



**GALAN**  
LITHIUM LIMITED

## ASX ANNOUNCEMENT

14 February 2023

### Presentation at RIU Explorers Conference

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Galan Lithium Limited (**ASX: GLN**) is pleased to advise that its Managing Director, JP Vargas de la Vega, will be presenting at the RIU Explorers Conference being held in Fremantle, Western Australia.

Time: 2.45pm AWST (11.45am AEST) Wednesday 15 February 2023.

A copy of Galan's updated presentation is attached.

#### The Board has authorised this release.

##### For further information contact:

Juan Pablo ("JP") Vargas de la Vega  
Managing Director  
Email: [jp@galanlithium.com.au](mailto:jp@galanlithium.com.au)  
Tel: +61 8 9214 2150

Terry Gardiner  
Non-Executive Director  
Email: [TGardiner@galanlithium.com.au](mailto:TGardiner@galanlithium.com.au)  
Tel: + 61 400900377

#### About Galan

Galan Lithium Limited (ASX:GLN) is an ASX-listed lithium exploration and development company. Galan's flagship assets comprise two 100% owned, world-class lithium brine projects, Hombre Muerto West (HMW) and Candelas, located on the Hombre Muerto salar in Argentina, within South America's 'lithium triangle'. HMW 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 operations (Livent Corporation) and Sal de Vida (Allkem) and Sal de Oro (POSCO) lithium projects. Galan is also exploring at its 100% owned Greenbushes South lithium project in Western Australia, approximately 3km south of the Tier 1 Greenbushes Lithium Mine.

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# DEVELOPING HIGH- GRADE LITHIUM BRINE PROJECTS IN ARGENTINA

RIU Explorers Conference

February 2023

ASX : GLN | FSX : 9CH

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# Disclaimer and important information

This presentation has been prepared by Galan Lithium Limited.

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 Person 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.

The information contained herein that relates to the exploration Results and integrity of the database was compiled by Mr Alvaro Henriquez. Mr Henriquez is a full-time employee of Galan Lithium Limited and has been engaged by Galan as their Exploration 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 an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. Review of the hydrogeological aspects of the exploration program and a site inspection was completed by Dr Brian Luinstra, BSc honours (Geology), PhD (Earth Sciences), MAIG, PGeo (Ontario). Dr Luinstra is a Principal Consultant of SRK Consulting (Australasia) Pty Ltd.

The information contained herein that relates to the Mineral Resources estimation approach at Hombre Muerto West was compiled by Dr Michael Cunningham. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Preliminary Economic Assessments (PEA's) are preliminary technical and economic studies (equivalent to a JORC Scoping Study) of the potential viability of the Hombre Muerto West (HMW) and Candelas Lithium Brine Projects, required to reach a decision to proceed with more definitive studies. They are based on preliminary/low-level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves or provide certainty that the conclusions/results of the PEA will be realised. Further exploration and evaluation work and appropriate studies are required before Galan will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case.

The economic analysis results should be treated as preliminary in nature and caution should be exercised in their use as a basis for assessing a project's feasibility. The HMW and Candelas PEA's were based on material assumptions including assumptions about the availability of funding. While Galan considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PEA's will be achieved.

To achieve the range of proposed feasibility studies and potential mine development outcomes indicated in the PEA's, additional funding will be required. Investors should note that there is no certainty that Galan will be able to raise funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Galan's existing shares. It is also possible that Galan could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Galan's proportionate ownership of its projects.

All of the material included in the mining schedules used in both PEA's were within Galan's Indicated Mineral Resources at the time. Process and engineering works for both PEA's were developed to support capital and operating estimates (and following AUSIMM Guidelines for this study level), and given the preliminary and confidential nature of the plant information, the capital cost margin of error is  $\pm 30\%$  on the 'factored cases' estimated figures and operating cost is  $\pm 30\%$ . Key assumptions used in the PEA's are outlined in the ASX announcements dated 30 November 2021 (Candelas) and 21 December 2020 (HMW). An updated HMW economic study was released to the market, entitled "Updated HMW Economic Study – NPV Increases to US\$2.2b", on 9 December 2021 where apart from a change to the average long term lithium price assumption (2024-2040) of US\$18,594/t LCE, all other original PEA assumptions were the same as those contained in the ASX announcement dated 21 December 2020. Galan has concluded it has a reasonable basis for providing the forward-looking statements in those announcements and this presentation. The Mineral Resources information in these PEA reports were extracted from the ASX announcements entitled "Huge Increase in Hombre Muerto West (HMW) Indicated Resource – Now Over 2 Million Tonnes" dated 17 November 2020 and "High Grade Maiden Lithium Resource Exceeds Expectations" dated 1 October 2019 available at [www.galanlithium.com.au](http://www.galanlithium.com.au) and [www.asx.com](http://www.asx.com).

Given the uncertainties involved, all figures, costs and estimates quoted are approximate values and within the margin of error range expressed herein and in the relevant sections throughout the ASX announcements dated 9 December 2021, 30 November 2021 and 21 December 2020 and this presentation. Investors should not make any investment decisions based solely on the results of the PEA's.

Galan confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Galan confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

## Forward-Looking Statements

Some of the statements appearing herein 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 presentation 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 herein. To the maximum extent permitted by law, none of Galan Lithium Limited, its directors, employees, consultants, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained herein. You are cautioned not to place undue reliance on any forward-looking statement. This forward-looking statement reflects the views held only as at the day of this presentation.

