ASX ANNOUNCEMENT
3 October 2023

Phase 2 DFS Confirms Tier One Status of Hombre Muerto West (HMW) Lithium Brine Project in Argentina

- **<u>Tier one Phase 2 DFS results</u>; HMW Project produces a premium high grade lithium chloride (LiCl) concentrate of 6% Li, comparable to 13% Li_2O or 32% Lithium Carbonate Equivalent (LCE) in H2 2026, and delivers the following <u>strong financial outcomes:</u>**
  - **<u>Post-tax $NPV_{8\%}$ US$2 billion</u>, IRR 43% free cash flow US$236m pa (pre-tax $NPV_{8\%}$ US$3.1 billion)**
  - **<u>Short Payback</u> Phase 1 & 2 of 2.9 years**
  - **<u>Increased Production</u> to 21Ktpa LCE up from 5.4Ktpa LCE in Phase 1**
  - **<u>Moderate Incremental CAPEX</u> of US$278m (additional to Phase 1 Capex US$104m). Total Phase 1 & 2 Capex US$382m (ex-contingency)**
  - **<u>Low Operating Cost</u> of US$3,510/t LCE (excludes conversion cost from LiCl to lithium carbonate)**
  - **Phase 1 construction has commenced with first production H1 2025**
- **<u>Low all-in sustaining costs</u>; HMW is in the 1st quartile of industry's cost curve**
- **<u>Capex & Opex intensity reduced by 7% & 11%</u> respectively (from Phase 1 DFS); future potential reduction for key cost drivers**
- **<u>High Li recovery (68.5%)</u> with further process optimisation underway**
- **<u>Strong 40 year Ore Reserve 806kt LCE @ 864 mg/Li;</u> resource upside remains**
- **Long term average payable price assumed for LiCl 6% Li US$22,841/t LCE, long term average lithium carbonate price US$29,000/t LCE**
- **<u>Robust Financial Outcomes</u> of HMW Phase 2 DFS – majority of costs are based directly in USD, reducing the impact of local currency fluctuation**
- **<u>Advanced negotiations</u> for offtake/funding options for Phase 1 underway**
- **Galan's robust 4 phase production strategy (<u>up to 60ktpa LCE</u>) provides an exceptional foundation for significant future economic upside**

Galan Lithium Limited (**ASX: GLN**) (**Galan** or **the Company**) is very pleased to announce the results of the Phase 2 Definitive Feasibility Study (**DFS**) for its 100% owned Hombre Muerto West (**HMW**) Project (HMW Project or the Project) in Catamarca Province, Argentina.

The HMW Project DFS was separated into two phases. The initial Phase 1 DFS was based on a production level of 5.37 ktpa lithium carbonate equivalent (**LCE**) in the form of lithium chloride concentrate (as governed by the production permits).

The Phase 2 DFS has increased the overall annual production rate to 20,851 recoverable tonnes LCE, contained in a concentrated lithium chloride product for a period of 40 years. The Phase 2 DFS results and analysis have provided outstanding outcomes that confirm Galan's belief that the HMW Project is a tier one project in the lithium brine industry.

Galan's Managing Director Juan Pablo (JP) Vargas de la Vega commented on the Phase 2 DFS Results:

"The release of the Phase 2 DFS for Hombre Muerto West clearly demonstrate the world-class nature of Galan's 100% owned Project. The production volumes and low cost of production from HMW means it is truly worthy of being considered a tier one lithium brine project. These results fully support our DFS re-evaluation process and long-term production strategy, delivering a high-quality lithium chloride product into the market and providing Galan with strong early cash flows. The Board is delighted to report these outstanding financial outcomes for the Project Phase 2 DFS which are robust and include an approximate 2.9-year payback and a USD 2 billion Project NPV. Thanks to our loyal project and corporate teams that have worked cohesively and tirelessly to deliver these outstanding results. We are also very grateful for the supportive government policies in place, and our local community support, which have enabled us to demonstrate the enhanced feasibility of the Project.

We are extremely confident about the future of HMW, both in the short and long term. Construction of Phase 1 is already well underway with the first evaporation pond already 15% complete. Galan looks forward to updating shareholders and investors as development continues into future phases to accelerate and ramp up production."

Cautionary Statements

The Definitive Feasibility Study (**DFS**) referred to in this announcement is based upon a JORC Code Compliant Mineral Resource Estimate announced on 1 May 2023 (Refer ASX announcement entitled "Galan's 100% Owned HMW Project Resource Increases to 6.6 Mt LCE @ 880 mg/L Li (72% in Measured Category)"(inclusive of the updated Proven and Probable Reserves referred to in this announcement). Galan confirms that there are no Inferred Resources included in the Phase 2 DFS production schedule and that it is comprised 100% of Reserves (Proven 101.2 kt LCE @ 884 mg/Li and Probable 705.2kt LCE @ 861.5 mg/Li).

The Mineral Resources underpinning the Reserves 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 Statements are provided in the section of this ASX release titled *"Competent Person's Statements".* 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 supporting 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 cost estimates to an accuracy of -10% to +15%. Key assumptions that the DFS are based on (including those defined as Material Assumptions under ASX Listing Rule 5.9.1) are outlined in the body of this announcement and in Appendix 1. Galan believes that 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 to firstly bring the HMW Project Phase 1 into production and then the expanded production rates from Phase 2. These key steps are referred to in this announcement and investors should note that if there are delays associated with these steps, outcomes may not yield the expected results (including the timing and amounts of estimated revenues and cash flows). The economic outcomes associated with the Phase 2 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 are 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 Phase 2 DFS, funding will more than 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 dilute 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 pre-payment, sale, partial sale or joint venture of the HMW Project.

Some of the statements appearing in this announcement may be forward-looking in nature. 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 that 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's 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 Phase 2 DFS was prepared by several consultants. The Mineral Resource estimate was prepared by SRK Consulting (**SRK**), the Reserve estimate was prepared by WSP Consulting (Chile) (**WSP**) (part of WSP Ambiental S.A.), the lithium recovery method was designed by Ad-Infinitum and the pond and water contour channels designs were developed by AIA Engineering and Consulting Services International (**AIA**) and EIC Engineering (**EIC**), respectively. AIA and EIC are specialised engineering companies with sound previous experience with similar projects. Pares & Alvarez Ingenieros Asociados Limitada (**P&A**) were responsible for reviewing and documenting the recovery method and developing the engineering design of the reagents and filter plant. P&A also developed the Project layout, infrastructure designs for water and power supply that needed to be expanded for Phase 2, capital cost (**Capex**) and operating cost (**Opex**) estimates and overall economic evaluation. Andeburg Consulting Services Inc. (**ACSI**) reviewed the Capex, Opex and overall economic evaluation. The price estimates for 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 2 Definitive Feasibility Study Results – HMW Project

Parameters	Units	Values
Lithium Carbonate Equivalent (LCE) Production	tpa	20,851
Project Life Estimate	Years	40
Capital Cost (Capex)	US$million	429
Capital Cost (ex-contingency)	US$million	382
Average Annual Operating Cost (Opex)	US$/t LCE	3,510
Average Lithium Chloride Selling Price (2025-2064)	US$/t LCE	22,841
Average Annual EBITDA	US$million	374
Average Annual Free Cash Flow	US$million	236
Pre-Tax Net Present Value ($NPV_{8\%}$)	US$million	3,145
After-Tax Net Present Value ($NPV_{8\%}$)	US$million	1,993
Pre-Tax Internal Rate of Return (IRR)	%	57%
After-Tax Internal Rate of Return (IRR)	%	43%
Payback Period (After-Tax, commencement Phase 1 production)	Years	2.9

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

Table 2: Phase 2 DFS Competent Persons - HMW Project

Competent Person	Company	Areas of Responsibility
Marcelo Bravo	Ad-Infinitum	Project background, project layout and project infrastructure with the exception of the well field. Recovery method, production schedule, test work and piloting, market and contracts, environmental and community, upside potential and risk analysis
Luke Milan	Independent Consultant	Geology
Michael Cunningham	SRK	Mining tenements, Mineral Resource estimate (CP for 1 May 2023 Resource Estimate)
Rodrigo Riquelme	GeoInnova	Ore Reserve estimate
Ernest Burga, P.Eng	ACSI	Capex, Opex and overall economic evaluation.

Table 3: Key Phase 2 DFS Team Members - HMW Project)

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
Carlos Descourvieres (Hydrogeologist) Juan Cristóbal Díaz (Civil Engineer)	WSP	Exploration support, hydrogeological site conceptualisation and numerical model for Reserve estimate >20 years' experience in hydrogeology in the mining industry >5 years' experience in lithium resources and reserves
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
Hector Quezada (Chemical Civil Engineer)	P&A	General arrangement, equipment list, engineering design and MTOs for the reagent plant, filter plants and other infrastructure items 11 years' experience in the mining industry
Julio Olivos Diego Seiltgens	P&A	Advisors and reviewers of the capital estimate with many years' experience on industrial and mining projects

Mineral Resource Estimate

The latest HMW Mineral Resource estimate was announced on 1 May 2023 (Refer ASX Announcement entitled "Galan's 100% Owned HMW Project Resource Increases to 6.6 Mt LCE @ 880 mg/L Li (72% in Measured Category)". The Resource incorporated geological and geochemical information obtained from nineteen (19) drill holes totalling 5,918 m within the Pata Pila, Rana de Sal, Casa del Inca (III & IV), Del Condor, Pucara del Salar, Delmira, Don Martin and Santa Barbara mining tenements (see Figure 8). A total of 610 brine assays were used as the foundation of the estimation, all of which were analysed at Alex Stewart International (**Alex Stewart**) laboratory in Jujuy. The QA/QC program included duplicates, triplicates and standards. In total, 325 QA/QC samples were analysed using Alex Stewart (duplicates) and SGS in Argentina (triplicates) as the umpired laboratory.

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

The HMW Mineral Resource was re-classified based on the new data, resulting in a Measured Resource exceeding 4.7 Mt 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 6.6 Mt of contained LCE grading 880 mg/L Li. The latest HMW Mineral Resource estimate is summarised below 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 mining tenements which permits the aggregation of the complete ore body and simplifies future operational and process constraints. The adjacent Candelas North project, approximately 40 km from the future HMW plant site is a strategic resource that forms part of the Galan long-term growth strategy.

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 (Western sector and Santa Barbara)							
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 is 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. (*) The Candelas North Mineral Resource Statement was announced on 1 October 2019.
5. There may be minor discrepancies in the above table due to rounding.

<u>Ore Reserve Estimate</u>

An updated hydrogeological numerical model was built to represent the dynamic behaviour of the groundwater flow and the lithium concentrations in the nucleus and margins of Salar Hombre Muerto West for natural conditions and brine extraction scenarios in order to support the Ore Reserve estimate for the Phase 2 DFS. The following objectives were considered:

(i) Calibrate the natural conditions considering the groundwater level data available up to July 2023
(ii) Calibrate the system response according to the data gathered during the long-term pumping well tests conducted in 4 wells
(iii) Simulate Phase 2 brine extraction scenario, targeting 20 ktpa of Lithium Carbonate Equivalent (LCE).

A summary of the main aspects of the hydrogeological numerical model used to estimate the reserves is presented below. A detailed modelling report describing the model construction, calibration and simulation has been developed as part of the Phase 2 DFS.

Model Construction

For the reserves assessment, MODFLOW-USG was used as the numerical simulation tool. MODFLOW-USG is a modelling software developed by the United States Geological Survey (**USGS**) and is a commonly used platform for solving saturated flow and transport. It is particularly applicable for brine extraction projects because when used with connected linear networks (**CLN**), it can improve the representation of operating well drawdown and extracted lithium concentration.

The defined model limit covers the salar nucleus and margins of the HMW Salar (Figure 1). The limit generally follows topographic highs in most areas, where older bedrock is present, and groundwater is not expected to flow across. In terms of grid discretisation, the numerical model grid comprises 17 layers and a total of 278,417 active cells, with an equivalent of 16,381 active cells per layer. The grid was designed to accurately represent changes in lithium concentration and geological features in depth. To achieve this, hexagonal Voronoi cells (Figure 1) were employed to create a locally refined grid within the mining tenements where most field data currently exist. Outside this zone of interest, larger cell sizes were specified. The highest discretisation in the grid has dimensions close to 5 m (diameter) and the lowest discretisation has dimensions of about 500 m (diameter).

To represent the natural conditions, the following boundary conditions were included in the numerical model:

No flow: Corresponds to cells outside the active model domain that are not simulated. Most limits of the hydrogeological model are represented by no-flow cells because they coincide with topographical high points along older bedrock outcrops where groundwater is not expected to flow across.

Recharge: Direct recharge and lateral inflow were defined as inflow boundary conditions for the model, based on previous recharge estimates and water balance (WSP, 2021; WSP, 2022). Direct recharge, due to infiltration of precipitation, was defined based on the hydrogeological units at the surface to represent distinct zones of potential infiltration. Lateral inflow was implemented through injection wells which were defined along the southeastern and northern limits to represent lateral inflow from neighbouring alluvial sub-basins. The total amount of the recharge included in the model corresponds to 327 L/s.

Evapotranspiration: Groundwater outflow occurs via evapotranspiration. Outflow was differentiated spatially by evaporation rates and extinction depths that were defined based on the lithological surface features (salar surface, nearby marginal areas and surface water features).

To represent extraction from pumping wells (transient conditions), the CLN package was implemented in the model as an additional boundary condition.

Model Calibration

To ensure that the numerical model can be used as a predictive tool for potential pumping scenarios, it is necessary to accurately represent observed historical behaviour. To achieve this, a steady-state flow calibration was performed to represent natural conditions until July 2023 and a transient flow calibration was carried out for long-term pumping tests conducted in wells PBRS-01-21, PBRS-03-23, PPB-01-21 and PPB-02-22 (Figure 2).

Steady state calibration of the natural conditions for groundwater flow at the nucleus and margins of the HMW Salar focused on the representation of observed groundwater levels in the HMW mining tenements and the conceptualised groundwater balance of the system. The calibration process involved estimating and iteratively modifying the hydrogeological properties of the modelled system to adjust the simulated groundwater levels against the observed data.

