



ASX ANNOUNCEMENT

21 January 2021

Work Programme Initiated for Greenbushes South Lithium Project

Highlights:

- Galan has completed the 80% acquisition of the Greenbushes South Lithium Project from Lithium Australia NL (ASX: LIT)
- Initial work programme finalised
- The Project is located 3 kms south of the world-class Greenbushes Lithium Mine which is owned and managed by Talison Lithium Pty Ltd
- Talison's project is known as the one of the world's largest, highest grade, hard rock spodumene deposits

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is very pleased to announce that it has formulated a work programme for its recently acquired 80% interest in the Greenbushes South Lithium Project from Lithium Australia NL (ASX:LIT).

The project area is deemed to have had a low level of exploration maturity, with no available drilling results for lithium or lithium pathfinders. Numerous MINDEX occurrences of lithium, beryl, tin feldspar tourmaline and mica are found in the project area, potentially indicating lithium-Caesium-Tantalum mineralisation associated with pegmatites. Critically, the project area due south of the Greenbushes mine is highly prospective due to potential for along strike extensions south into the project area. This project area is host to a large strike length of the Donnybrook - Bridgetown Shear Zone hosting the Greenbushes mine deposit.

Field work programmes including mapping, rock chip and soil samples are due to commence over the coming weeks with exploration work to be overseen by the Galan team including our Competent Person, Dr Luke Milan.

About Greenbushes South Lithium Project

The Greenbushes South Lithium Project ('the **Project**') is located 200 km south of Perth, the capital of Western Australia. With an area of 353 km², the Project was originally acquired by Lithium Australia NL due to its proximity to the Greenbushes Lithium Mine ('**Greenbushes**'), given that the Project covers the southern strike projection of the geological structure that hosts Greenbushes. The Project area commences approximately 3km south of the Greenbushes open pit mining operations (Figure 1).

Greenbushes is currently the largest hard-rock lithium mine in the world, operated since May 2014 by Talison Lithium Pty Ltd, an incorporated joint venture between Tianqi Lithium Corporation (51%) and Albemarle Corporation (49%). Greenbushes produces a concentrate of the lithium mineral, spodumene, to feed both China and Western Australian based mineral conversion plants or consumers of spodumene concentrates in Europe, North America and China. Australian mining company IGO Limited recently signed a deal to acquire a 24.99% stake in Greenbushes from Tianqi Lithium Corporation.

Reports of work by earlier explorers within the Project record the presence of pegmatites – a rock type that may host spodumene – and so provides immediate exploration targets. Much of this earlier work focused on the discovery of the minerals cassiterite (tin) and tantalite (tantalum), as Greenbushes was at different times mined for these minerals before spodumene (lithium) became the major driver of revenue.