# Rapidly advancing our 100% owned Hombre Muerto Projects to production

The highest grade and  
lowest impurity lithium  
brine assets in Argentina

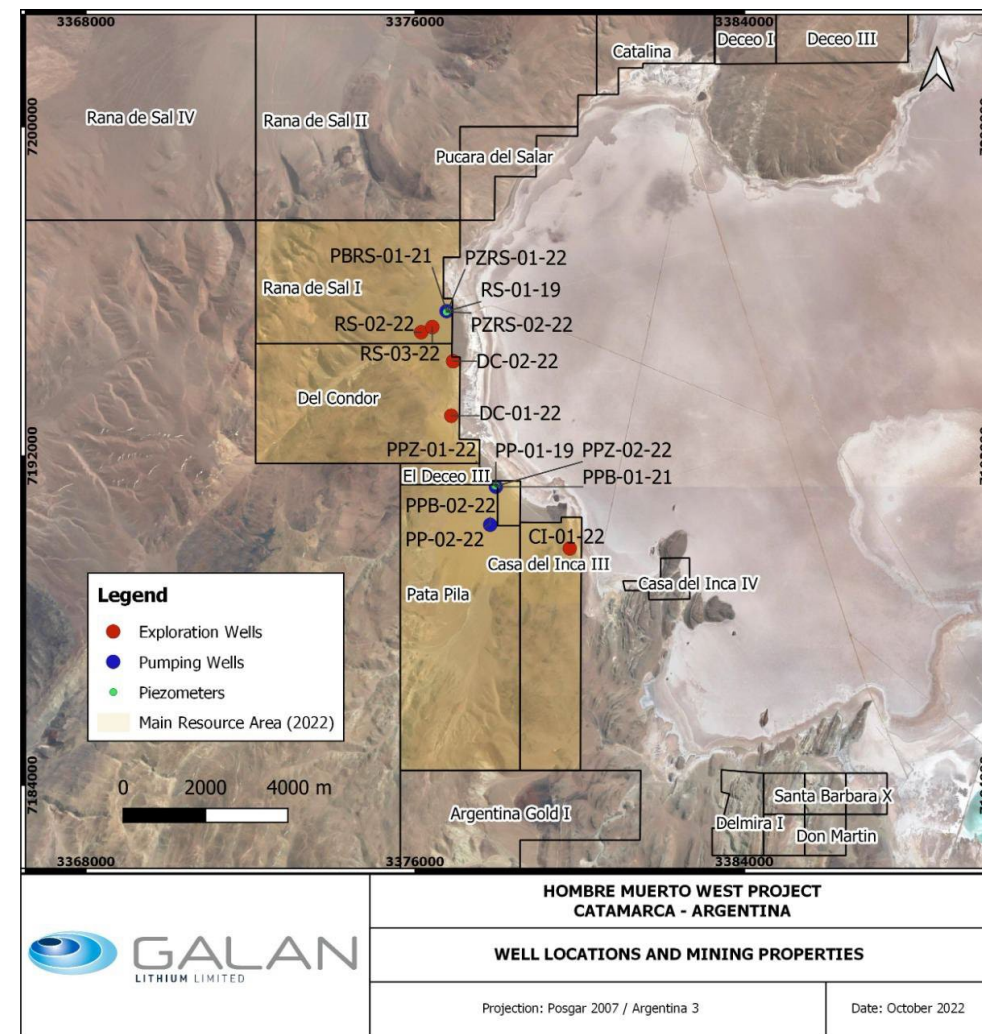


# Spectacular increase in HMW Resource

High grade, low impurity profile

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

- Measured Resource of 4.4Mt at 883 mg/L is one of the largest, high grade resources in Argentina
- Reserve conversion work on track and will be included in DFS
- Production increase potential



<sup>1</sup> Refer to slide 23 for further detail, the HMW West Mineral Resource information has been extracted from ASX announcement entitled "2.5x Increase in HMW Resource - Now 5.8Mt LCE 866 mg/l Li", dated 24 October 2022". Galan confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Galan confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

# Outstanding long-term HMW pumping tests

Average flow rate from three completed tests of 22 L/s at average 894mg/L grade for 30+ days

## Brine flow rate and chemical results support continuous 4ktpa LCE pilot<sup>1</sup>

- Confirmed well-ready flow capacity for development of 4ktpa LCE pilot
- Permit approval for scaled-up 4ktpa LCE pilot plant due 1<sup>st</sup> half 2023, construction 2<sup>nd</sup> half 2023
- Targeting near-term, first-phase, high-quality 6% Li concentrate on a semi-commercial scale<sup>2</sup>



Aerial view of original HMW Pilot Plant

1. Refer ASX announcement dated 22 November 2022, "Flow rate data continues to support 4ktpa LCE pilot plant"  
2. Refer ASX announcement dated 2 November 2022, "Application to scale up piloting stage of HMW Project"