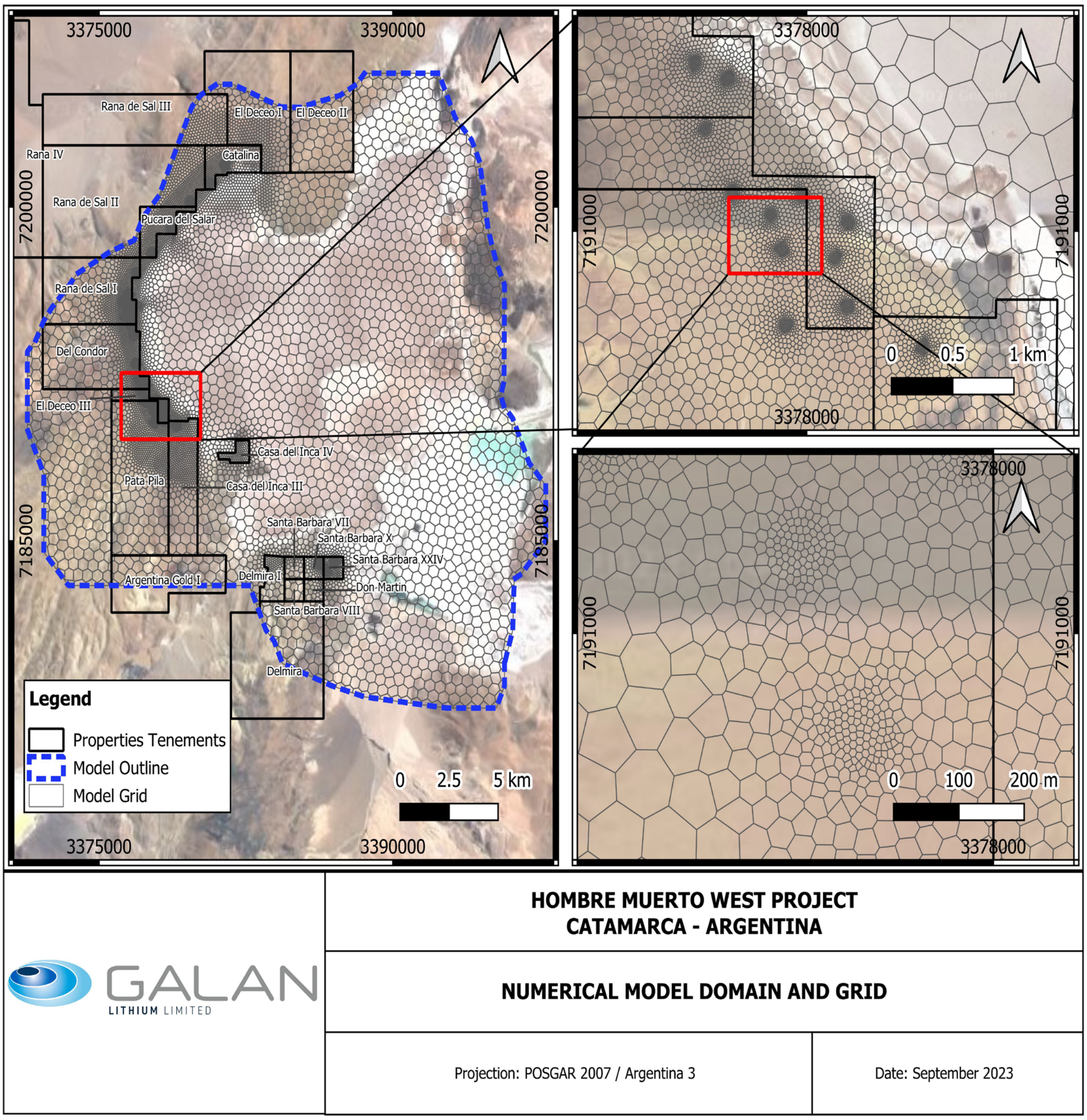

Figure 1: Numerical Model Domain and Grid

A constant brine density was assumed for the numerical model based on near constant brine density measurements (about 1.2 g/L) from pumping and observations wells, with the exception of wells PPZ-W-01-23 and PPZ-W-02-23 (Figure 2) located topographically higher than the rest of the wells. No density correction was applied to convert freshwater head to equivalent brine head in the observation wells, due to the negligible impact in the adjustment of hydrogeological properties in the brine extraction zone and in the overall groundwater dynamics.

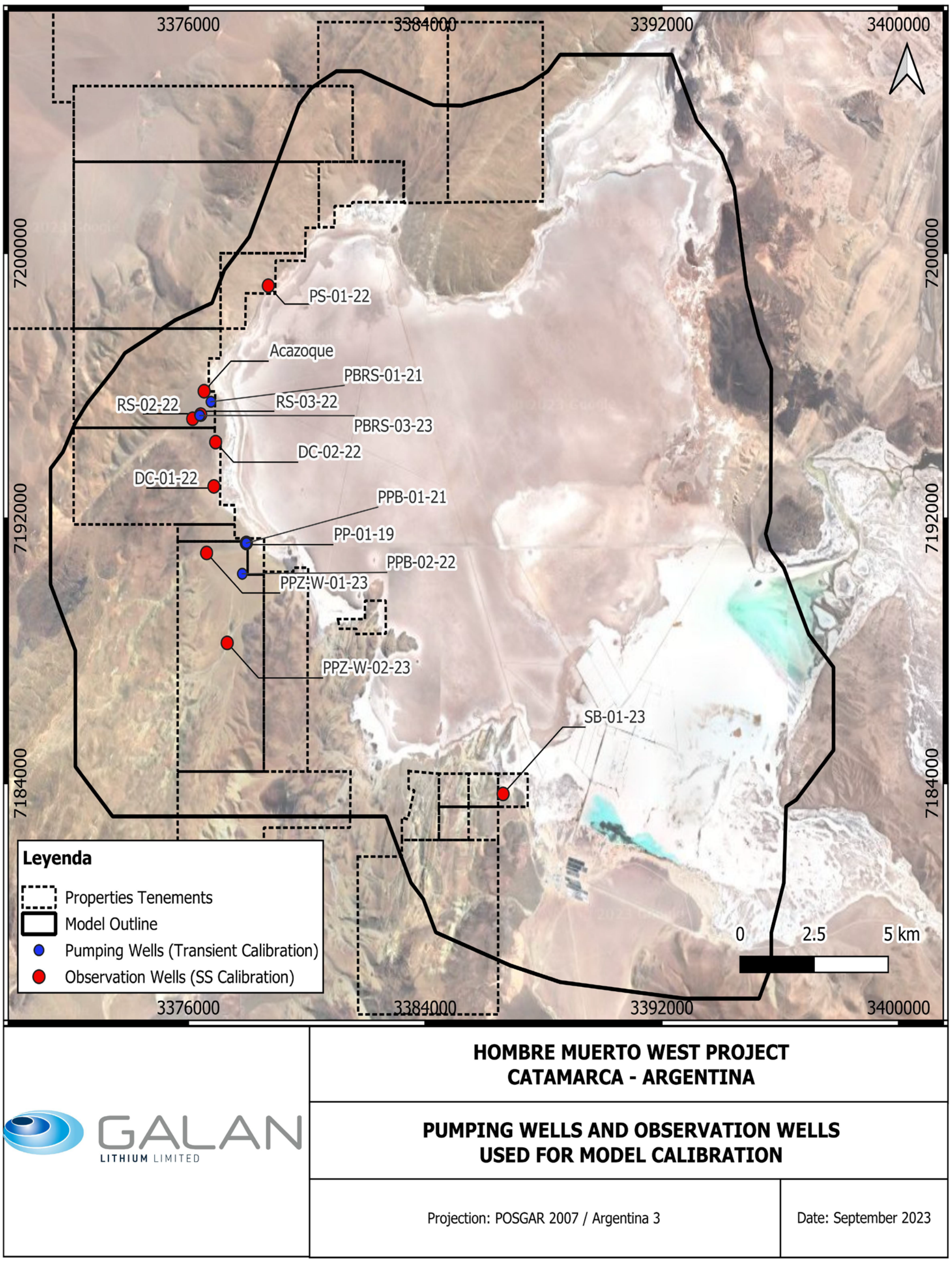

Figure 2: Pumping Wells and Observation Wells Used for Model Calibration

Figure 3 shows the results of the model calibration, the left side of presents observed versus simulated water levels with less than a 5 m difference; this is considered acceptable. The transient calibration is determined by the analysis of the observed drawdown in the pumping wells and the observation wells associated with each pumping test. An example of the adjustment of the simulated drawdown for the pumping test in well PBRS-01-21 is shown on the right side of Figure 3.

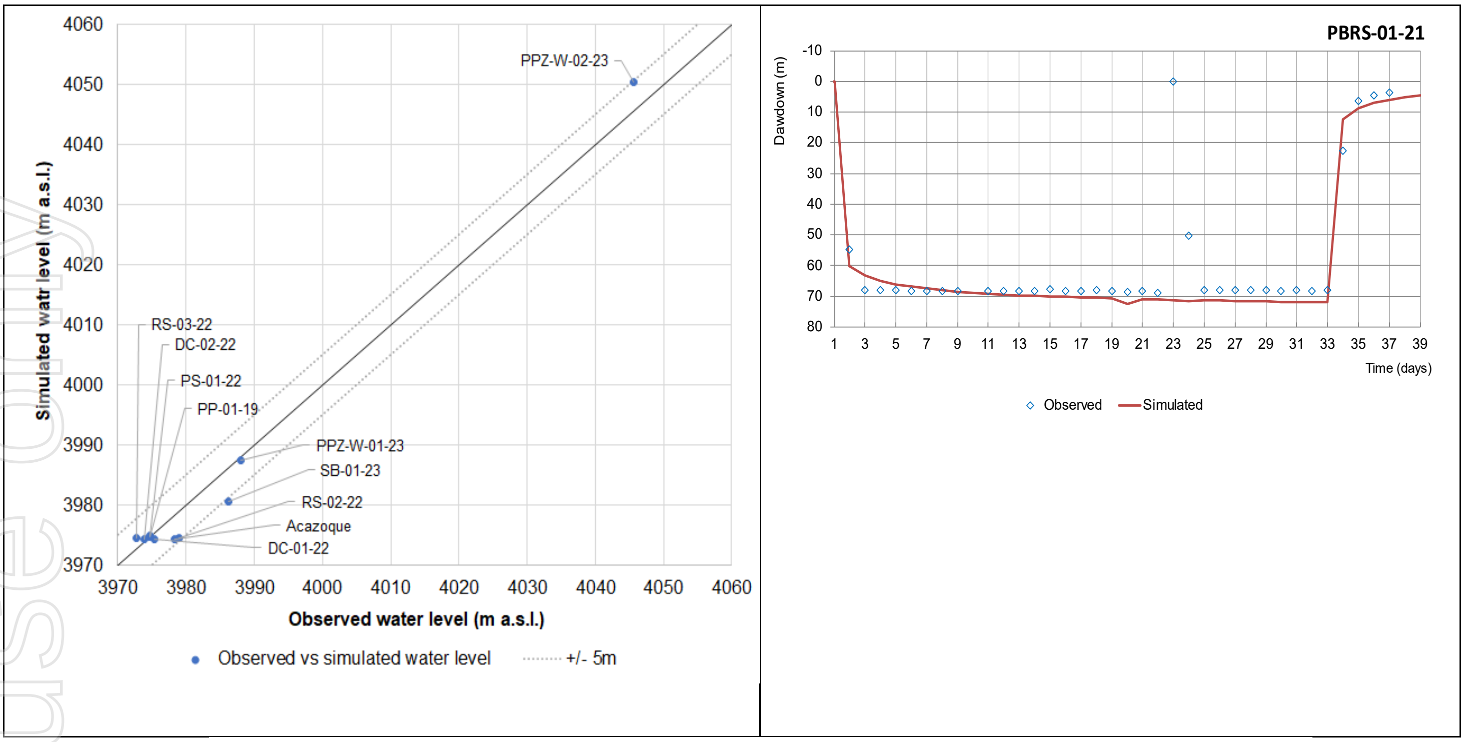

Figure 3: Results of Model Calibration (LHS - Simulated and Observed Water Level (Steady State Calibration). RHS - Example of Transient Calibration for Observed Drawdown in Long Term Pumping Test

Predictive Model

The calibrated model was used to predict and evaluate the brine extraction capacity for Galan's Phase 2 production plan and the extracted lithium concentrations for a 40 year period. The predictive scenario considered a total of 23 wells distributed across two well fields (West well field (20 wells) and Santa Barbara well field (3 wells)) as shown in Figure 4.

After a 2 year ramp-up period, the average annual pumping flow is estimated to be around 230 L/s (184 L/s in the West well field and 46 L/s in the Santa Barbara well field).

Calibrated hydrogeological parameters (hydraulic conductivity and specific storage) and specific yield from the resource model (SRK - May 2023) were considered as base conditions for the predictive model. The hydraulic head resulting from the steady-state calibration was used as the initial condition for the predictive simulations. Li grades were assigned to each model cell based on the resource model distribution (SRK – May 2023) within the Galan mining tenements to assess solute transport. A zero Li concentration was set outside the Galan mining tenements.

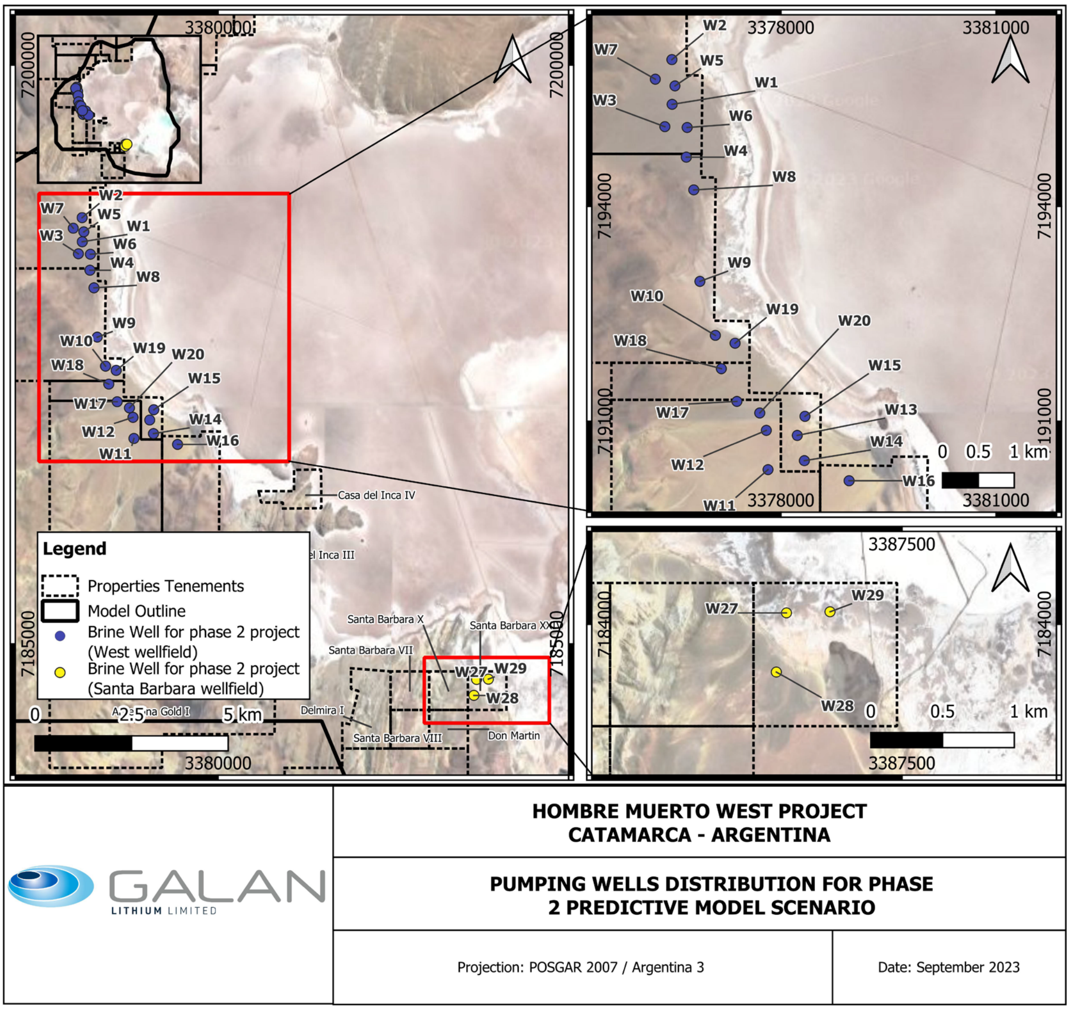

Figure 4: Pumping Wells Distribution for Phase 2 DFS Predictive Model Scenario

The resulting average extracted lithium concentration simulation 40 year period is shown in Figure 5. Considering the total concentration, the resulting dilution is close to 5% after 40 years of operation. This reflects the homogenous brine quality over the deposit. A more pronounced concentration decline is observed after Year 2 due to the start of production from the Santa Barbara well field which has lower lithium concentrations compared to the West well field.

