

ASX ANNOUNCEMENT

2 March 2021

Project Update: Hombre Muerto West (HMW) Brine Concentration Testing now 85% complete

Highlights:

- **HMW lithium chloride concentrate testing is well advanced and 85% complete.**
- **Intermediate results indicate that the brine evaporation model predictions highly correlate to the current laboratory data.**
- **Galan is also testing the optimisation of its low use energy & carbon footprint solution of the evaporation route from its initial PEA/Scoping Study for HMW**
- **Preparation for onsite Study activities at HMW are underway.**
- **Laboratory end test concentrate results expected by the end of month.**

Galan Lithium Limited (ASX: GLN) (**Galan or the Company**) is pleased to provide an update of its low use energy and lithium carbon footprint solution for its flagship Hombre Muerto West (HMW) project located in the South American Lithium Triangle in Catamarca, Argentina.

HMW Project Update

Chemical laboratory work for the HMW Project is now 85% complete. The work is being performed by lithium experts Ad-Infinitem in Antofagasta, Chile. The brine concentration model prediction shows a sound correlation between actual laboratory results and the predictive brine evaporation model. Furthermore, these results can be seen across the prediction of the concentration of lithium and impurities.

In parallel, Ad-Infinitem has been optimising the evaporation route options during the PEA/Scoping Study (PEA results announced 21 December 2020) by testing different reagents in the evaporation process to produce high grade lithium chloride concentrate.

Galan took a solutions based approach to deal with the closure of the various engaged Universities in Antofagasta whilst other local labs have not been taking further samples due to heavy restrictions implemented in the region to contain the spread of COVID-19. As a result, delays were encountered due to the logistical challenges to send brine to the lab in Santiago, some 1,400km away. Nevertheless, testing continues to advance with final lab results expected by the end of this month.

Meanwhile at site at HMW, the preparation for future Study activities continues. A new site for the HMW camp and pilot areas has been located. The new camp will provide better support to the crew while also reducing travelling time that is currently 40km east of Candelas.

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

"We continue to advance our HMW lab testing with interim results showing great progress despite the COVID challenges in South America. Our priority remains to keep our team safe whilst the Study advances. Our team has done a fantastic job to provide solutions in this current environment.

Galan has a unique setting of high grade and low impurities (with one of the lowest studied OPEX in the industry) that gives us significant more flexibility to test many ideas. Last year we took a 20 cubic metre sample of brine to Chile with the objective of continuing our testing and to provide enough samples to assay several evaporation trains to look beyond our initial PEA/Scoping Study plan.

2021 it is an exciting year for Galan, and we remain fully funded to execute all studies required at HMW. We look forward to receiving the final results during this quarter and updating the market in due course."

The Galan Board has authorised this release.

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About Galan

Galan is an ASX listed company developing lithium brine projects within South America's Lithium Triangle on the Hombre Muerto salar in Argentina and Australia. 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 completed a sale and joint venture agreement with Lithium Australia NL for an 80% interest in the Greenbushes South Lithium project ('the Project'), which is located 200 km south of Perth, the capital of Western Australia. With an area of 353km², the project covers the southern strike projection of the geological structure that hosts the Greenbushes Lithium Mine. The project area commences approximately 3km south of the current Greenbushes open pit mining operations.

Competent Persons Statement

The information contained herein that relates to the progress of the laboratory test work and study development related activities 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 and 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.