# Corporate snapshot

Strong cash liquidity, tight share register

**Market capitalisation**  
A\$371M

**Shares on issue**  
306.9M

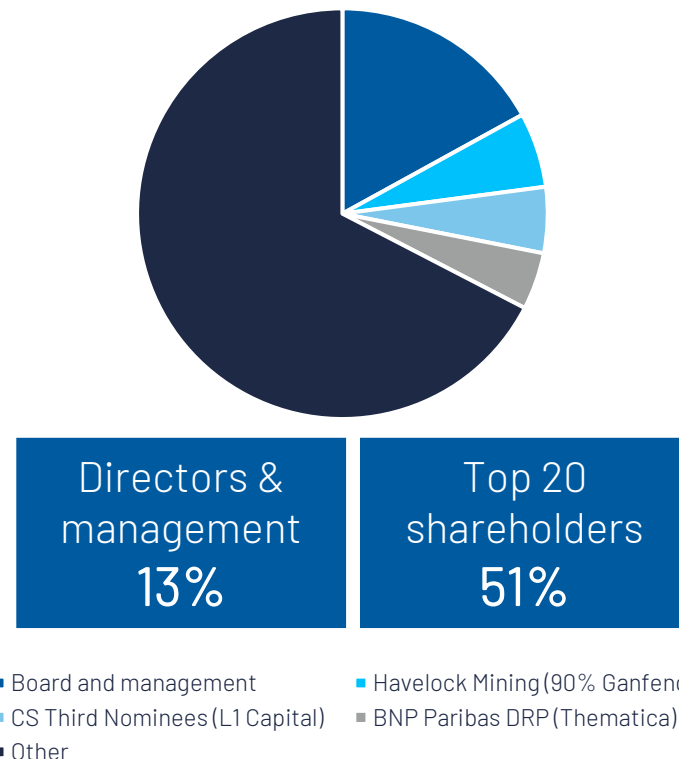
**Net cash position**  
A\$38M

**Unquoted securities**  
6.94m Options  
23.85m Performance Shares and Rights

**Share price**  
A\$1.21



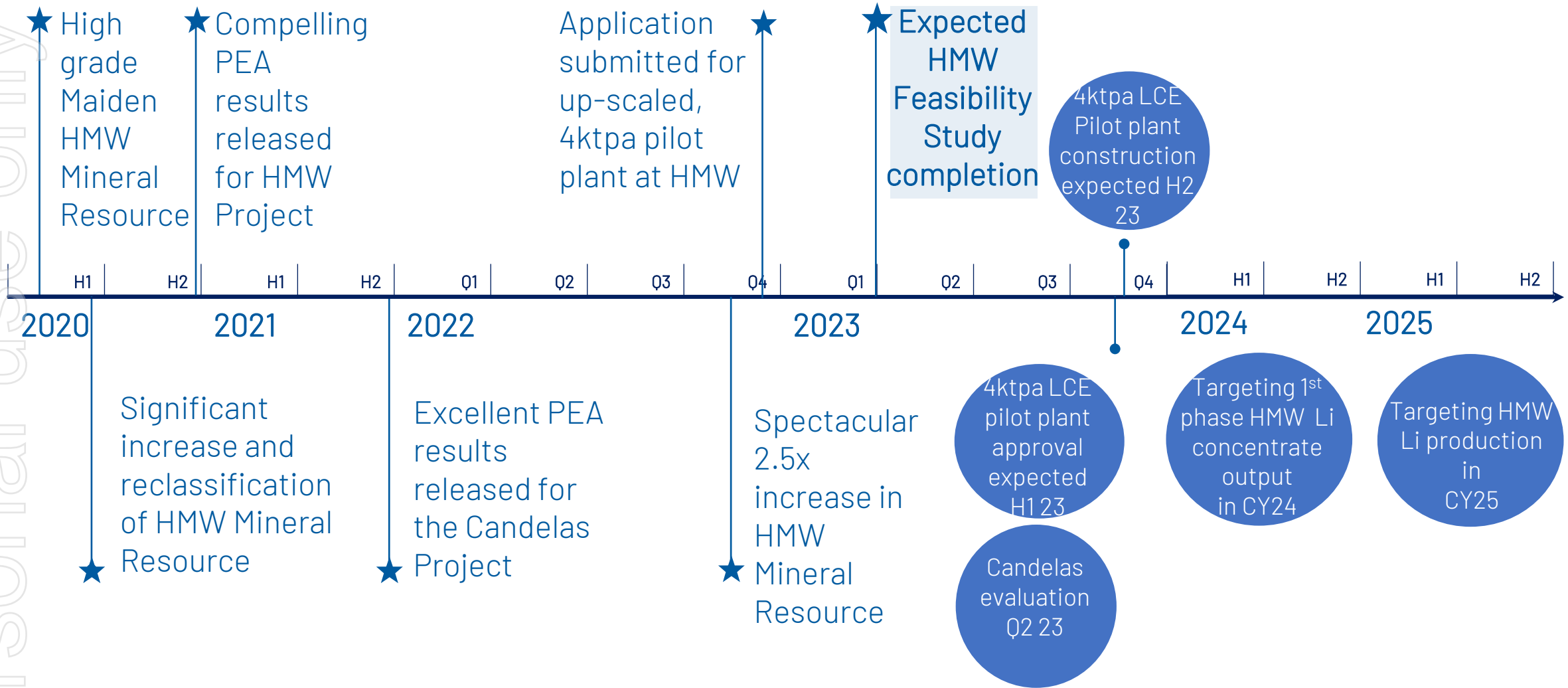
**Major shareholders**



Note: Net cash @ 31 December 2022. Shares on issue as at 10 February 2023. Share price and undiluted market capitalisation as at 10 February 2023. Unquoted securities include 6.94m options (various strike prices and expiry dates), 16.5m Directors Performance Rights (various price hurdles), 5m Performance Shares and 2.35m Performance Rights (various price hurdles).