The LCE production estimates considered a global process recovery of 61.65% (efficiency provided by Ad-Infinitum (Ad-Infinitum, 2023)). Figure 6 shows the LCE predicted production for Phase 2, indicating that targeted production of nearly 21 ktpa would be achieved in Year 3 and for the rest of the LOM.

Particle tracking and mass balance calculations were carried out to ensure that the bulk of the lithium mass (over 99%) extracted by the production wells comes from Measured and Indicated Resources within the Galan mining properties.

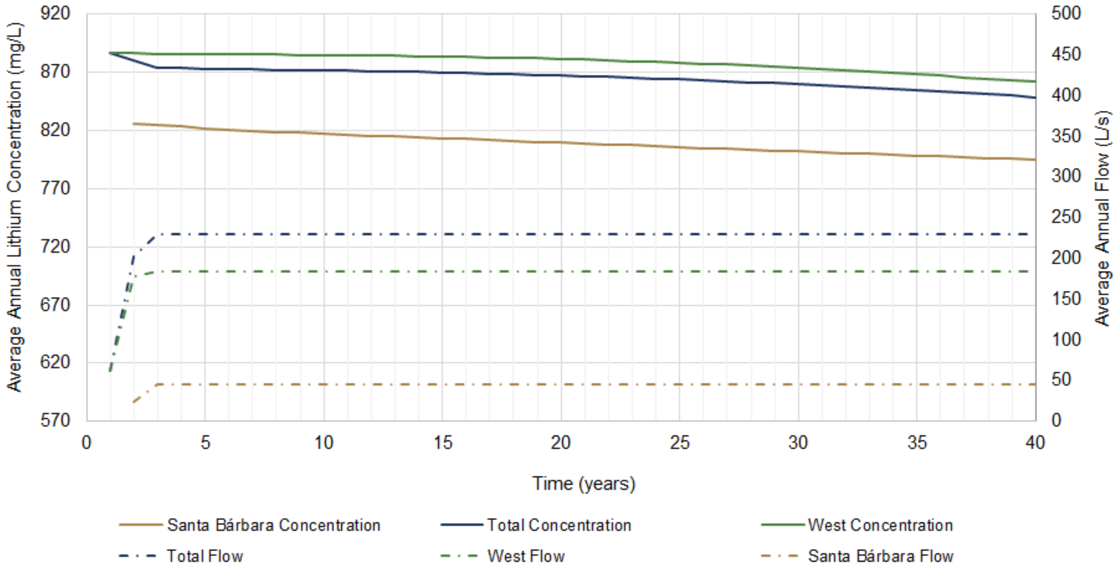

Figure 5: Average Lithium Concentration Results for Phase 2 Predictive Model Scenario

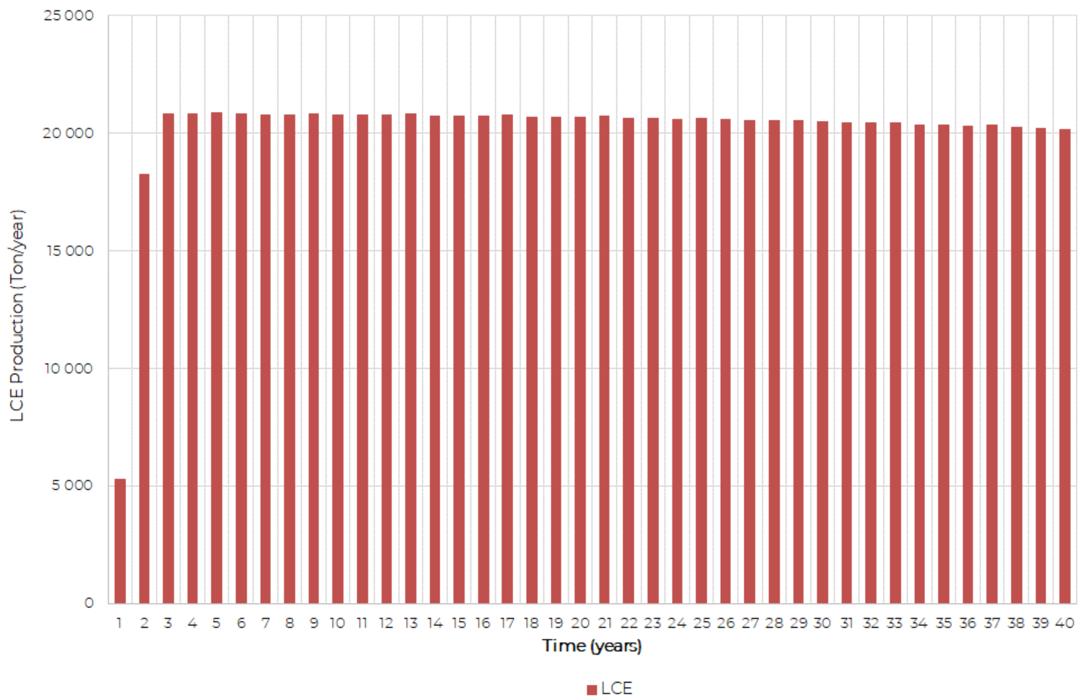

Figure 6: LCE Production for Phase 2 Predictive Model Scenario

Ore Reserve Statement

The HMW Project Phase 2 DFS reports an Ore Reserve estimate of 806.4 kt of recoverable LCE (Table 5). The Ore Reserve estimate was signed off by Rodrigo Riquelme (GeoInnova), who is a Competent Person as described in the Competent Persons Statements.

Abstraction capture zones determined that the brine origin from each production well throughout the LOM and Ore Reserve volumes were mostly sourced from within the Measured Resource blocks in the case of the West well field with the exception of brine from well W16 (Figure 4), whose origin comes from Indicated Resource blocks. For the Santa Barbara well field, the Ore Reserves are all sourced from within the Indicated Resource blocks.

Table 5: Ore Reserve Statement for HMW Project Phase 2 DFS (Effective Date September 2023)

Ore Reserve Category	Well Field	Production Period (Years)	Pumped Brine Vol. (Mm^3)	Li Metal (kt)	Avg. Li grade (mg/L)	LCE (kt)
Proven	West	1-7	34.9	30.8	884.0	101.2
	Santa Barbara	-	-	-	-	-
Probable	West	1-7	1.8	1.5	840.2	5.1
		8-40	192.1	168.5	877.1	552.9
	Santa Barbara	1-40	55.5	44.9	807.9	147.2
Total Proven		**1-7**	**34.9**	**30.8**	***884.0***	**101.2**
Total Probable		***1-40***	***249.5***	***214.9***	***861.5***	***705.2***
Total Proven and Probable		**1-40**	**284.3**	**245.7**	**864.2**	**806.4**

Notes:

1. Ore Reserves are inclusive of the declared Measured and Indicated Mineral Resources.
2. No cut-off grade is applied for the HMW Ore Reserve.
3. A combined process recovery factor of 61.65% was applied. Extracted Li metal in the table does not consider this factor.
4. “Li Metal” and “LCE” are expressed as total contained metals.
5. Lithium carbonate equivalent (LCE) is calculated using mass of LCE = 5.3228 multiplied by the mass of lithium metal.
6. Ore Reserves do not consider any Mineral Resources at Candelas North.
7. There may be minor discrepancies in the above table due to rounding.

The Ore Reserve estimate is considered to be a conservative representation (due to border conditions with zero concentration of lithium in overburden and outside the mining tenements) of the aquifer systems with a high confidence in modelled outputs during the early mine production plan and reducing confidence during mid-life and later production. In the case of the West well field, extracted brine in Years 1 to 7 of the Phase 2 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. Extracted brine in Years 8 to 40 of the Phase 2 mine plan tends to be derived from areas with less confidence and has therefore been categorised as Probable Ore Reserves. For the Santa Barbara well field, because extracted brine is derived from Indicated Resources, Reserves were categorised as Probable for the LOM.

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.

Although model sensitivity and professional judgement have been incorporated into the numerical model development, 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 previously stated by Galan, Phases 3 and 4 will see a further increase in production but these phases are not included in this Ore Reserve Statement.

Project Background

Location

The Hombre Muerto West Project is part of the Hombre Muerto basin, one of the most prolific salt flats in the world. The basin is located in the Argentinean Puna plateau of the high Andes Mountains at an elevation of approximately 4,000 m above sea level (masl). The Project is 90 km north of the town of Antofagasta de la Sierra, in the Province of Catamarca, Argentina as shown in Figure 7. 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. The Project is around 1,400 km northwest Buenos Aires, the capital of Argentina and 170 km west-southwest of the city of Salta.

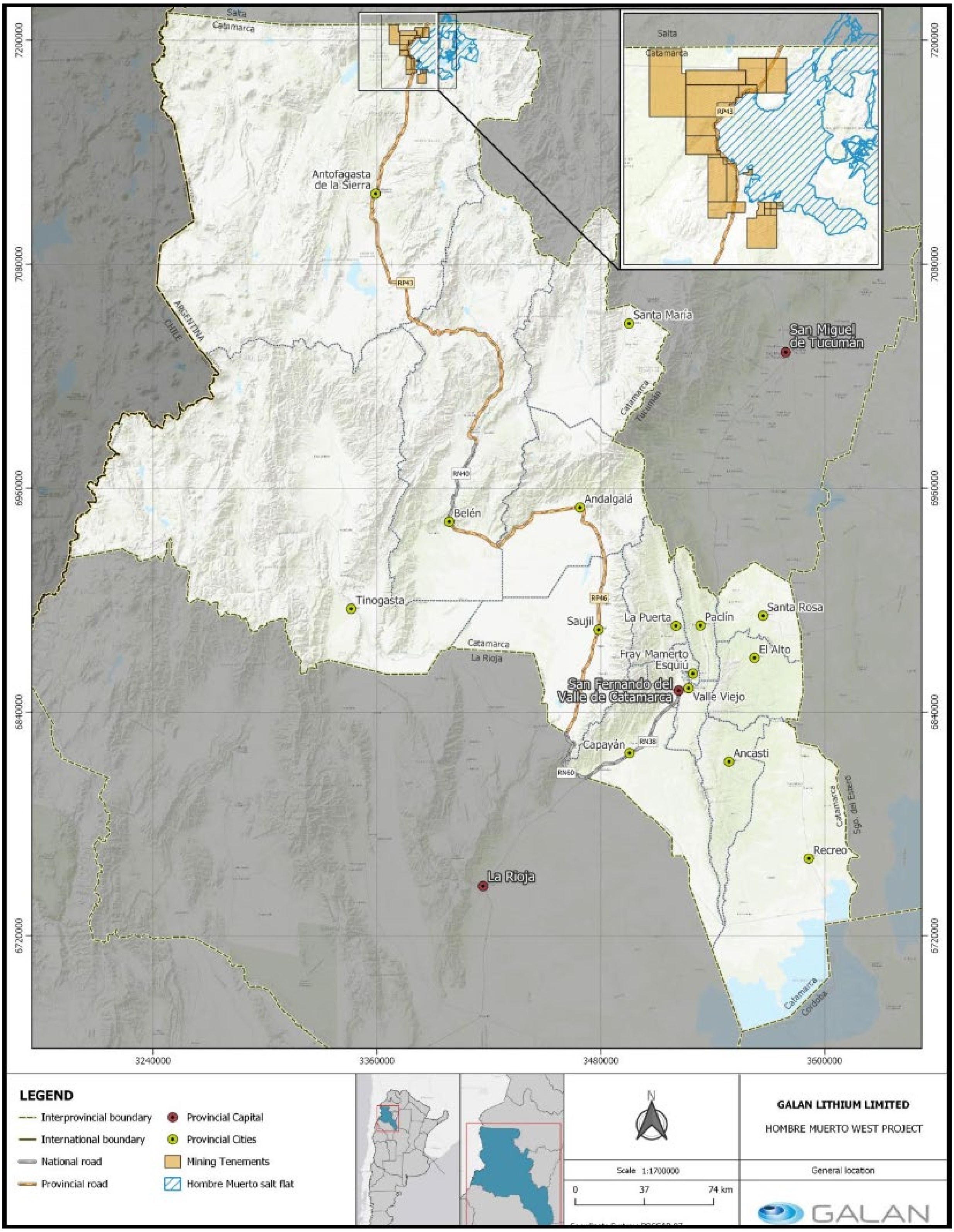

Figure 7: Location of HMW Project, Hombre Muerto Salar, Catamarca Argentina

<u>Climate</u>

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 show 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 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 and the Santa Barbara group (Delmira, Delmira I, Santa Barbara X, Santa Barbara VII, Santa Barbara VIII, Santa Barbara XXIV & Don Martin), covering an area of approximately 26,059 hectares (Figure 8). All mining tenure is 100% owned by Galan (through its wholly owned subsidiaries in Argentina).

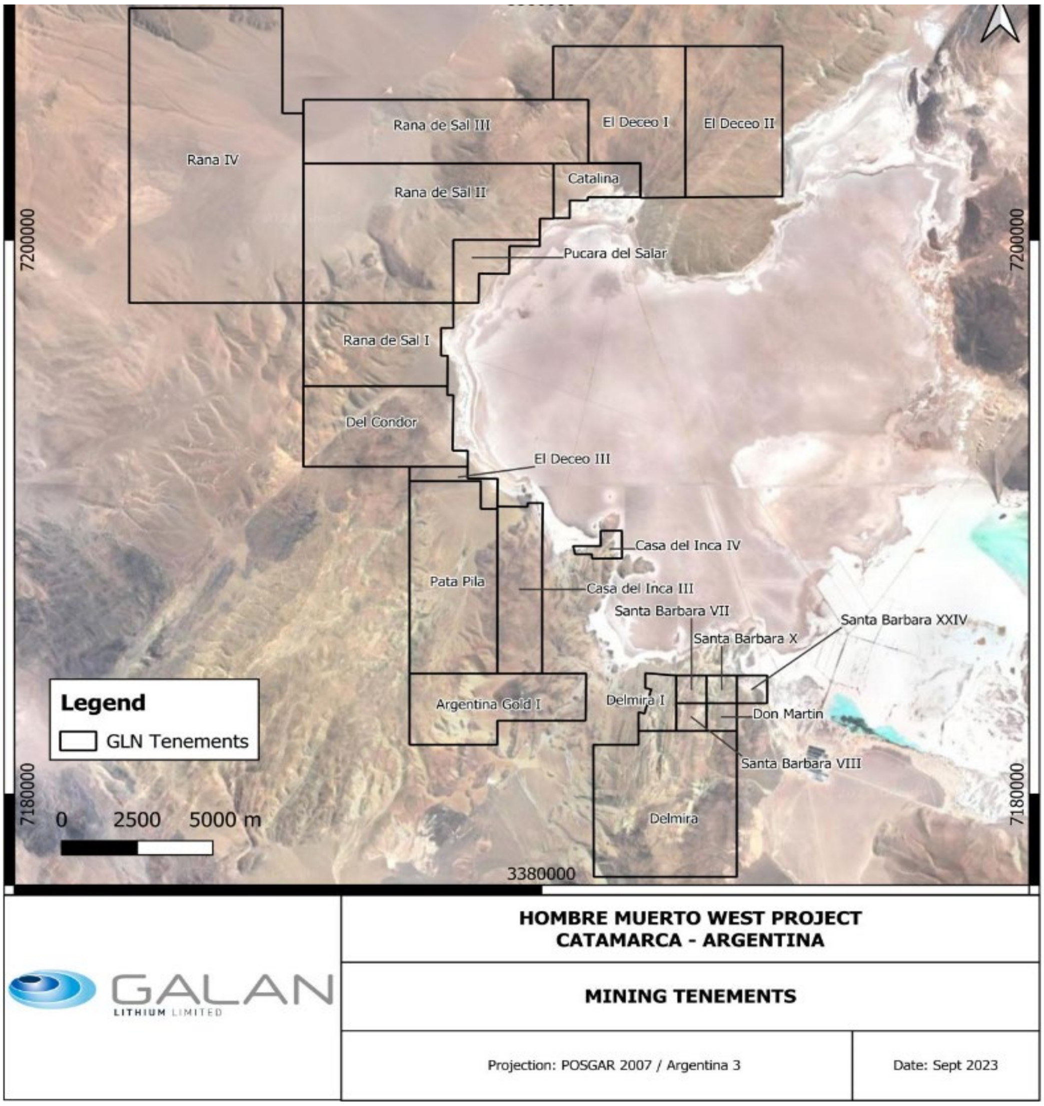

Figure 8: Hombre Muerto West Mining Tenements

Design work shows that the HMW brine wells and related production infrastructure will be located in the Rana de Sal I, Del Condor, El Deceo III, Pata Pila, Casa del Inca III, and Santa Barbara XXIV areas.