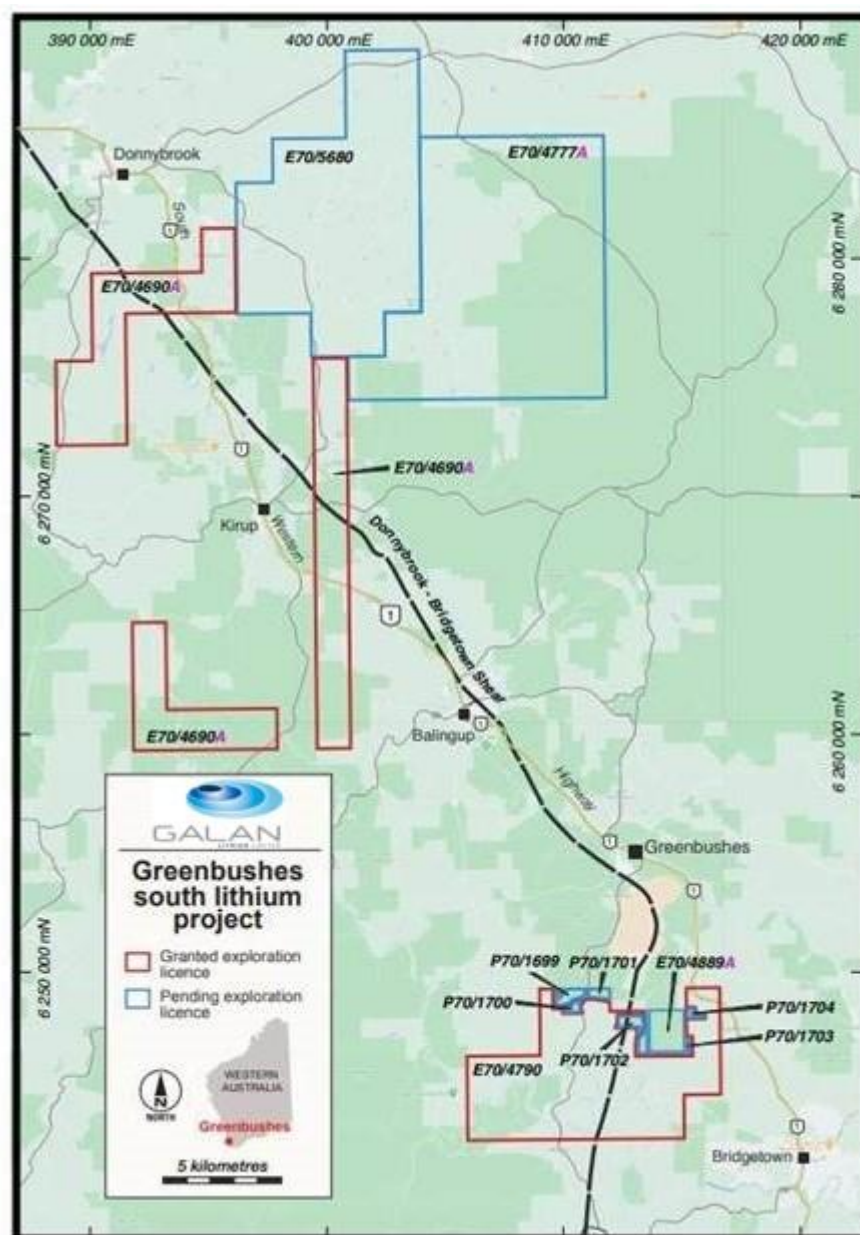


Figure 1 - Greenbushes South Lithium Project

The Galan Board has authorised this release.

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About Galan

Galan is an ASX listed company exploring for lithium brines within South America's Lithium Triangle on the Hombre Muerto salar in Argentina. Hombre Muerto is proven to host the highest grade and lowest impurity levels within Argentina and is home to Livent Corporation's El Fenix operation and Galaxy Resources and POSCO's Sal de Vida projects.

Galan has three projects:

Candelas: a ~15km long by 3-5km wide valley filled channel which project geophysics and drilling have indicated the potential to host a substantial volume of brine and over which a maiden resource estimated 685kt LCE (Oct 2019). Furthermore, Candelas has the potential to provide a substantial amount of processing water by treating its low-grade brines with reverse osmosis, this is without using surface river water from Los Patos River.

Hombre Muerto West (HMW): a ~14km by 1-5km region on the west coast of Hombre Muerto salar neighbouring Livent Corp to the east. HMW is currently comprised of seven concessions – Pata Pila, Rana de Sal, Deceo III, Del Condor, Pucara, Catalina and Santa Barbara. Geophysics and drilling at HMW demonstrated a significant potential of a deep basin. In March 2020, a maiden resource estimate delivered 1.1Mt of LCE for two of the largest concessions (Pata Pila and Rana de Sal). That resource now sits at 2.3Mt of LCE with exploration upside remaining for the rest of the HMW concessions not included in the current indicated resource.

Greenbushes South Lithium Project: Galan has an Exploration Licence application (E70/4629) covering a total area of approximately 43 km². It is approximately 15kms to the south of the Greenbushes mine.

In January 2021, Galan entered into a sale and joint venture with Lithium Australia NL for an 80% interest in the Greenbushes South Lithium project, which is located 200 km south of Perth, the capital of Western Australia. With an area of 353 km², the project was originally acquired by Lithium Australia NL due to its proximity to the Greenbushes Lithium Mine ('Greenbushes'), given that the project covers the southern strike projection of the geological structure that hosts Greenbushes. The project area commences about 3km south of the current Greenbushes open pit mining operations.

Competent Persons Statement

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.