# Delivering on our commitments

Rapid dual-track project advancement





# The premier lithium developer

01

**World-class location**

High grade, low impurity brine assets

02

**Compelling economics**

Study work supports high return projects

03

**ESG and sustainable supply**

Low energy, low carbon production footprint

04

**Strategic project delivery**

Initial chloride phase a strategic differentiator

05

**Best in-class team**

Highly experienced team

06

**Further project pipeline**

Hard rock lithium exploration upside

# 01 World-class location

Tier 1 geological endowment

## Hombre Muerto Salar is perfectly positioned in Argentina's prolific Lithium Triangle

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



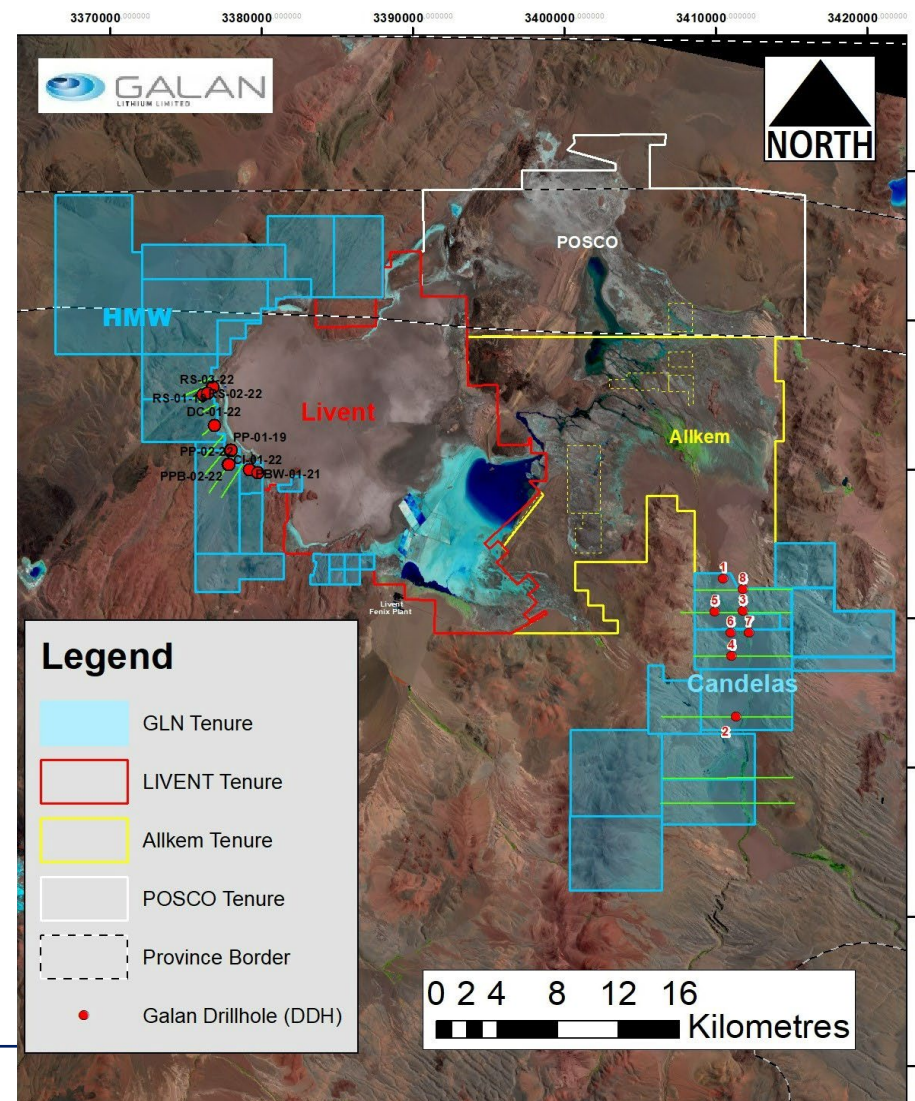
# 01 World-class location

Highly strategic positioning

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

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

Our 100% owned HMW and Candelas projects are within a 20km radius of Livent, Allkem and POSCO tenure



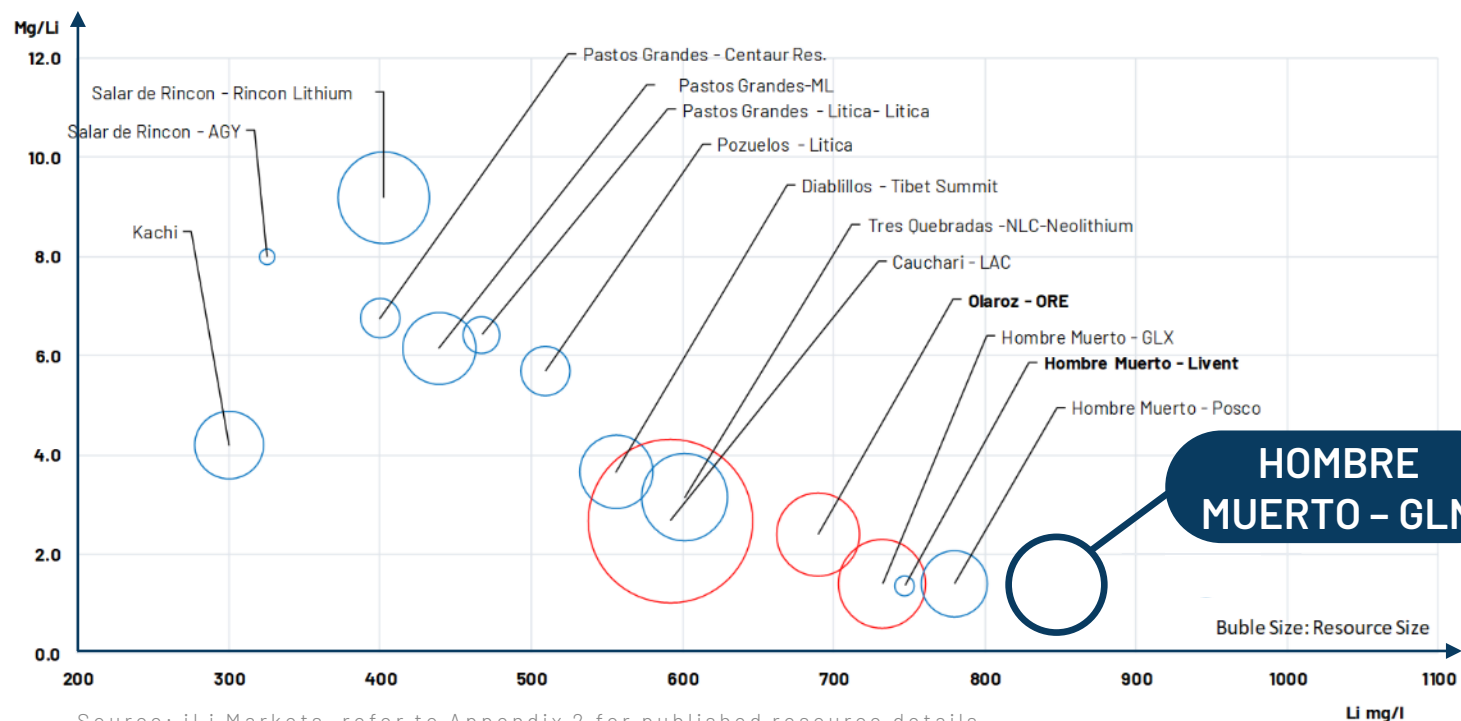
# 01 World-class location

High grade, low impurity brine assets

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

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

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



Source: iLi Markets, refer to Appendix 2 for published resource details.

# 02 Compelling economics

Strong, PEA outcomes for 20 ktpa LCE at HMW

## Flagship HMW Project 100% ownership

- Low-risk, proven processing
- PEA assumed 20 ktpa  $\text{Li}_2\text{CO}_3$
- +40 yr life
- Unlevered pre-tax  $\text{NPV}_{8\%}$  of US\$2.2B
- Pre-tax IRR of 38%, <3 yr payback
- Only 23% of updated Resource utilised in PEA – substantial upside remaining

Preliminary Economic Assessment (December 2021) <sup>1</sup>	UoM	Result
Project life	Years	40
Steady state lithium carbonate production	Tonnes/year	20,000
Long term lithium carbonate price	US\$/tonne	18,594
Steady state average cash cost of production	US\$/tonne	3,518
Initial capital cost (including contingency)	US\$M	439
Steady state average annual EBITDA	US\$M	287
$\text{NPV}_{8\%}$ (after tax)	US\$M	1,388
IRR (after tax)	%	33.1
Payback from start of operations	Years	2.75

1. Refer ASX announcements dated 21 December 2020 and 9 December 2021

# 02 Compelling economics

Piloting work and plant will further de-risk HMW

## HMW Pilot Plant operations commenced

- Successful high-flow, high-grade, long-term pumping tests results achieved
- Evaporation ramp up – 3 ponds filled with brine, sooner than forecast, and achieving expected brine qualities
- Pump test wells and pilot ponds to be used for full project
- Continuous plant production expected to commence Q2, 2023 (15 months after brine filling)