On 2 August 2023, Galan announced the acquisition and consolidation of the Catalina tenure. The Catalina tenure has not been considered in the Phase 2 DFS but the Company expects that it will make a significant contribution to future development under Phases 3 and 4 (with a final production goal of 60 ktpa LCE).

Mining and Process Methodology

Brine Extraction Wells

These wells extract the brine, rich in lithium, from the salar, the brine is then pumped to the pre-concentration solar evaporation ponds.

The brine well field is in the same area as the pond system, the raw brine will be extracted using up to 25 production wells depending on the seasonal brine demand. The raw brine from each well will be pumped to the first pond in the string which acts as an accumulation pond (often referred to as a buffer pond) to enable a more homogeneous brine feed quality and quantity (controlling seasonal variations). From the accumulation ponds, the raw brine will be transported to the downstream ponds in the evaporation system.

Recovery Method

The process, specifically designed for the HMW Project, is based on conventional solar evaporation ponds and impurity removal by addition of reagents (lime and calcium chloride) to obtain a concentrated lithium chloride product with 6% Li content (equivalent to 12.9% Li_2O or 31.9% LCE). Figure 9 shows the general process diagram.

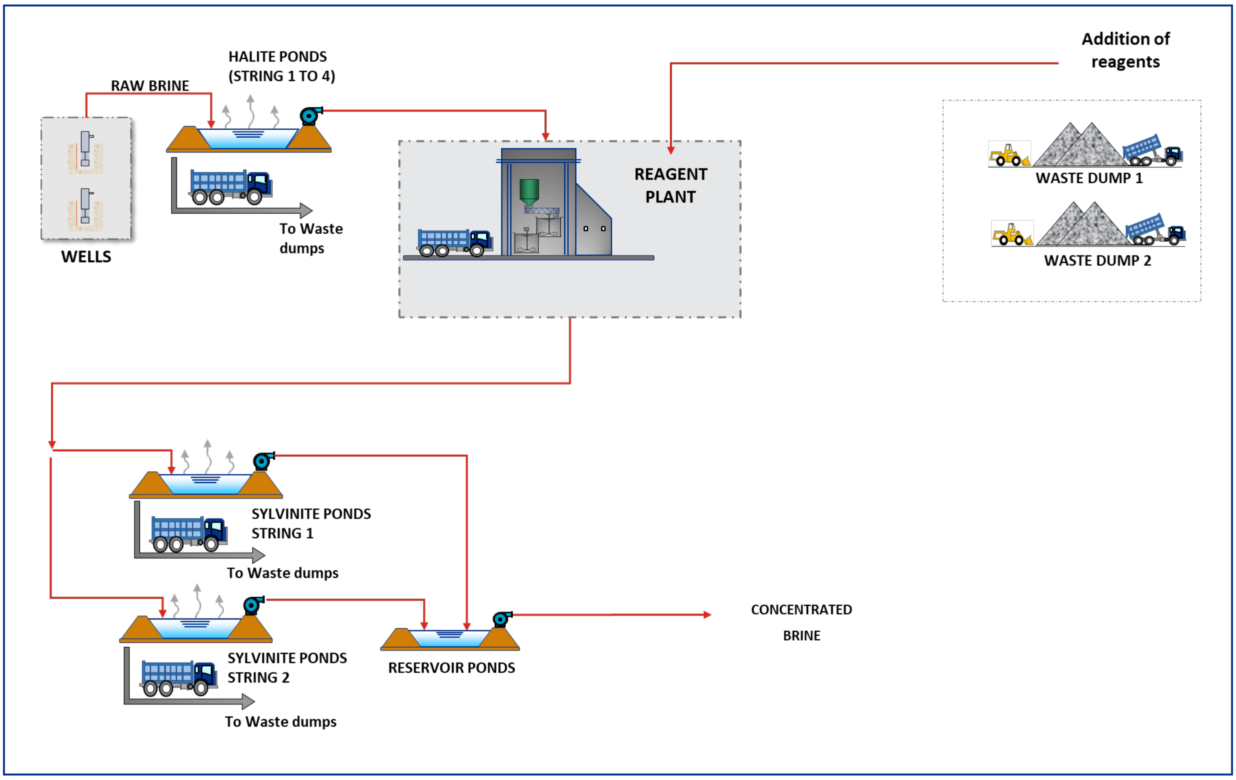

Figure 9: Process Diagram HMW Project

The long term recovery of Li including the brine transport and evaporation ponds system is 68.5%, taking account losses and 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. Therefore, the net recovery of Li from the raw brine extracted to obtain a final lithium carbonate product is 61.65%. Once the ramp up is complete, the overall residence time in the halite and sylvinite ponds is approximately nine (9) and three (3) months respectively, depending on climatic conditions.

The brine from the wells is transferred to the pre-concentration ponds (halite 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 precipitates salts and hence increases the concentration of lithium in the brine.

After the pre-concentration stage, the pre-concentrated brine progresses to a reagent addition stage designed to facilitate further precipitation of impurities but to leave the lithium in solution in the brine. This stage of the process requires solid/liquid separation (filtering) to remove the precipitated solids. Filter presses will be used for this separation.

The filtered brine is transferred to the concentration ponds (sylvinite ponds) to continue the lithium concentration by evaporation until 6% Li is reached.

The overall process plant is described further in the following paragraphs.

Pre-concentration (Halite) Ponds
The main purpose of the pre-concentration ponds is to initiate the evaporation of the brine. This stage targets the precipitation of the most unstable salts, mainly halite and some others. The Phase 2 design includes a circuit of 40 pre-concentration ponds.

Reagents, Thickener and Filter Plant
In the reagents plant, reagents are added to precipitate impurities (mainly magnesium and sulphates) from the pre-concentrated brine. After the addition of the reagents, the mixture is thickened and then filtered to separate the precipitated salts (mainly magnesium hydroxide and gypsum) from the brine. The filtered brine is fed into the first concentration pond where brine evaporation continues. The precipitated solids are sent to a waste dump. The reagents and filter plant for Phase 2 consider the same technology used in Phase 1, but the capacity is expanded and a 30 m diameter thickener is added into the process circuit.

Concentration (Sylvinite) Ponds
There are 17 concentration ponds, 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 Li content is also increased by evaporation. The end product of this stage is a concentrated lithium chloride with 6% Li.

In Phase 2 the concentration stage will consist of two strings of sylvinite ponds (one string of 12 ponds and one string of 5 ponds) operating in parallel as shown in Figure 11.

Project Layout & Infrastructure

Galan has developed a layout for the main facilities. The brine well field and evaporation ponds system are in alluvial areas surrounding the salar. The reagents and filter plant, diesel storage, power generation (diesel and solar) and water storage are located in an area close to the main strings of the ponds systems and the waste dumps for storage of the waste salts. The water wells and camp are located in the ponds area next to the main access road.

Figure 10 shows the HMW Project layout including the major infrastructure.

The infrastructure is within the Pata Pila, Deceo III, Del Condor, Rana de Sal, Casa del Inca III and IV, and Santa Barbara XXIV mining tenements as they collectively offer the best location for the main production facilities.

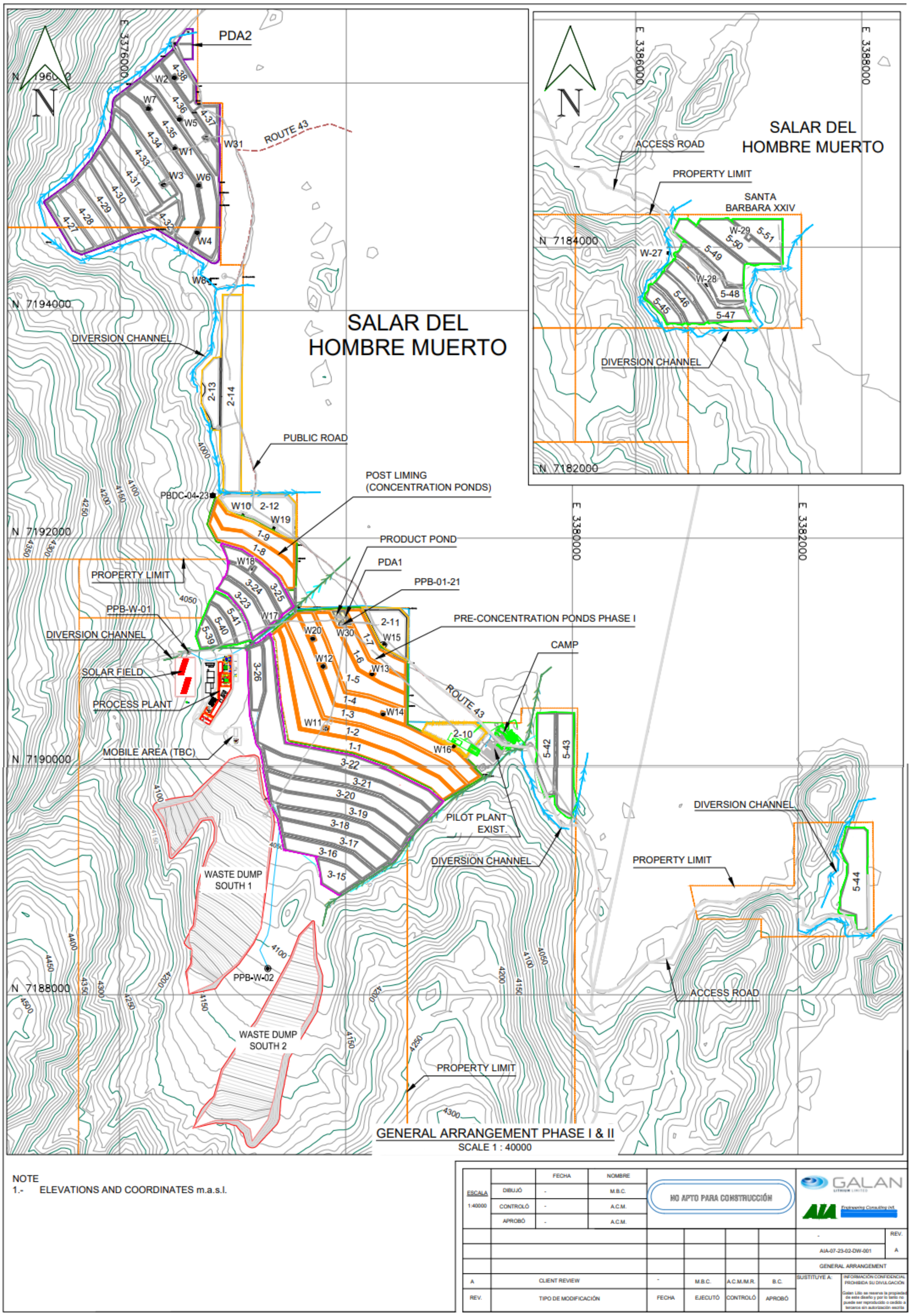

Figure 10: HMW Project Layout (Phase 1 and Phase 2)

A brief description of the main facilities follows:

Brine Well Field

The brine well field is located in the same area as the ponds system. The project team designed access and drilling areas to facilitate the operation, maintenance and potential replacements of the wells during the life of the HMW Project.

The wells field for Phases 1 and 2 are exclusively located in the Rana de Sal, Del Condor, Deceo III, Pata Pila, Casa del Inca III & IV, and Santa Barbara XXIV mining tenements. The HMW Project also has several tenements (including Catalina) with great potential to further increase the quantity and quality of the brine resources, which may result in additional production.

There are 23 production wells, the average raw brine flow required to feed the ponds system is 230 L/s. The wells are designed to achieve an availability of 90%. The production well locations are shown in Figure 4.

The raw brine will be pumped from the wells to small mixer ponds through pipes located on the surface. The purpose of the mixer pond is to achieve a more homogeneous quality of the brine feed into the ponds system. From the mixer ponds, the blended raw brine will be conveyed to the first pond of each evaporation string.

Evaporation Ponds System

The evaporation ponds system has an effective evaporation area of 534 Ha (this includes the ponds constructed in Phase 1). The ponds system has been designed to take advantage of the topography, the location and the shape and size of each pond was designed to minimise the amount of earthworks (cut and fill) needed to build them.

There are 40 pre-concentration ponds at the beginning of the brine evaporation process (inclusive of the Phase 1 pond system). The pre-concentration ponds are arranged in four strings (2 strings of 10 ponds, one string of 8 and one string of 12) that operate in parallel. The main salts precipitated are halite salts (NaCl). The pre-concentration ponds are shown schematically in Figure 11, the brine is pumped from one pond to another by floating transfer pumps. From the last pre-concentration pond in each string, the brine is fed to the reagents plant.

For the design of the flow between evaporation ponds, one of the main objectives was to reduce the pumping distances, reducing energy consumption and maintenance requirements.

Water Contour Channels

The annual rainfall in the Project area is only 86.4 mm. An analysis of a major event (1 in 100 years) was evaluated to design the water contour channels to protect the Project infrastructure, mainly in the area of the evaporation ponds system and the reagents and filter plant.

The contour channels are designed to divert and collect the surface water using trenches. The trenches include reinforcement and protection in some sections to reduce erosion.

A plan view of the water contour channels is shown in Figure 12.

