.
		• Drainable porosity and downhole measurements of porosity were used. Values were assigned to each hydrogeologic unit as follows:
		  • Sand – 8%
		  • Agglomerate – 8%
		  • Fractured basement – 3%
		  Total volumes of the hydrogeologic domains used for flagging the resource model are:
		  • Sand – 1,624km^3
		  • Agglomerate – 2,228km^3
		  • Fractured basement – 975km^3
		• Lithium and potassium content were estimated into a block model based on sample type (airlift, packer etc), hydrogeologic domain, and spatial zone (north or central).

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	comparison of model data to drillhole data, and use of reconciliation data if available.	
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.	• No cut-off grade was applied but the upper fresh and brackish water units were assumed to be zero. • Based on observations that the brine density and chemistry is relatively consistent below a depth of about 200 metres (base of ignimbrites), it was assumed that with depth, all parts of the salar between the top of unfractured basement and base of ignimbrites, will have saturated brine. A boundary between High Grade and Low Grade occurs at depths of around 300 m in the North zone and 400 m in the Central zone
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 explanation of the basis of the mining assumptions made.	• Potential brine abstraction is considered to involve pumping via a series of production wells • The sand and agglomerate units dominate the drainable brine resource. The CP believes that the transmissivity of future wells completed in these units would be favourable for extracting brine because of the assumed favourable aquifer conditions associated with these clastic units
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• The production of Lithium Carbonate (Li_2CO_3) from lithium brine has been demonstrated by a number of companies with projects in Argentina in close proximity to Candelas, for example Galaxy's Hombre de Muerto (NI 43-101 dated May 15th, 2018). It is assumed Galan would use similar methods to enrich brine to 99.6% lithium and produce Lithium Carbonate (Li_2CO_3) • Future pilot test work is being considered to test production of lithium carbonate (Li_2CO_3) from Candelas brine

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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.	• A fresh and brackish water zone is believed to be due to inflow of fresh water into the salar from the south. • An environmental report has been accepted by the mining court for the tenement grant
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 of the hydrogeologic units is the relevant factor for brine resource calculations • Drainable porosity values are obtained from core samples and brine chemistry from depth-specific samples from double packers. Synthetic measurements are derived from downhole geophysics (Zelandez) • A summary of samples including drainable porosity is provided in the main body of the report:
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 and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Except for the Inferred resource in the Central domain, all the estimated Resource was assigned as Indicated. This is consistent with recommendations by Houston et al. (2011) where they suggest that well spacing required to estimate Measured / Indicated 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. • Given the relatively small size of the salar, the uniformity of the brine chemistry, and the relatively good stratigraphic understanding of the hydrogeologic units, it was believed by the CP that a Indicated category was justified for the North Zone which contains 6 exploration boreholes,

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		although one hole was excluded for resource estimates. The Central domain, containing two exploration boreholes being far apart and less support of geophysics, it is considered to be of Inferred Category.
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), SRK Consulting (Argentina) and Galan Lithium.
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.	• Samples were analysed by two separate laboratories and included duplicate brine samples that were submitted to both laboratories to confirm repeatability as part of the Quality Assurance and Quality Control (QA/QC) procedure. Based on the results of the duplicate, blank, and standard samples, the CP concluded that the laboratory results are reliable. • Given the relatively small size of the salar and the domains, the uniformity of the brine chemistry, and the relatively good stratigraphic understanding of the hydrogeologic units, the CP believes that a Measured category is justified • The sand and breccia units which dominate the drainable brine resource are believed by the CP to suggest that the transmissivity of future wells completed in these units would be favourable for extracting brine because of the assumed favourable aquifer conditions associated with these clastic units