# 02 Compelling economics

Attractive Candelas growth project

## Highly complementary 100% owned Candelas Project

- PEA assumed 14 ktpa  $\text{Li}_2\text{CO}_3$
- +25 yr life
- Unlevered pre-tax  $\text{NPV}_{8\%}$  of US\$1.2B
- Pre-tax IRR of 28%, 4 yr payback
- Significant potential cost synergies with HMW, studies to be re-visited after completion of HMW DFS
- Invaluable water supply

Preliminary Economic Assessment (November 2021) <sup>1</sup>	UoM	Result
Project life	Years	25
Steady state lithium carbonate production	Tonnes/year	14,000
Long term lithium carbonate price	US\$/tonne	18,594
Steady state average cash cost of production	US\$/tonne	4,277
Initial capital cost (including contingency)	US\$M	408
Steady state average annual EBITDA	US\$M	188
$\text{NPV}_{8\%}$ (after tax)	US\$M	660
IRR (after tax)	%	20.9
Payback from start of operations	Years	4.75

1. Refer ASX announcement dated 30 November 2021

# 02 Compelling economics

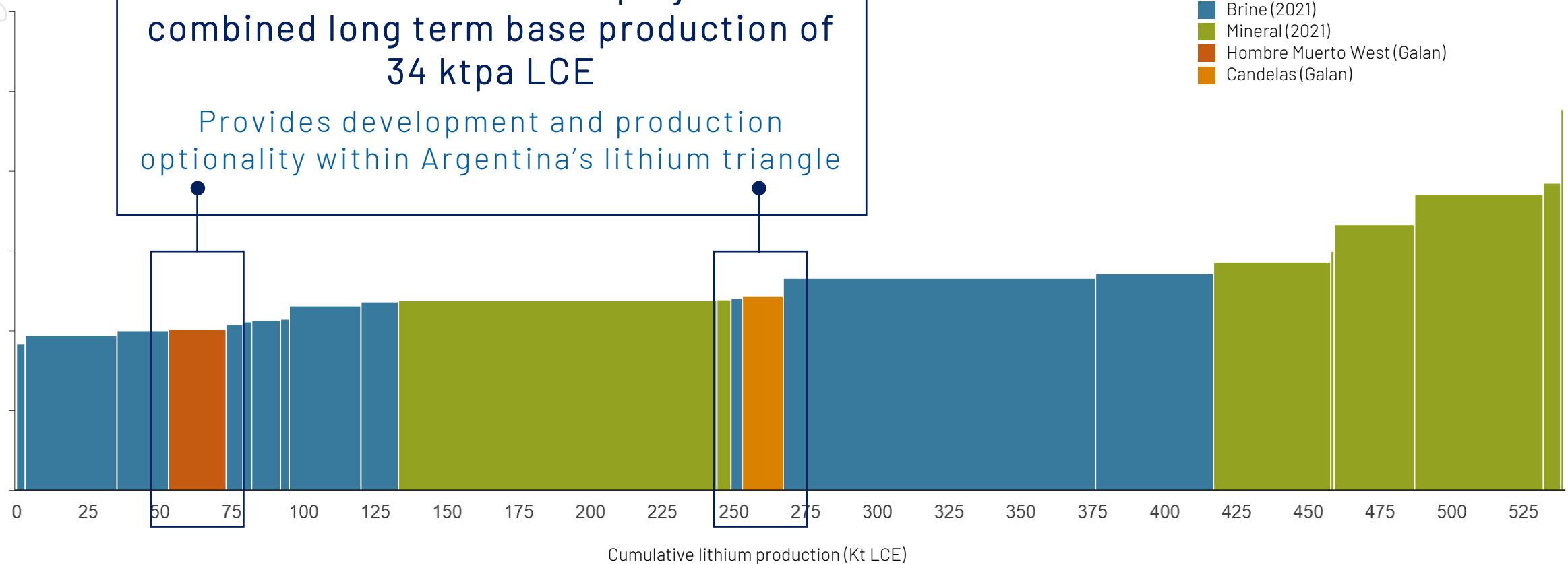
Low-cost 34 ktpa base lithium carbonate output projected

All-in sustaining cost  
US\$/t LCE

Galan boasts two PEA level projects with combined long term base production of 34 ktpa LCE

Provides development and production optionality within Argentina's lithium triangle

- Brine (2021)
- Mineral (2021)
- Hombre Muerto West (Galan)
- Candelas (Galan)



Source: 2021 Lithium Production Cost Curve (source: Roskill - Lithium Cost Model Service)