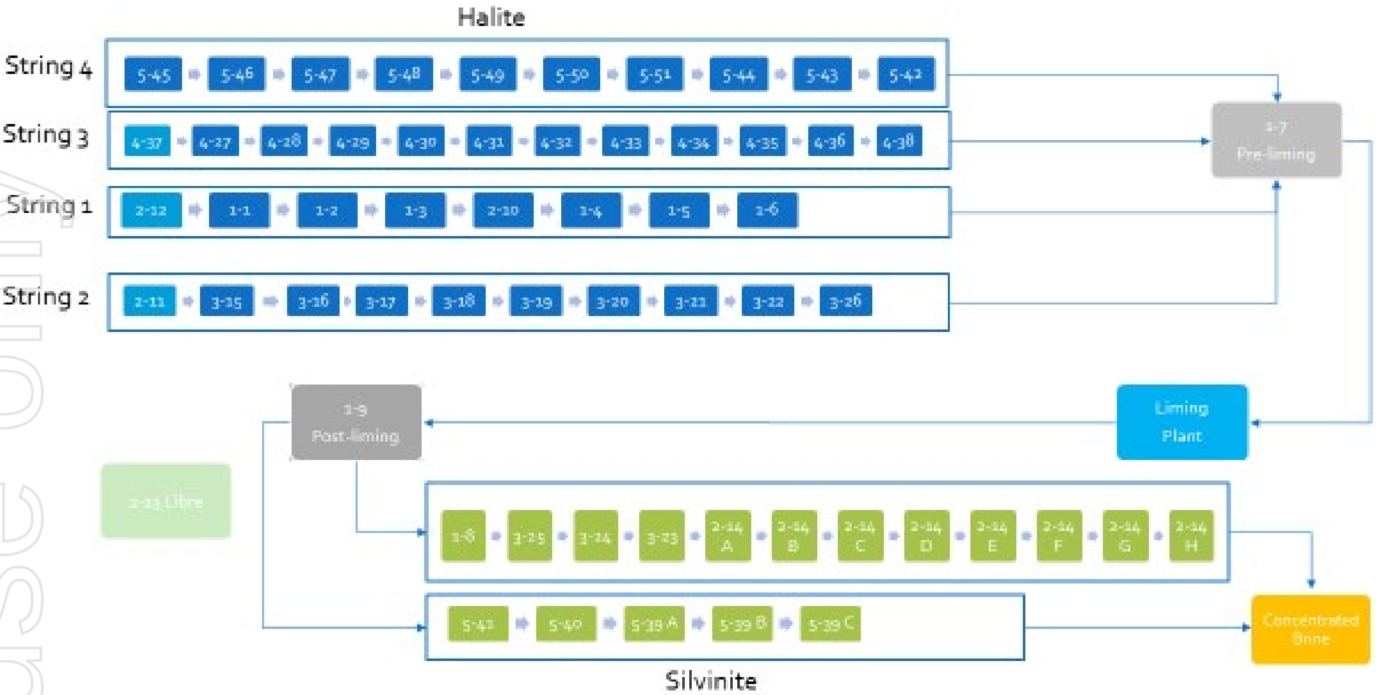

Figure 11: Brine Flow Diagram for the Evaporation Ponds System and Reagents Plant

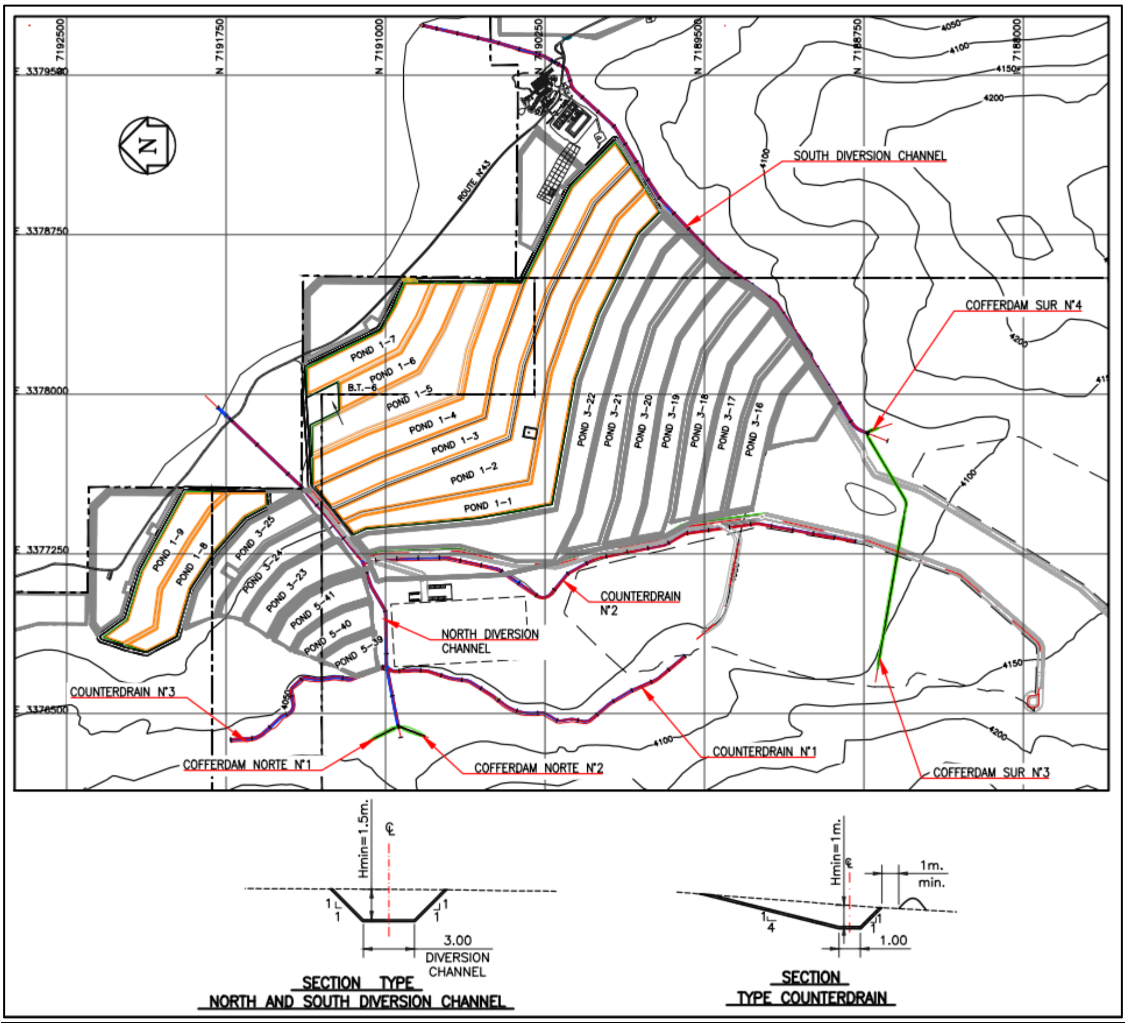

Figure 12: Water Management and Road System in the Pata Pila Area

Reagents, Thickener and Filter Plant

The reagents plant, comprising a reagent warehouse, silos, lime slaker, reactors and ancillary equipment will be located upstream, close to the ponds and the main access road to the Project. The utilities (water, power, reagent storage) are also located in the same area.

The thickener and filter plant are shown in Figure 13, the plant will include five filter presses and associated support equipment (electrical, compressors etc). The filtered cake will be trucked to a final disposal area in the salt waste dump facility.

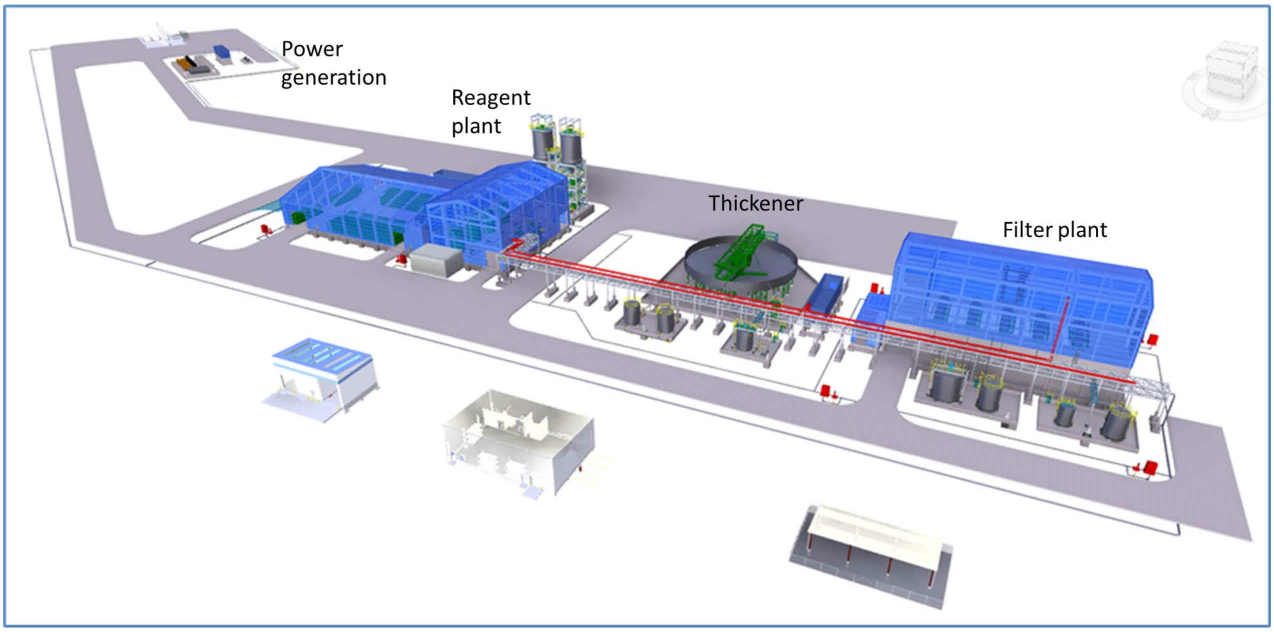

Figure 13: 3D View of the Process Plant

Waste Dumps for Salt Discharge

The Project design includes the construction of two waste dumps for the storage of the discharge salts. These waste dumps are located close to the main strings of the evaporation ponds system, for easy access and efficiency of operation of the salt haulage trucks.

The dumps are designed to store the waste salts harvested during the 40 years of operations.

Water Supply

The industrial water source for the HMW Project will come from four water wells and one trench located within the Project footprint. The water demand for Phase 2 is 20 L/s, which is considered sufficient for both construction and operation purposes. At the time of preparation of this report Galan has constructed and tested one fresh water well yielding 10 L/s. A second well is under construction.

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

Even though it is not required (because the average quality of the water is adequate), as a risk mitigation, Galan may consider a small reverse osmosis plant to improve the water quality for usage in specific areas in the process plant.

Power Supply

Diesel generators will provide the electrical power required for the HMW Project. The average power draw is approximately 39 GWh per annum, with an installed power capacity of 6.6 MW (allowing for the de-rating at site) but with significant seasonal variations. The installed power capacity has considered the efficiency losses of the diesel generators due to the altitude. The equipment list was used to estimate the installed capacity (maximum demand 5.5 MW) and the expected power consumption.

Galan will utilise solar power during Phase 2, with the planned installation of a 3 MW solar generator plant in 2026. The solar plant will be expanded by adding an extra 3 MW in 2030 to further reduce reliance on diesel generation .

Diesel Storage

The Project design includes one area to receive and store 200,000 L of diesel. This facility is dedicated to serve the diesel generators and it is located next to the generators.

A separate dedicated diesel storage facility with a tank capacity of 150,000 L will be provided for servicing the mobile equipment units used for construction of the ponds and the salt harvesting. This facility will also serve on-road trucks. Diesel for light vehicles will be supplied at the camp area through two 20,000 L tanks.

Truck Workshop

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

In the third year of operations, the HMW Project plans to construct a workshop facility to serve the salt harvesting mobile equipment fleet. This workshop will be located close to the ponds and salt waste dump area.

Reception, Handling, Storage and Distribution of the Main Supplies

The infrastructure facilities for the HMW Project include the items necessary 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 operations in the industry.

Camp and Administration Area

The HMW Project infrastructure includes the installation of camp facilities to accommodate a maximum of 700 people during construction. The camp will consist of permanent and temporary facilities. The administration area includes the access gate, office, mess, crib room, medical facility, entertainment area and warehouse. The permanent installations will be designed and installed for long term operational requirements.

The Phase 2 design of the camp is large enough to partially serve future expansion phases of the Project, reducing some Capex requirements for these later expansions.

Sewage and Waste Management

The HMW Project already has infrastructure to manage the waste generated on site. The development of Phase 2 considers the expansion of these facilities to treat the extra demand for domestic and industrial wastes generated.

Project Access and Product Transport

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

During the production period, some reagents will be shipped via the Antofagasta port in Chile and/or from San Juan Province in Argentina. There are two existing border crossings into Chile that are close to the

Project (Paso de Jama and Paso de Sico). There is also a rail line that can transport equipment and supplies between Antofagasta and Pocitos (130 km north of the HMW Project).

The sale of lithium chloride concentrate from the HMW Project is expected to be within the northern region of Argentina, therefore, the product can be transported using trucks. This practice is used by other companies such as SQM in Chile, where the lithium chloride concentrate is trucked from the Salar de Atacama area to conversion plants near Antofagasta.

Environmental and Social Studies

Galan is focusing on the discovery of lithium as a critical resource for the energy transition towards more sustainable alternatives, specifically as a raw material in the production of batteries for electric vehicles. This will contribute to the decarbonisation of the economy. From its early ventures in Argentina, Galan has striven 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 promoted by the World Economic Forum. The Company has consulted and continues to consult with its stakeholders addressing 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 its ESG journey, Galan engaged the services of Socialsuite to assist in the compilation of its baseline ESG reporting, database and systems. Galan's baseline ESG Disclosure Report has now been completed.

The HMW Project has a series of existing environmental permits to carry out exploration, studies and piloting related activities. Galan submitted an application to the local authority in November 2022, to extend the piloting facilities for Phase 1 under the same permit scope. This included the evaporation ponds system and associated facilities to test the production, at industrial level, for a lithium chloride product with 6% Li. The initial development permit was granted on 23 June 2023 (as announced by Galan on 26 June 2023) and associated works have commenced. The full construction permit was granted on 7 August 2023 (ASX Galan announcement dated 7 August 2023) and is valid for 24 months of activities on site.

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

The general Environmental Impact Statement (DIA) permit is accompanied by and feeds into other specific permits related to technical, environmental and social areas. Galan has a strategic plan for permits to ensure that the applications are submitted in a timely fashion and that the applications comply with the requirements so that approval is facilitated. This will ensures that exploration, studies, test work, construction and operations meet the standards expected by the Argentinean authorities.

The status of permits for the HMW Project is shown in Table 6.