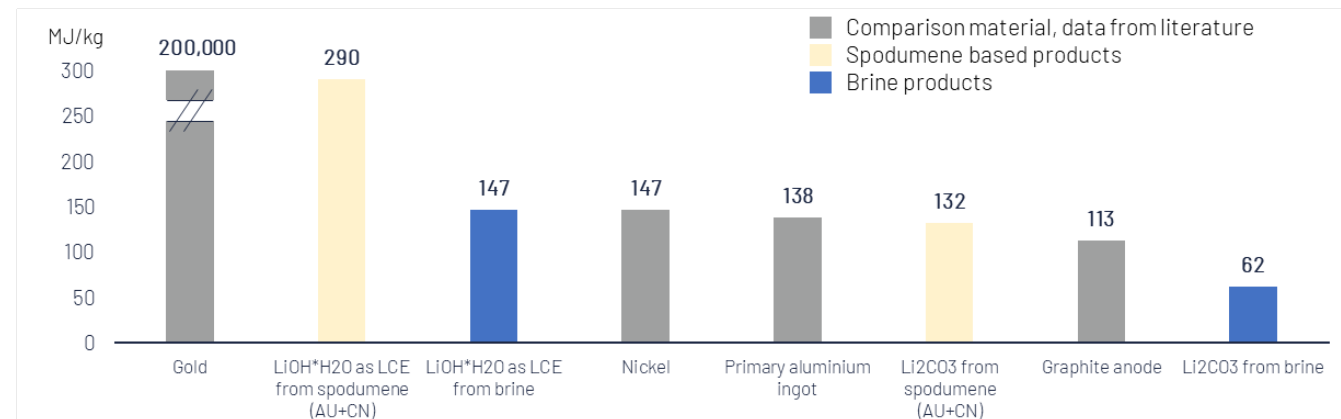
# 03 ESG and sustainable supply

Low energy and low carbon lithium brine production

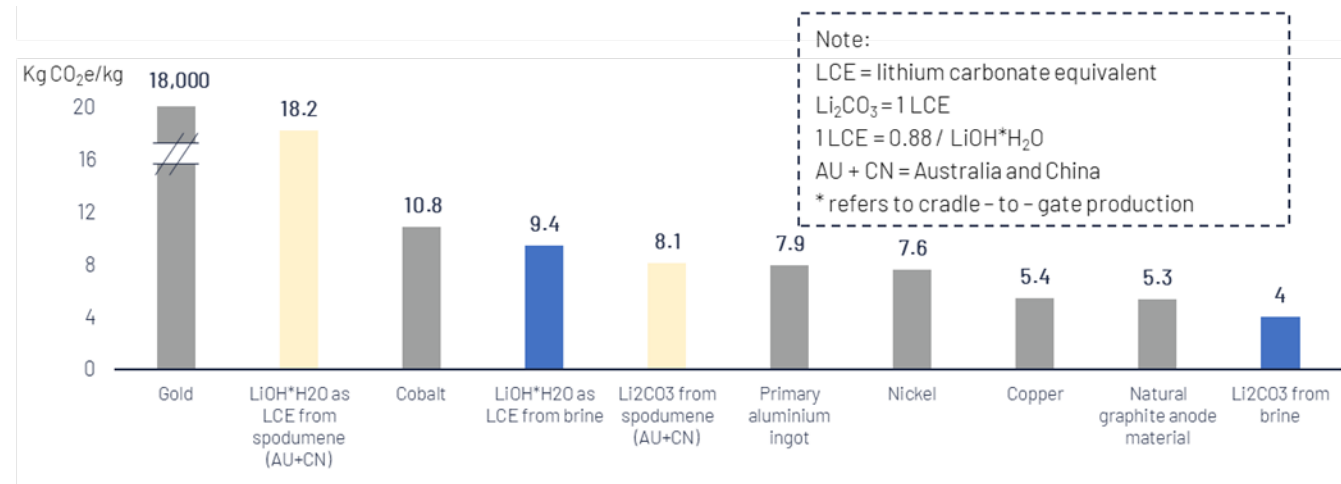
## Attractive relative environmental footprint – low impact production

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

Comparison of energy consumption



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



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

# 03 ESG and sustainable supply

Building the Long-Term ESG Journey

## Optimising shareholder value is heavily reliant on a healthy environment, social cohesion & support and sound governance

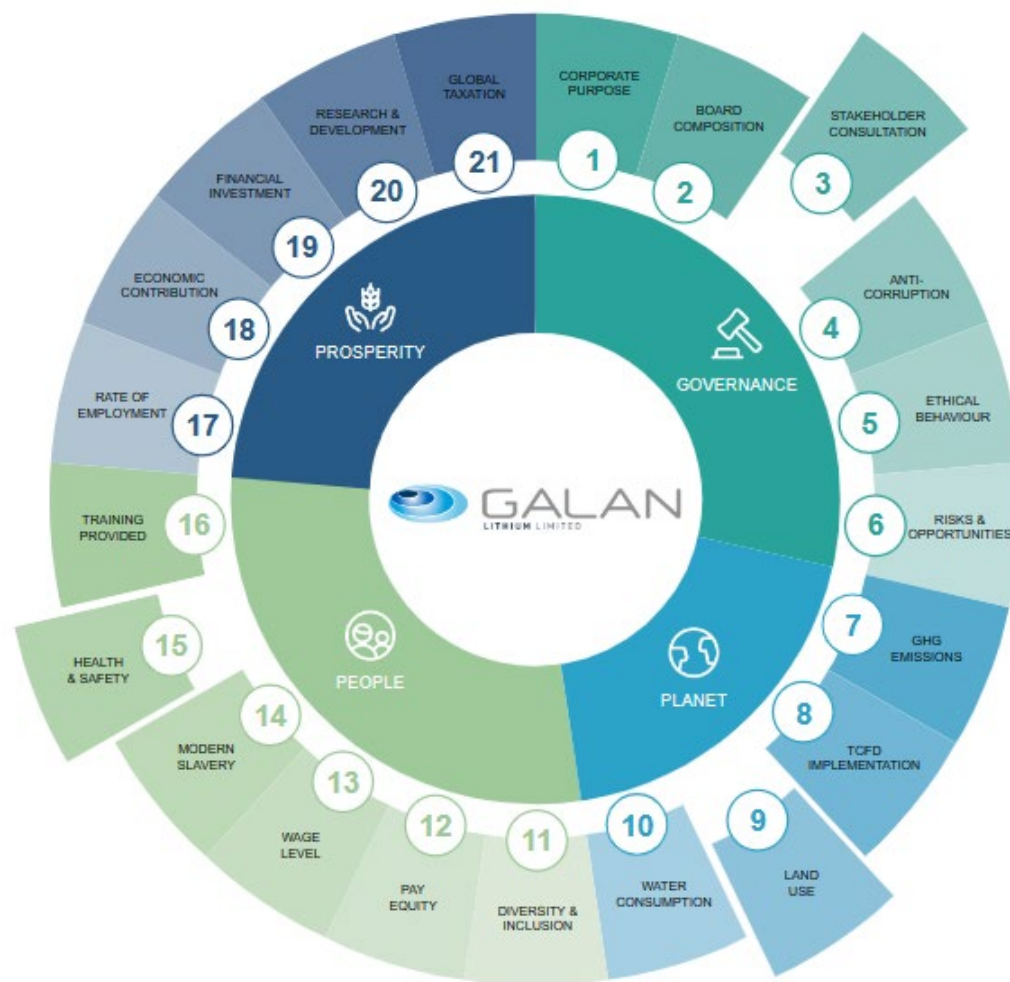
- In 2021, Galan partnered with Circular – full lithium traceability and ESG tracking for lithium brine assets
- Socialsuite engaged to assist Galan with its corporate focused part of the ESG journey
- Galan actively involved in health, education, employment and the environment in local communities



# 03 ESG and sustainable supply

## Building the Long-Term ESG Journey

[Galan Lithium ASX:GLN] ESG Focus Areas



Stakeholder Capitalism Metrics ESG Framework

SOCIALSUITE

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# 04 Rapid project delivery

Fast track route to chloride production and long-term LCE output

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

- Pilot decouples schedule from financing and FID
- DFS and associated works and infrastructure on track and budget
- Reserve conversion on course
- EIA study running to schedule
- Full scale production timeline to benefit from 3 completed wells



Key business activities	Q3 CY22	Q4 CY22	Q1 CY23	Q2 CY23	Q3 CY23	Q4 CY23
<b>Hombre Muerto West</b>						
Mineral Resource update	X					
Pilot plant operations	X	X	X			
Feasibility Study	X	X	X			
Final Investment Decision (FID)				X		
Offtake and project financing			X	X	X	X
Construction commences					X	X

# 05 Highly experienced team

Highly qualified Board



**Richard Homsany**

Non-Executive Chairman

Mr Homsany is an experienced corporate lawyer who has extensive board and operational experience in the resources and energy sectors. He is Executive Chairman of ASX listed Toro Energy Limited (ASX:TOE), Executive Vice President, Australia of TSX listed Mega Uranium Ltd (TSX:MGA), Chairman of Health Insurance Fund of Australia Ltd and the principal of Cardinals Lawyers and Consultants, a boutique corporate and energy & resources law firm.