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

Table 6: Current Status of Permits for HMW Project

Permit Name	Status	Expected Approval	Description
Preliminary Works Permit	Approved Res. MM 591/2023 June 2023	n/a	Permits preparatory work such as removal of vegetation, compaction tests and camp installation
DIA for Construction of Phase 1	Approved MM 749/2023 August 2023	n/a	Permits the construction of 6 production wells, ponds system with 135 ha of evaporation area, reagents and filter plant, power generation, diesel storage, camp and administration area and other facilities.
Exploitation of Phase 2	Application planned for October 2023	Q3 2023	The permit will request the construction of 19 new wells and operation of 25 wells, ponds system with 550 ha of evaporation area, extension of the reagents and filter plant, addition of a thickener, extension of the utilities (diesel generation, solar plant, water supply and distribution, diesel storage), extension of the camp and administration facilities and other facilities.
Water Permit	Application for Phase 1 Disp. 035/2023 September 2023	n/a	Approval for the usage of 9 L/s valid for 12 to 24 months
Waste Management	Approved	n/a	Allows the management of domestic and industrial wastes for the Phase 1 valid for 24 months
Hazardous Waste Management	Approved CAA 890, July 2023	n/a	Allows the management of hazardous waste for Phase 1 during 24 months
Use of chemical reagents	Approved Cert. No. 100121753 res./Disp. 278, July 2023	n/a	Allows the management and use of chemicals for the construction and operation of Phase 1 valid for 24 months

Note: DIA = Declaracion de Impacto Ambiental (Environmental Impact Statement)
CAA = Certificado de Aptitud Ambiental (Certificate of Environmental Competence)

The Company actively engaged early in the Project assessment process, making staff available to the authorities and communities that could be influenced by the Project. This included local government authorities and indigenous communities within the area of influence of the HMW Project. Phase 1 of the Project was presented to local communities on 3 and 4 April 2023, with formal endorsement and positive reception being obtained from these public consultation meetings, and setting out commitments that Galan will fulfil through its responsible social behaviour.

Galan has an existing workforce of around 90 people, including personnel with long experience in the construction and operation of wells and evaporation pond units. It contracts suppliers and contractors, bringing the total workforce to 180 people (direct and indirect). Galan has committed to the recruitment of personnel from the communities close to the Project. It is expected that the total workforce will increase to around 1,500 people during construction of Phase 2, the majority coming from Catamarca Province; some personnel may come from nearby Provinces in northern Argentina. During Phase 2 operations, Galan expects to directly employ a permanent work force of 225 people (excluding contractors).

The Company has an ongoing, solid working relationship with local communities and actively continues meaningful engagement with local people, communities and businesses. Wherever possible, training, employment and procurement opportunities will be made available for communities near 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 2 production schedule based on the process design and mass balance developed by the process consultant, Ad-Infinitum. Table 7 displays the annual production schedule for the Project. The schedule is expressed in recoverable units of LCE.

Table 7: Production Schedule (HMW Project – Phase 2)

Production Years	2025 (year 1)	2026	2027	2028	2029	2030	2031 - 2040	2041 - 2060	2061 - 2064	Total Production
Recoverable LCE (tonnes)	4,180	13,955	17,436	20,224	20,851	20,851	208,509	417,018	83,404	806,430

The production schedule uses a fixed average grade of 0.073% Li with no cut-off grade being applied. The extracted brine volumes and Li contents were used 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 full use of the current estimated Ore Reserves.

The predictive models developed by Ad-Infinitum also used 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 for Phase 2 of 68.51% within the pond system; however, in the first 2 years of the ramp up, 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%. As salt harvesting commences through the various strings of ponds, the recovery will gradually increase to 68.51% at steady state conditions.

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

Combining the pond and equivalent lithium carbonate recovery, the production level of 4,180 tpa of recoverable LCE will be generated in 2025, building up to full production of 20,851 tpa LCE in 2029.

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 61.66%.

Test Work and Piloting Activities

During the period 2020 and 2021, Galan conducted test work at the laboratory scale in Chile to calibrate the process design. These tests obtained a high quality lithium chloride product and provided the information to prepare the process design criteria for the HMW Project.

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

During 2022, before the commissioning of the existing pilot plant on site, Galan conducted test work at the HMW site for obtaining lithium chloride with 6% Li. Test work utilised a batch methodology starting with a volume of around 40 m^3 of brine, to obtain around 10 L of lithium chloride. Another set of laboratory test work was conducted in the Antofagasta Region, Chile, during 2021. These tests also obtained lithium chloride products with similar qualities; the results were released to the market on 21 March 2021.

The Company started piloting activities in April 2022 by filling the first evaporation pond at the existing pilot plant. The pilot plant (Figure 14) has continued with brine evaporation and on 24 July 2023 Galan announced that 6% Li content had been achieved (ASX: Successful Delivery of a Premium Quality, (6% Li) Lithium Chloride Concentrate Product from HMW Pilot Plant). Since then, the pilot plant has continued operating successfully, delivering the second volume of lithium chloride product on 18 September 2023. The test work undertaken and described above was released to the market in line with ASX disclosure requirements.

Figure 14: Pilot Plant at HMW

The pilot plant has validated the production of lithium chorine concentrate, adding reagents to eliminate impurities, and generating a concentrate at 6% Li. The plant comprises pre-concentration ponds, a lime plant, a filter press and concentration ponds.

<u>Construction Progress of Phase 1</u>

HMW Phase 1 project commenced the construction of the ponds on 20 August 2023. The latest progress on the construction for Phase 1 is as follows:

- First pond (1-1) has a construction progress of 15%
- All six production wells are drilled, three of them are fully operational
- Camp facilities were expanded to accommodate around 200 people, 144 additional beds are in construction with progress of around 50%
- The diesel storage facility was extended, the current capacity is 150,000 L
- Long lead items have been purchased, or the tender process is well advanced.

Figure 15 shows the construction of the first pond (1-1) of Phase 1.

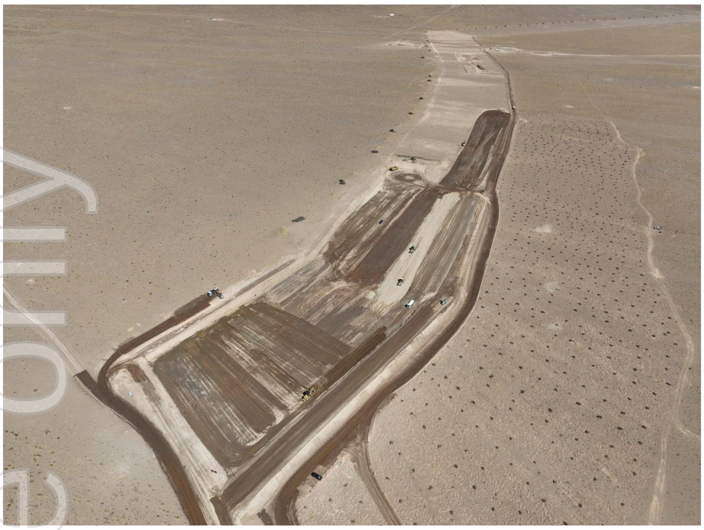

Figure 15: Construction of the First Evaporation Ponds at HMW

Market and Contracts

Estimate of the Lithium Carbonate Price

The estimate of the battery grade lithium carbonate price (for the period 2025-2040) used for the economic evaluation Phase 2 of the HMW Project was taken directly from the latest battery grade lithium carbonate contract price forecast prepared by Wood Mackenzie Q2, 2023*. In addition, from 2041 to 2064, the long-term price of LCE was projected by Galan to remain steady at US$29,000/t LCE (see Figure 16).

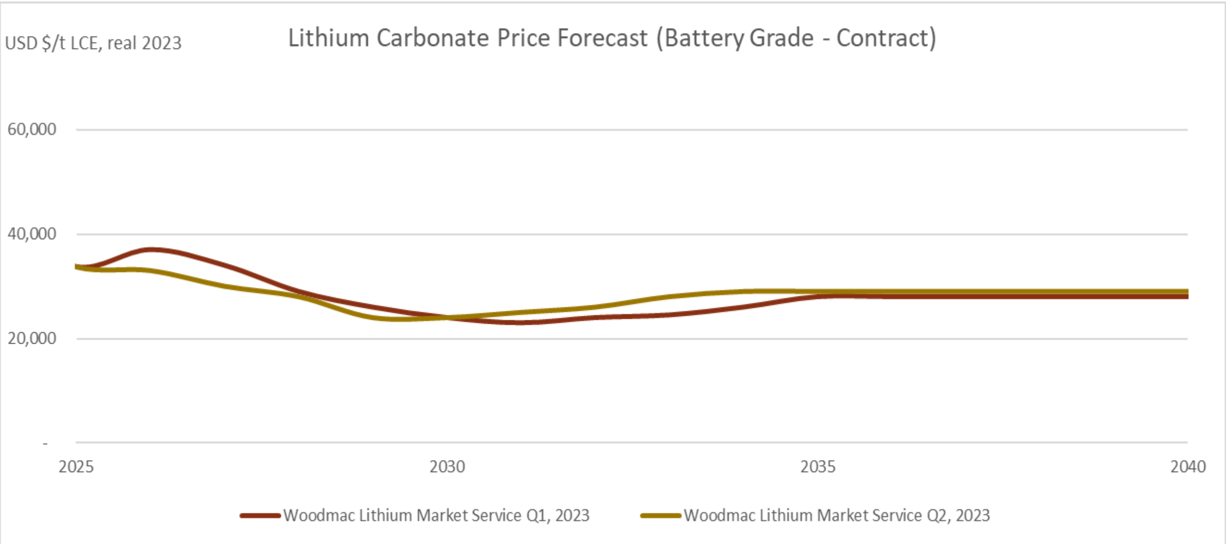

Figure 16: Lithium Carbonate Price Forecast (Battery Grade – Contract)

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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 to convert the LiCl concentrate into a lithium carbonate product, by plants in northern Argentina
- Commercial analysis to define a range of off-take prices, taking into account the attractiveness of the business model for both Galan and the potential off-taker.

There are approximately 10 projects in northern Argentina that can potentially process the LiCl concentrate generated by the HMW Project to produce a lithium carbonate product. Galan has also identified that the quality of the LiCl concentrate from the HMW Project is superior due to higher content of Li and lower contents of impurities compared to the average LiCl concentrate treated by the majority of the lithium carbonate plants in Argentina. Therefore, there is an opportunity for the lithium carbonate plants in Argentina to use the HMW LiCl concentrate and improve the efficiency of their conversion process, adding value to their businesses.

The estimate of the price of LiCl concentrate has been analysed considering the price of battery grade lithium carbonate 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 in the lithium carbonate plant (90%).

The estimate of the LiCl concentrate price is shown as a percentage of the lithium carbonate price. A pricing formula was developed by iLi Market, a company specialising in the lithium market.

The average lithium chloride payable price for the period 2025-2064 is US$20,557/t Li contained in Lithium Chloride concentrate (equivalent to $22,841/t LCE). This price is estimated on a real basis, excluding the impact of inflation, representing approximately 79% of Galan's long term price estimate for lithium carbonate ($29,000 USD $/t LCE).

Capital (Capex) Estimate

Scope of the Capital Cost Estimate

The estimate 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 includes 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.

The Capex considers the execution of Phase 1 of the HMW Project and the continuation with the expansion to the full production of 20.85 ktpa LCE from Phase 2. The project team continues to optimise the implementation of Phase 1 and 2 which may result in reductions of the total Capex presented.

Basis of the Capital Estimate

The capital cost estimate (**Capex**) was developed using the standards established for a DFS 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 8.

The Capex estimate structure was defined using the following criteria:

- Direct Construction and Assembly Costs: consider procurement or supply, assembly labour, construction equipment, permanent construction materials and consumables, as well as indirect Contractor costs such as mobilisation and demobilisation 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, import duties, supplier representatives, commissioning activities, accommodation and meals, engineering and studies, services, EPCM, start-up and owner's costs.
- Contingency: estimated based on a percentage of the total cost, according to cost engineering standards.

All Capex items are expressed in US dollars (US$). Due to the uncertainties in the currency market of Argentina, the majority of equipment, material and services were bid directly in US$.

Table 8: Information Utilised in the Capital Estimate (HMW Project - Phase 2)

Item	Quantities/Size	Price Source
Brine wells	Engineering design and estimate of quantities	Actual costs, firm quotes and budget quotes
Evaporation ponds	Engineering design and estimate of quantities	Firm quote
Main mechanical equipment	Engineering design and vendor sizing	Budget quote plus escalation on specific items
Main electrical equipment	Engineering design and vendor sizing	Budget quote and benchmark
Main pipelines	Engineering design and estimate of quantities	Combination of budget and tender quotes
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	Allowance	% of direct cost
EPCM services	First principles and factors	Actual costs, budget quote and benchmark
Owner's team	First principles estimate of quantities	Escalation based on actual cost
Transport	Allowance	% of direct cost

Based on the level of engineering development, an overall contingency of 11% of total Capex is defined for the HMW 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.

Working capital was included as part of the economic evaluation in the financial model.

For the development of the Capex, Galan provided the following information to P&A:

- Owner's cost
- Location of brine well field area and total flow
- Firm quotes for the construction of the evaporation ponds system, after a tender and negotiation process
- Basic meteorological data
- Location of the fresh water wells
- Civil design of the ponds
- Civil design of the water contour channels.

Existing Facilities (sunk costs)

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

- Construction of five 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 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 the installation of HDPE pipes.
- Waste management storage area.

Despite the difference of around 3½ months between the Capex estimates of the Phase 1 and 2, Galan has decided to consider the same sunk costs, this facilitates the comparison of the incremental Capex of Phase 2 against Phase 1.

Work Breakdown Structure (WBS)

The WBS was prepared taking into consideration the current scope under Phase 2 and also the future expansion phases of the Project. The WBS of the HMW Project is displayed in Table 9.

Table 9: Work Breakdown Structure for the Capital Cost Estimate (Capex) (HMW Project - Phase 2)

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	Reagents Plant	Reagents plant, filter 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	Owner's cost, EPCM, community, environmental, taxes, insurance and logistic

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

Capex Estimate Results

The total Capex for Phase 2 of the HMW Project is estimated to be US$428.8 m which is broken down into direct, indirect and contingency costs. This includes the following estimates:

- Direct Project costs equal to US$246.9 million, equivalent to 58% of the total Capex
- Indirect Project costs equal to US$134.6 million, equivalent to 31% of the total Capex
- Project contingency equal to US$47.3 million, equivalent to 11% of the total Capex.

Table 10 summarises the capital cost estimate for the implementation of Phase 2 of the HMW Project in accordance with the scope and the information available at this stage (including Phase 1 Capex).

Table 10: Capital Cost Estimate (HMW Project – Phase 1 and Phase 2)

Area	Total Capex US$Million
Brine Wells and Brine Transport	21.7
Evaporation Ponds System	113.3
Reagent and Filter Plant	57.6
Utilities	39.3
Infrastructure	15.0
Total Direct Cost	**246.9**
Total Indirect Cost	134.6
Total Capex without contingency	**381.5**
Contingency (12.4%)	47.3
Total Capex	**428.8**

Capex Transition between Phase 1 and 2

Phase 1 is currently in construction, Galan is targeting to continue directly with the construction of the ponds for Phase 2, when the construction of the Phase 1 ponds is completed. This will have a positive impact on the production plan and the Capex efficiency.

Other areas may not need this continuity of construction to achieve the Phase 2 production plan. However, Galan will analyse the possibility of bringing forward or combining the construction of the Phase 2 facilities with the construction of Phase 1. This may result in capital savings and will reduce mobilisation and demobilisation costs.

The Phase 1 and Phase 2 Capex estimates are compared in Table 11. Galan will review the transition between the phases to take advantage of potential savings and to further optimise its cash flows.