**JP Vargas de la Vega**

Founder & Managing Director

JP is a Chilean/Australian mineral industry professional with 20 years' broad experience in ASX mining companies, stockbroking and private equity firms. JP has been a specialist lithium analyst in Australia, operated a private copper business in Chile and has worked for BHP, Rio Tinto and Codelco. He was the founder of and vendor of the original Argentinian assets and has been Galan's Managing Director since mid 2018.



**Daniel Jimenez**

Non-Executive Director

A civil industrial engineer Mr Jimenez has worked for world leader in the lithium industry Sociedad Química y Minera de Chile (NYSE:SQM, Santiago Stock Exchange: SQM-A, SQM-B) for 28 years based in Santiago, Chile. His last position was as Vice President of Sales of Lithium, Iodine and Industrial Chemicals where he formulated the commercial strategy and marketing of SQM's industrial products and was responsible for over US\$900 million worth of estimated sales in 2018.



**Christopher Chalwell**

Non-Executive Director

Mr Chalwell was previously the COO SKILLED Workforce Services Western Mining Region. He has been involved in the gas to coal conversion of the Mica Creek Power station in Mt Isa and the Pasmenco Century Mine in north Queensland. Extensive experience with feasibility studies, commercial reviews for project funding, contract appraisal and award.



**Terry Gardiner**

Non-Executive Director

Mr Gardiner has 25 years' experience in capital markets, stockbroking & derivatives trading and prior to that had many years trading in equities & derivatives for his family accounts. Currently a Director of boutique stockbroking firm Barclay Wells Limited, a Non-Executive Director of Cazaly Resources Ltd and Non-Executive Chairman of Charger Metals NL plus non-executive positions with other ASX listed entities.

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# 05 Highly experienced team

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

## Boris Caro

Project Advisor/Director

20 years project management experience including senior roles with Orocobre (now Allkem) and BHP

## Alvaro Henriquez

Group Geology Manager

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

## Francisco Lopez

Exploration Manager

15 years exclusively in lithium exploration in Argentina including Orocobre (now Allkem), Neolithium and Lake Resources

## Pablo Sanz

Business Development & Permitting

25 years of prospecting in Argentina and tenement management



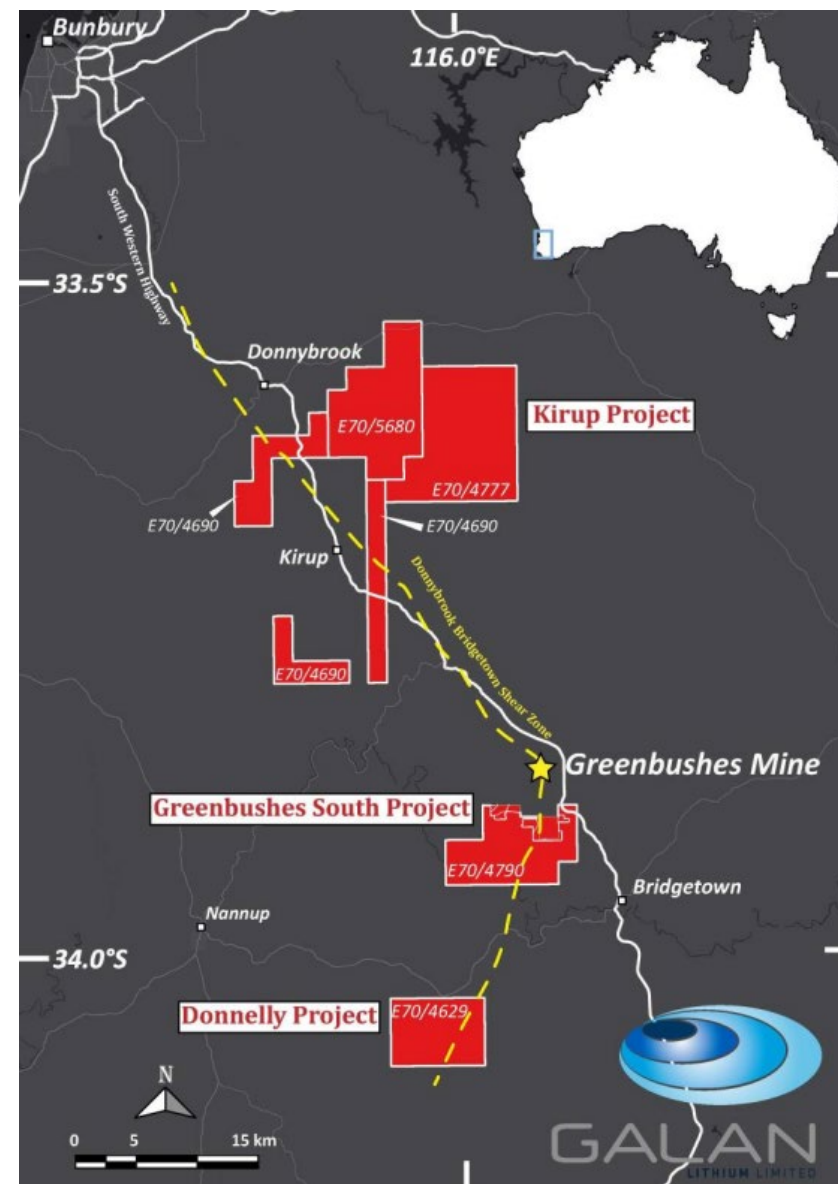
**Supported by a professional and dedicated team of staff and contractors, working towards a common goal**