Table 11: Incremental Capex Between Phase 1 and 2

Area	Phase 1 Capex US$Million	Phase 2 Incremental Capex US$Million	Total Capex US$Million
Brine Wells and Brine Transport	3.3	18.4	21.7
Evaporation Ponds System	31.3	82.0	113.3
Reagents and Filter Plant	27.0	30.6	57.6
Utilities	9.3	30.0	39.3
Infrastructure	12.9	2.1	15.0
Total Direct Cost	**83.8**	**163.1**	**246.9**
Total Indirect Cost	19.8	114.8	134.6
Total Capex without contingency	**103.6**	**277.9**	**381.5**
Contingency	14.8	32.5	47.3
Total Capex	**118.4**	**310.4**	**428.8**

Operating Cost (Opex) Estimate

The operating cost estimate (**Opex**) is expressed in US dollars (US$). Due to the uncertainty of the currency market in Argentina, the majority of the operating cost items were based directly in US$ with the local labour costs being originally estimated in Argentinian pesos.

The scope for the Opex estimate includes all the activities required for the production of 20.85 ktpa LCE. The study team prepared a first principles estimate using an Excel model.

The battery limits 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 considered:

- Direct operating costs**:** expenses associated with the operation that are directly associated with the main production process. These expenses include supply and consumption, mainly related to reagents and power, as well as workforce, personnel costs (salary), LiCl transport and others.

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

The Opex estimate for Phase 2 of HMW Project to Lithium Chloride is presented in Table 12.

Table 12: Operating Cost Estimate (Opex) (HMW Project - Phase 2)

Area	US$/Recoverable t of LCE[1]
Brine Field	175
Ponds	262
Reagents and Filter Plant	1.171
Site Services	362
Salt Harvesting	635
General Administration	488
LiCl Transport	418
Total Opex[2]	**3,510**

(1) Operating cost reported excludes the conversion cost from lithium chloride to battery grade quality lithium carbonate.
(2) Operating cost estimate assumes a recovery of 90% for the conversion process from LiCl to LCE

The cash cost for the production of lithium chloride is US$3,510 per recoverable tonne of LCE, excluding the conversion cost from lithium chloride to battery grade lithium carbonate equivalent (LCE).

The operating cost estimate for Phase 2 achieved a significant reduction in the fixed cost components such as the G&A and site service items compared to the Opex estimate for Phase 1. In addition, the inclusion of the solar power plant in Phase 2 reduced the power cost. The Opex estimate for Phase 2 has captured the lithium chloride product transport cost from the HMW Project site to customers located in Argentina, this cost was previously embedded in the negotiation of the lithium chloride pricing formula in the Phase 1 DFS but Galan has reported this independently in the Phase 2 DFS.

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

<u>Brine Field</u>

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

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

Reagents and Filtering Plant
This cost area covers the operation and maintenance of the reagents and filter plant and includes the consumption of reagents, manpower, maintenance and power consumption.

Site Services
This cost includes some centralised 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 diversion channels, transporting filtered cake and for some production activities. The mobile equipment fleet includes forklift, boom truck, bobcat, front end loader, water truck, grader. This cost item also includes some small tools and supplies, for example lubricants and safety items.

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

Product Transport
The transport costs considers 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 northern Argentina.

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

Power Consumption
The operating cost estimate for energy consumption 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 item was estimated. The power cost is included in the cost of each main area in Table 12.

Labour
Galan conducted an analysis of the number of personnel required for the Project, excluding the salt harvesting personnel cost which is included in the salt harvesting cost. The labour cost is embedded in the cost of each main area in Table 12.

HMW Project within the Lithium Cost Curve

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

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

Figure 17 shows the lithium carbonate equivalent industry AISC cost curve. The location of the HMW DFS Phase 2 Project is within the first quartile of the industry cost curve.

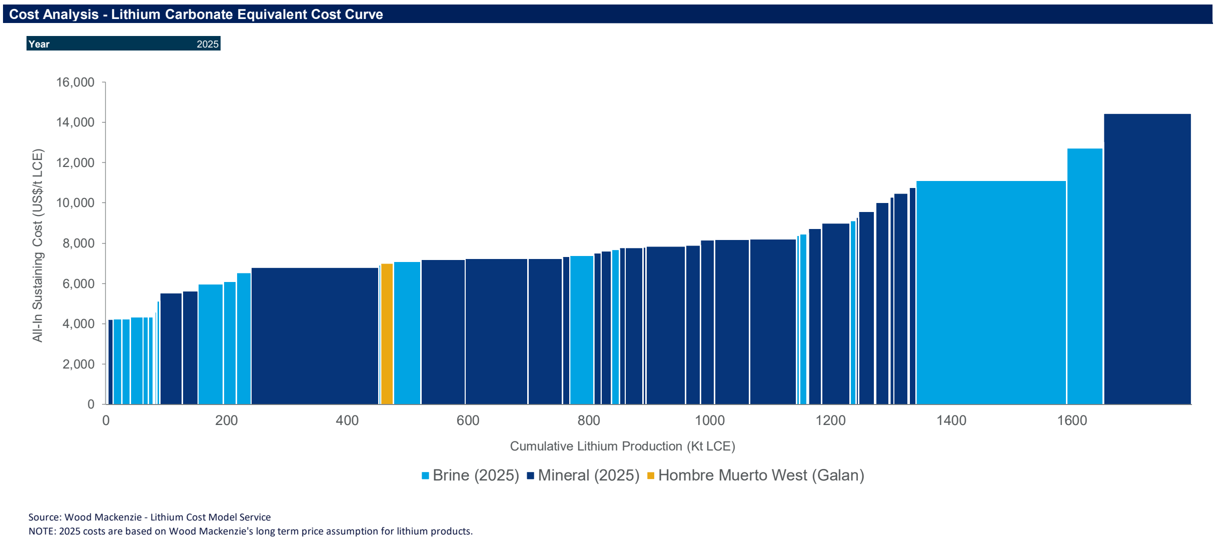


Figure 17: All in Sustaining Cost Curve

Source: WoodMac – Lithium Cost Model Service (Wood Mackenzie data from Q1, 2023 with Galan's assumptions applied)

*** Wood Mackenzie Disclaimer**

"The foregoing information was obtained from the Lithium Cost Service™ a product of Wood Mackenzie."
"The data and information provided by Wood Mackenzie should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for your use of this data and information except as specified in a written agreement you have entered into with Wood Mackenzie for the provision of such of such data and information."

Project Schedule

The Phase 1 construction permit was granted by the authorities in August 2023. Galan immediately commenced construction of the evaporation ponds, expansion of the camp facilities, procurement of long lead items, tendering of major contracts and recruiting personnel.

The construction period for Phase 2 is from H2 2024 to H1 2026, with the production of lithium chloride from Phase 2 expected to commence in H2 2026. Galan developed a construction schedule for the Project, considering the conditions on site. Productivity rates were checked by P&A for major disciplines such as earthworks, installation of liners in the ponds system, concrete and structural steel. In addition, the fabrication time for the long lead items (filter presses and lime plant) were considered in estimating the construction time.

Table 13 shows the most important milestones for the development of HMW Project.

Table 13: Development Milestones (HMW Project – Phase 2)

Milestone	Completion Timeframe	Status
Construction permit, Phase 1	Q3 2023	Achieved
Start of construction, Phase 1	Q3 2023	Achieved
First pond filled	Q1 2024	On-track
Exploitation permit, Phase 2	H2 2024	On-track
Start of construction, Phase 2	H2 2024	On-track
Completion of construction, Phase 1	Q1 2025	On-track
Start of production of lithium chloride (from Phase 1)	H1 2025	On-track
Completion of construction, Phase 2	H1 2026	On-track
Ramp up of production for Phase 2	H2 2026	On-track

Galan expects to continue with the expansion of the HMW Project through the implementation of successive phases. Phase 1 is currently under construction whilst the commencement of construction for Phase 2 is subject to the approval of the 20.85 ktpa LCE permit application, which will ideally be approved in H2 2024 (allowing for the continuous construction of ponds through Phases 1 and 2).

Economic Evaluation

The economic evaluation of the HMW Project was conducted following industry standards for this project stage. A discount rate of 8% was used for present value calculations. All costs are expressed in US dollars (US$), to reduce the impact of the variation of the local currency market in Argentina.

Forecast lithium carbonate prices for the period from 2025 to 2040, used for the economic evaluation, were provided by Wood Mackenzie. The lithium carbonate price for the period from 2041 onwards was fixed at the 2040 value.

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 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. Based on the above and the other key assumptions mentioned throughout this announcement, the results of the economic evaluation are displayed in Table 14.

Table 14: Economic Evaluation Results (HMW Project – Phase 2)

Parameter	Unit	Phase 2 Values
Lithium Carbonate Equivalent (LCE) Production	Tonnes/Annum	20,851
Project Life Estimate	Years	40
Capital Cost (Initial Capex)	US$ Million	429
Capital Cost (ex-contingency)	US$ Million	382
Sustaining Capital Cost	US$ Million	221
Average Annual Operating Cost (Opex)	US$/t LCE	3,510
Average Lithium Chloride Selling Price (2025-2065)	US$/t LCE	22,841
Average Annual EBITDA	US$ Million	374
Average Annual Free Cash Flow	US$ Million	236
Pre-Tax Net Present Value @ 8% (NPV)	US$ Million	3,145
After-Tax Net Present Value @ 8% (NPV)	US$ Million	1,993
Pre-Tax Internal Rate of Return (IRR)	%	57
After-Tax Internal Rate of Return (IRR)	%	43
Payback Period (After-Tax, commencement Phase 1 production)	Years	2.9
Maximum cumulative negative cash flow	US$ Million	401

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

(2) Payback is years after the commencement of production.

Sensitivity Analysis

The sensitivity of the economic evaluation of HMW Project was analysed for the most important parameters identified. The project is most sensitive to lithium pricing achieved, followed by Opex and Capex respectively. Tables 15 and 16 display the sensitivity of NPV and IRR respectively, when the most important parameters fluctuate within the range of -30% and +30%.

Table 15: Sensitivity of the NPV After Tax (HMW Project - Phase 2)

Driver Variable	Base Case Value		NPV After Tax (US$ Million) Percentage of Base Case Value						
			70%	80%	90%	100%	110%	120%	130%
Capex (Initial)	US$ Million	428.8	2,086	2,056	2,025	1,993	1,960	1,926	1,892
Lithium Chloride Price	US$/t LCE	22,841	1,152	1,433	1,713	1,993	2,273	2,553	2,834
Opex	US$/t LCE	3,510	2,130	2,084	2,039	1,993	1,947	1,902	1,856

Table 16: Sensitivity of the IRR (HMW Project - Phase 2)

Driver Variable	Base Case Value		IRR After Tax (%) Percentage of Base Case Value						
			70%	80%	90%	100%	110%	120%	130%
Capex (Initial)	US$ Million	428.8	56.5%	50.9%	46.4%	42.7%	39.5%	36.8%	34.4%
Lithium Chloride Price	US$/t LCE	22,841	29.3%	33.9%	38.3%	42.7%	46.9%	51.1%	55.1%
Opex	US$/t LCE	3,510	44.9%	44.2%	43.4%	42.7%	41.9%	41.2%	40.4%

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.

To achieve the range of outcomes indicated in the DFS, funding of part of the US$ 382 million (ex-contingency) capital cost (includes Phase 1 Capex of US$ 104m and Phase 2 (incremental) Capex of US$ 278m) will likely be required, in order to deliver Phase 2 within the timeframe projected within the study. Alternatively, the Company could self-fund the Phase 2 incremental Capex from Phase 1 cashflows, although this would involve Phase 2 development occurring over a longer timeframe.

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 pre-payment, sale, partial sale or joint venture of the HMW Project. Galan is of the opinion that there is a reasonable basis to believe that the requisite future funding for Phase 2 of the HMW Project 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 possible that such funding may only be available on terms that may dilute 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 off-take opportunities due to more flexible commercial outcomes
- The HMW Project will produce a premium, high-grade concentrated lithium chloride product with 6% Li (equivalent to 12.9% Li_2O or 31.9% LCE) with low impurities
- Premium LiCl product can help to improve the performance of any lithium carbonate plant in northern Argentina. Several of these plants will start production in the next 3 years

- Like Phase 1, Phase 2 is technically simple and has a rapid payback of only 2.9 years from the start of Phase 1 production
- The strategic nature of lithium, especially in the context of urgent global climate issues
- The release of the Phase 1 and Phase 2 DFS for the HMW Project enables Galan to discuss outcomes with potential financiers
- The HMW Project has significant growth in its Ore Reserves as it moves further into Phase 2 for 20.85 ktpa LCE production
- There are significant capital savings and other sunk costs that flow through from Phase 1 to Phase 2 and will flow through to Phases 3 and 4
- Two years earlier cash flow from lithium chloride production versus lithium carbonate production.

Further Expansions and Upside Potential of HMW Project

Galan plans to undertake more studies in 2024 for Phase 3 production from HMW in 2028 (40 ktpa LCE) followed by Phase 4 production in 2030 (60 ktpa LCE) from both the HMW and Candelas Projects.

Phase 2 is considered a Tier 1 project, because it delivers the following competitive advantages:

- >40 years operating life, at competitive AISC
- A premium product: High grade, low impurity concentrated lithium chloride product with 6% Li (equivalent to 12.9% Li_2O or 31.9% LCE). This product can improve the performance of any lithium carbonate plant, because it is significantly superior to the average LiCl product currently available in the market
- Strong ESG credentials: Efficient fresh water usage and lower power costs compared to lithium carbonate production, and a solar power plant
- Significant economics: Capex approximately 40% less than lithium carbonate production
- Up to 2 years earlier cash flow than lithium carbonate production, lower sustaining Capex
- Flexible commercial outcomes: Opens up the potential for early off-take opportunities and pre-payments.

Galan has identified the following upside opportunities, which may add value to Phase 2 and/or Phase 3 and 4:

- The northern mining tenements currently being explored may increase the quality and quantities of the Ore Reserves. This could have the potential to increase the Li grade in the raw brine feed, which may result in an increase in the LCE content in the lithium chloride product.
- Increase the production of LCE contained in the lithium chloride by recovering the high Li grade brine entrained in the discharge salts. There are between 1,000 and 2,000 of LCE tonnes per annum contained in the sylvinite salts removed from the ponds. This opportunity can only be analysed after the salt harvest activity commences, around Year 3 of the operation.

Risk Analysis

P&A undertook with Galan a preliminary risk assessment for Phase 2, using the Australian and New Zealand risk methodology known as AS/NZS 4360. This methodology is a comprehensive framework designed to identify, assess and manage risks effectively.

A total of 31 risks were identified and then assessed to determine the residual magnitude considering the category. Table 17 shows that 19% of the risks have a "High" magnitude, with no significant risks in the Project Management category. There are no risks with "Extreme" magnitude.

Table 17: Risk Distribution by Category and Residual Risk Magnitude

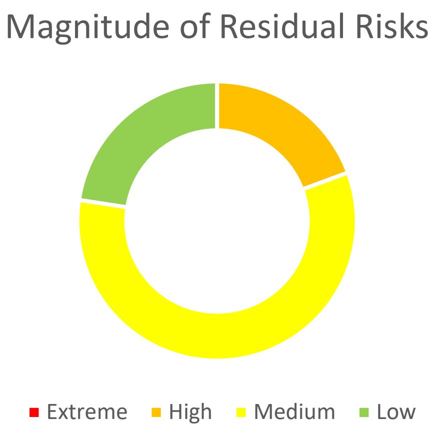
Category	Extreme	High	Medium	Low	Total	%
Community Risks			1		1	3%
Emerging Risks		1		1	2	6%
Financial and Commercial Risks		1	2		3	10%
Operational Risks		2	4	2	8	26%
Project Risks		1	9	4	14	45%
Reporting and Compliance Risks		1			1	3%
Occupational Health and Safety Risks			2		2	6%
Total	0	6	18	7	31	100%
%	0%	19%	58%	23%	100%	

The 31 risks were classified according to the remaining magnitude after mitigation, considering the category. Table 18 shows that only 3% of the risks have a "High" magnitude; 42% have a "Medium" magnitude these are in the Financial and Commercial, Operational and Project risk categories.

Table 18: Risk Distribution by Category and Remaining Risk Magnitude

Category	Extreme	High	Medium	Low	Total	%
Community Risks				1	1	3%
Emerging Risks		1		1	2	6%
Financial and Commercial Risks			2	1	3	10%
Operational Risks			4	4	8	26%
Project Risks			6	8	14	45%
Reporting and Compliance Risks			1		1	3%
Occupational Health and Safety Risks				2	2	6%
Total	0	1	13	17	31	100%
%	0%	3%	42%	55%	100%	

Figure 19 shows the data from Tables 18 and 19 graphically and shows the effectiveness of the proposed action plans.



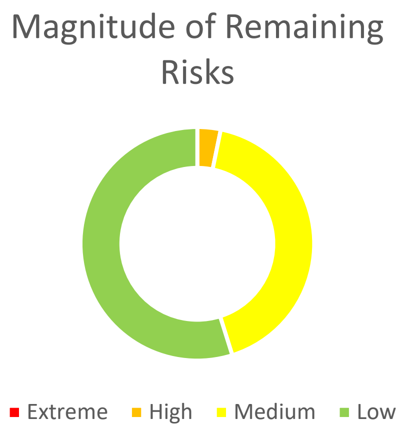


Figure 19: Magnitude of Residual and Remaining Risks for the Project

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 3 km south of the Tier 1 Greenbushes Lithium Mine.

Hombre Muerto West (HMW): A ~16 km by 1-5 km region on the west coast of Hombre Muerto Salar neighbouring Livent Corp. to the east. HMW is currently comprised of twenty one mining tenements. Geophysics and drilling at HMW demonstrated significant potential of a deep basin. In May 2023 an updated Mineral Resource estimate was delivered totalling 6.6 Mt 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 ~15 km long by 3-5 km 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 685 kt 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 to avoid using surface river water from Los Patos River.

Greenbushes South Lithium Project: Galan now owns 100% of the mining 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 mining tenements are located along the trace of the geological structure, the Donnybrook-Bridgetown Shear Zone that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes. In March 2022 airborne geophysics were flown to develop pegmatite targets for the Galan's mining tenements. Following on, in August 2022, a pegmatite associated with spodumene-bearing rocks was discovered at E70/4790. This mining tenement is approximately 3 km to the south of the Greenbushes mine.

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 percentage of lithium oxide (Li_2O) content or percentage of lithium carbonate (Li_2CO_3) content. Lithium carbonate equivalent (LCE) is the industry standard terminology and is equivalent to Li_2CO_3. Use of LCE provides 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 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.

Table of 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 forward-looking in nature. 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, neither 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 in this report that relates to the Mineral Resources estimation approach at Candelas and 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 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 3
The information contained herein that relates to Project background, brine extraction method, recovery method and Project layout, 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, 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 4

The information in this report that relates to the Ore Reserves estimation approach at Hombre Muerto West was compiled by Mr Rodrigo Riquelme. Mr Riquelme is a Principal Consultant of GeoInnova and is assisting WSP Consulting (Chile). He has experience relevant to the assessment 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)". Mr Riquelme 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, Capex, Opex and economic evaluation was reviewed by Ernest Burga, General Manager of Andeburg Consulting Services Inc. 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 for Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Mr Burga 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 groundwater and the purged sample was collected for laboratory analysis. • 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 multi-parameter. • 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 the 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 1.5 m 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 nature. Core (or costean, channel, etc) photography.*	• 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. The relative proportions of different lithologies which have a direct bearing on the overall

	• *The total length and percentage of the relevant intersections logged.*	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 in Salta 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 and standards 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 +/-5 m. • The grid System used: POSGAR 2007, Argentina Zone 3 • Topographic control was obtained by handheld GPS, and the topography is mostly flat with limited relief. Well collars were adjusted to 1 m resolution topographic survey.
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 layers, 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 campaigns.

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 mining tenements are 100% owned by Galan Lithium Limited (through its subsidiaries in Argentina).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No historical exploration has been undertaking in 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 understanding of the report, the Competent*	Drill hole ID: PPB-01-21 • Easting: 3377959 E (POSGAR 2007 Zone 3) • Northing:7191250 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 220 m Drill hole ID: PP-01-19 • Easting: 3377957 E (POSGAR 2007 Zone 3) • Northing:7191255 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 720 m Drill hole ID: PBRS-01-21 • Easting: 3376761 E (POSGAR 2007 Zone 3)

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

Criteria	JORC Code explanation	Commentary
		• Hole Depth: 552 m Drill hole ID: PS-01-22 • Easting: 3378699 E (POSGAR 2007 Zone 3) • Northing:7199021 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 300 m Drill hole ID: SB-01-23 • Easting: 3386633 E (POSGAR 2007 Zone 3) • Northing:7183680 N (POSGAR 2007 Zone 3) • Vertical hole • Hole Depth: 455 m
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. However, a comparison was done between masked and non-masked data and the difference between the global results was 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 drill hole 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 III, Rana de Sal I, El Deceo III and Santa Barbara XXIV 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).* • *Diagrams clearly highlighting the areas of possible extensions, including the main*	• Exploration activities will continue to further consolidate expansion of mining tenements into the potential resource for the 60Ktpa LCE project (including Candelas). New production wells should demonstrate extraction yield and grade on the

Criteria	JORC Code explanation	Commentary
	geological interpretations and future drilling areas, provided this information is not commercially sensitive.	fractured domain, expected to conclude in Q4 2023.

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. • Bore holes 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 the exploration manager regarding details of the descriptions and lithologies. • The CP reviewed locations and witnessed drilling and sampling practices while 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 varies between 2 and 0.3 km. There is also extensive coverage of conductivity surveys (30 lines) spaced on average 700 m, 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 ~15 km^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 hydrogeological 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.* • *The assumptions made regarding recovery of by-products.*	• 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 20 m length. • Block Model cell dimensions of 40 m (easting) by 200 m (northing) by 10 m (elevation), consideration was given to drill spacing, sample interval, the interpreted geometry and thickness of the hydrogeological domains and the style of mineralisation. • The search ellipse was anisotropic with a slightly longer north dimension and a relatively short

Criteria	JORC Code explanation	Commentary
	• *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 drill hole data, and use of reconciliation data if available.*	vertical dimension. The search distances were at a distance to ensure all blocks within the hydrogeological domains were estimated, up to a maximum of 4 km. • 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. • Down hole measurements of specific yield (SY) (drainable porosity) were obtained using a number methods including: o Zelandez using Borehole Magnetic Resonance technology o Rapid Brine Release (not used due to uncertainty in sample integrity) o Direct measurements derived from SGS laboratory. • S_Y values were also benchmarked against other similar deposits. The values assigned to each hydrogeological unit are as follows: o Sand – 23.9% o Gravel – 21.7% o Breccia – 8% o Debris – 12% o Fractured Rock – 6% o Halite – 3% • Lithium and potassium content were estimated into a proportional block model based on 20 m 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 relatively 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 have 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*	• 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
	an 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 hydrogeological 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 down hole 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:
		  ○ Sand 23.9%
		  ○ Gravel 21.7%
		  ○ Breccia 8%
		  ○ Debris 12%
		  ○ Fractured rock 6%
		  ○ 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*	• Most of the estimated Resource is assigned as Measured based on drill hole coverage, pumping tests, geophysics and good constraints of the

Criteria	JORC Code explanation	Commentary
	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.*	hydrogeological domains. This is consistent with recommendations by Houston et al., (2011) where they suggest that well spacing required to estimate a Measured Resource be no farther than 3 to 4 m 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 were 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 Reserves**

(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.*	• Mineral Resources 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. Measured Mineral Resources have been converted to Probable Ore Reserves after production Year 8.
Site visits	• *Comment on any site visits undertaken by the*	• The Competent Person Rodrigo Riquelme visited

Criteria	JORC Code explanation	Commentary
	Competent Person and the outcome of those visits. • *If no site visits have been undertaken indicate why this is the case.*	the site in August 2023. • The purpose of the site visit was to review the HMW Project facilities, existing infrastructure, field procedures, hydraulic testing and pilot plant, and meet with the on-site team.
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, brine extraction and the associated modifying factors discussed below support the definition of the Ore Reserves. • The DFS has defined a production well field network with numerous simulations of brine extraction over the proposed life of mine undertaken to evaluate the evolution of brine grade and potential environmental impacts and to develop a production schedule for the Project. This schedule is based on the installation and operation of 23 wells over the life of the mine. . In addition, sensitivities have been carried out to understand the reliability of the production plan. • The Ore Reserve estimate has been developed using detailed integrated groundwater flow and solute transport finite difference modelling in MODFLOW USG software, 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 deemed to be economic, which extend 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, 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.*	• 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 brine extraction, developing cones of depression around the individual wells. • The Mineral Resource has been quoted in terms of brine volume, it is hosted in pore spaces between grains of sediments. Wells will be installed to allow brine extraction, developing cones of depression around each individual wells. • The Ore Reserve has potential dilution may occur due to the effects of pumping in the aquifer. This potential dilution is simulated over the life of mine using a 3D numerical groundwater model. The model was developed from exploration information and calibrated using current pumping data and water levels. There is no specific dilution factor. No other mining recovery factors or loss factors have been applied. • Inferred Resources are not considered for the purposes of the production plan and Reserves. This was checked using particle tracking modelling to ensure that Reserves are based on Measured and Indicated Resources brine volumes only. • The infrastructure required for brine extraction is the establishment of the proposed well field (West and Santa Barbara well fields) and the associated pumps and pipework to allow brine to be transported to the evaporation ponds.

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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; pre-concentration 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% 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 rationale for use of this equipment. • The long term recovery of Li including the brine transport and evaporation ponds system is 68.5%, taking into account 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. Therefore, the net recovery of Li from the raw brine extracted to obtain a final lithium carbonate product is 61.65%. • The design of the evaporation ponds system and water contour channels were developed by AIA and EIC consultants, respectively. Both companies have extensive experience working for similar brine projects in South American. • The metallurgical equipment proposed for the Project is well tested and is considered appropriate for the Project. • 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 15 months, during this time the work has been supervised by Ad-Infinitum, an experienced processing company.
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 application to extend the piloting activities was submitted on 2 November 2022. Galan received approval from the authorities for the construction and operation permit for Phase 1 on 7 August 2023, valid for 24 months to commence the construction of the Phase 1 Project in Q3 2023. • Under the Phase 1 permit Galan complies with external environmental audits and the site is inspected to ensure that commitments are met and the permits remain valid • The Project will use 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 to the industrial scale, included an analysis of the environmental and social impacts, as well as the mitigation and compensation measures. • Galan is currently preparing the Environmental Impact Study for Phase 2; the plan is to submit this to the authorities in Q4, 2023

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		• Galan is committed to comply with future requirements of the environmental authorities and to develop the closure plan. • The Project is currently undertaking monitoring, management and control activities to 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 in a remote location but close to other Lithium projects from large companies such as Livent, Allkem and Posco. The Project has direct access from a public road. Electricity for the Project will be supplied via diesel generation, supplemented with solar power at a later stage. The Company has access to industrial water via the future drilling of two bore holes within the Project. Transportation to the site has been evaluated by experienced consultants and the necessary relationships defined for importing 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 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.*	• The Project DFS has used costs based on vendor quotations, including information from P&A, 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 by equipment suppliers and reagent consumption rates estimated for the process and conventional evaporation ponds. Vendor quotations were used for reagent costs, which together with power generation are the largest component of the Project operating costs. Manpower levels are based on P&A and Galan experience. Energy prices (mainly based on diesel fuel) and reagent prices correspond to expected costs for products delivered to the Project. • The process considers the use of reagents to remove deleterious elements to meet the specifications for a high-quality product and this has been considered in the estimation of costs. • The lithium carbonate price and associated lithium chloride concentrate price have 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 used was ARS230.76/US$1, based on May 2023 average for Capex and Opex; no provision for escalation has been included since both revenues and expenses are expressed in constant dollars. • Costs of production supply items have been taken at the HMW plant, thus there is no transport cost to add from the supply side. • An allowance has been included in line with the current legislation.

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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 models which have 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 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 time. 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 on construction of additional mine supply and 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 forecast 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 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 P&A using experienced engineering professionals. P&A 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 for the net present value (NPV).
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• The Company actively engaged early in the Project assessment process, making itself available to the authorities and with communities that could be influenced by the Project to respond to consultations. This included local government authorities and indigenous communities located within the influence area of the 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 80 people, including personnel with long experience in the construction and operation of wells and

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		evaporation pond units. Galan also has 20 indirect employees as contractors and suppliers. • Galan has privileged the recruitment of personnel from the communities close to the Project. It is expected to increase the workforce to around 2,000 people during construction of Phase 2, the majority should come from the Catamarca Province, some personnel may come from nearby Provinces in northern Argentina. Usage of experts coming from outside Argentina will be limited to those skills and experience not available in-country (making reasonable efforts). • Galan has Corporate Social Responsibility documents prepared in Argentina to comply with the requirements of the local authority and global sustainability standards. These will enhance the positive impacts of the Project on the local communities.
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 risks, 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 as 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 (due to border conditions with zero concentration of lithium in overburden and outside the mining tenements) with high confidence in modelled outputs during the early mine production plan with reduced confidence during later production. For the West well field extracted brine in Years 1 to 7 of the Phase 2 mine plan is predominantly from areas with high levels of confidence with good geological and test pumping control and has therefore been categorized as Proven Ore Reserves. Extracted brine in Years 8 to 40 of the Phase 2 mine plan tends to be derived from areas with less confidence and has therefore been categorized as Probable Ore Reserves. An exception is the extracted brine in Years 1 to 7 from well W16 (sourced from Indicated Resource Blocks). For the Santa Barbara well field, because extracted brine is derived from Indicated Resources, Reserves were categorised as Probable for all the life of mine. • Abstraction capture zone analysis was used to determine the origin of brine from each

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		production well throughout the life of mine and Ore Reserve volumes were mostly derived from capture zones within the Measured Resource blocks for the West well field and from within the Indicated Resource blocks for the Santa Barbara well field. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources is 0.24% (214.9 Probable kt Li/890 Measured kt Li).
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The Ore Reserves have been subject to an audit by Rodrigo Riquelme from GeoInnova, including hydrogeological parametrisation, water balance and numerical model. The Resource to Reserve conversion criteria are 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 mineralisation 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 calibrated to both transient and steady state conditions and has been assigned an adequate level of confidence for this Reserve declaration. • Confidence in the predicted brine abstraction estimates which support the Ore Reserves is considered to be high. Nevertheless, the numerical model should be periodically re-calibrated to adjust the observed evolution in drawdown and grades during operation. • An updated resource model should be constructed to include the new exploration results on the northern fractured rock domain. During this process, a new topographic base should be used to correct elevation differences observed in some well collars on the actual model; this has no material impact on the declared Reserves. • The confidence level for the capital and operating cost estimates are within the expected levels for the Phase 2 DFS. This accuracy is between –10% and +15%.