# 06 Further project pipeline

Hardrock lithium exploration upside

## Greenbushes South Lithium Project - 100% ownership

- E70/4790 only 3km south of Greenbushes Lithium mine
- Tenements intersect the Donnybrook-Bridgetown Shear Zone
- Discovery of lithium bearing pegmatites with 500m+ strike length
- Anomalous Li concentrations up to 331ppm
- Drilling expected late Feb '23



# The premier lithium developer

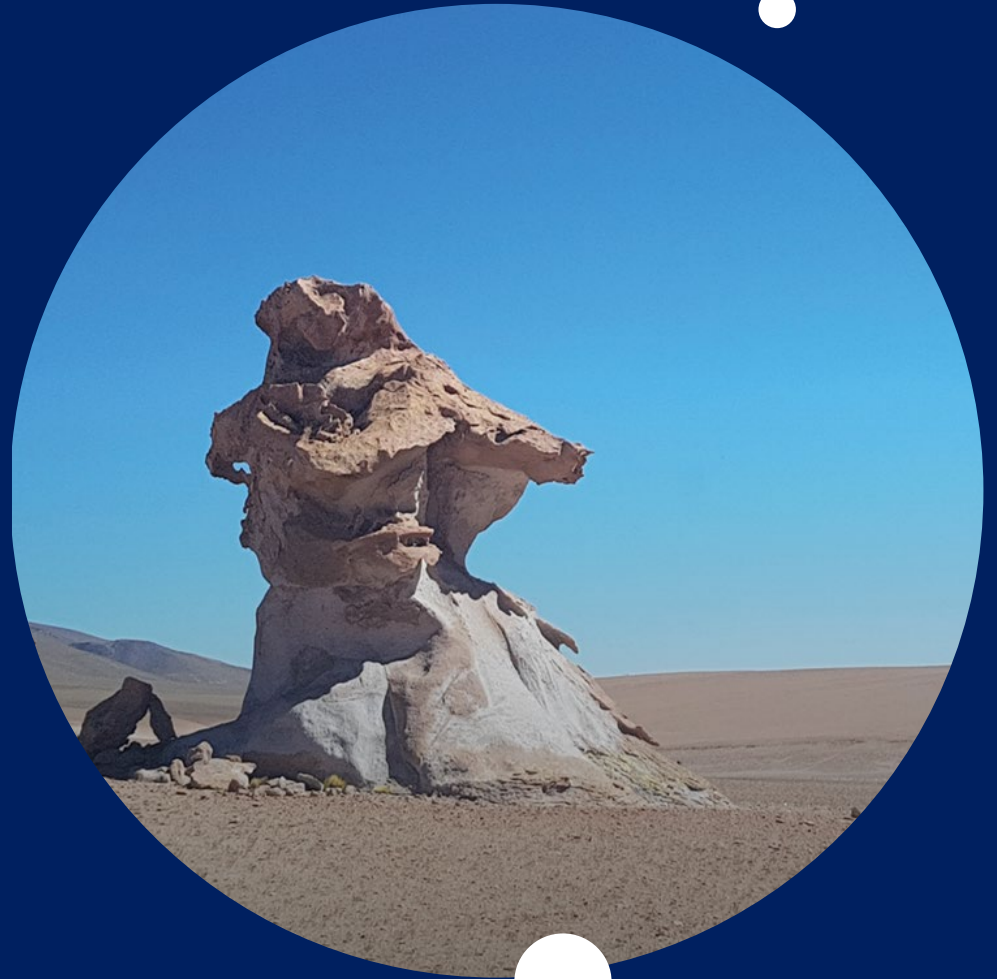
- 01 World-class location
- 02 Compelling economics
- 03 ESG and sustainable supply
- 04 Rapid project delivery
- 05 Best-in class team
- 06 Further project pipeline





# On the fast track to lithium production

With flagship 100% owned  
HMW and Candelas  
Projects in South  
America's lithium triangle



# Appendix 1: Mineral Resource estimate

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

Category	In situ Li (kt)	Avg. Li (mg/l)	LCE (kt)	Avg. K (mg/l)	In situ K (kt)	KCl Equiv. (kt)
Indicated	129	672	685	5,193	1,734	3,307

Note: 500mg/l Li cut-off grade for Candelas. These results refer to the drainable porosity, the specific yield (SY) values used are as follows;

- Sand: 12.5%
- Gravel: 6%; and
- Halite: 4%

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

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

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

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

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

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

The above resource does not include the Catalina, Santa Barbara or Pucara concessions

1. The Mineral Resource information in this presentation is extracted from the ASX announcement entitled "Excellent PEA Results for Candelas Project", dated 30 November 2021

2. The Mineral Resource information in this presentation is extracted from the ASX announcement entitled "2.5x Increase in HMW Resource - Now 5.8Mt LCE 866 mg/l Li", dated 24 October 2022"

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# Appendix 2: Peer brine resource table

Salt lake	Company	Code	Li (ml/L)	Measured Kt LCE	Indicated Kt LCE	Inferred Kt LCE	Total Kt LCE
Salar de Rincon	Rincon Lithium	JORC	403		3,600	4,300	7,900
Salar de Rincon	Argosy	JORC	325		245		245
Pozuelos y Pastos Grandes	Litica Pluspetrol LSC	NI 43-101	509	958	719	631	2,308
Pastos Grandes	Millennial Lithium	NI 43-101	452	1,277	854	878	3,009
Diablilos	Tibet Summit	NI 43-101	556			4,950	4,950
Hombre Muerto	Galaxy	JORC	732	3,005	2,665	1,562	7,232
Hombre Muerto	POSCO	JORC	780	1,580	1,580	940	4,100
Hombre Muerto	Livent	N/A	747	4,200			4,200
Hombre Muerto (Candelas)	Galan Lithium	JORC	672		685		685
Hombre Muerto (HMW)	Galan Lithium	JORC	866	4,435	663	748	5,846
Cauchari	LAC	NI 43-101	592	3,555	16,298	4,723	24,576
Olaroz	Orocobre	JORC	690		6,400		6,400
Tres Quebradas	Neolithium	NI 43-101	601	569	3,436	2,917	6,922

Source: iLi Markets, adjusted for recent Mineral Resource estimate upgrade

# GALAN

LITHIUM LIMITED

Level 1, 50 Kings Park Road  
West Perth, WA 6005

PO Box 584  
West Perth, WA, 6872

Phone: +61 8 9214 2150

Email: [jp@galanlithium.com.au](mailto:jp@galanlithium.com.au)