ASX ANNOUNCEMENT

29 September 2021

FIRST BORE HOLE COMPLETED - NEW STRATIGRAPHY REVEALS FURTHER BRINE POTENTIAL

HOMBRE MUERTO WEST LITHIUM BRINE PROJECT, ARGENTINA

- **Drill hole PB-01-21 has been completed to 220m at Pata Pila**
- **Excellent recovery of cuttings reveals a highly detailed stratigraphy**
- **Newly established stratigraphy includes a minimum 40m of conglomerate with interbeds of sand and silt**
- **Prior drilling at Pata Pila (hole PP-01-19) was hampered by poor recovery of cuttings and interpretations on downhole geophysics**
- **Previous conservative interpretations of the stratigraphy are now confirmed as brine bearing aquifers**
- **Results to benefit future resource/reserve estimate**

Galan Lithium Limited (ASX:GLN) (**Galan** or **the Company**) is pleased to announce the successful completion of the first drill hole in their latest drill campaign at Hombre Muerto West (HMW).

Drillhole PB-01-21 was completed at Pata Pila, to a final depth of 220m and the bore hole will soon be cased. The purpose of the drill hole will be to conduct pumping tests to help build the hydrogeological models required as part of the work to build our reserve estimates at the Hombre Muerto West (HMW) project located on the Western Basin of the Hombre Muerto salar in Argentina. Excellent recovery of cuttings for the entire hole has revealed a highly detailed stratigraphy downhole. The Pata Pila licence covers large alluvial fan areas lying adjacent to Livent Corporation's (NYSE: LVHM) tenure (Figure 1).

These results will enable our team to update our previous conservative lithology interpretations which were significantly impacted by the lack of recovery for parts of the drilling. This meant some lithological interpretations were based on downhole Zealandez geophysical data. Because of this a conservative approach was made in the interpretation, where halite was conservatively modelled for the resources estimates by SRK Australia. However, the recent drilling results have revealed a minimum 40m of the interpreted halite is actually comprised of unconsolidated conglomerates and interbeds of silt and clay (see figure 2). These lithologies where conservatively assumed for aquifer porosity and their discovery is expected to impact future resource estimates.

To help resolve the stratigraphy between drill holes and update our resource estimates, Galan is planning a general passive seismic survey at HMW to complement the drill hole lithology logs. The aim is to produce high fidelity models of the stratigraphy to ensure we have the highest possible quality resource/reserve estimations.

Commenting on the Pata Pila results, Galan Managing Director, Juan Pablo Vargas de la Vega said: “The initial results from this current drilling campaign have opened up even more potential for our volumes and flow rates at Pata Pila and the other HMW areas. It is very exciting to say the least”.

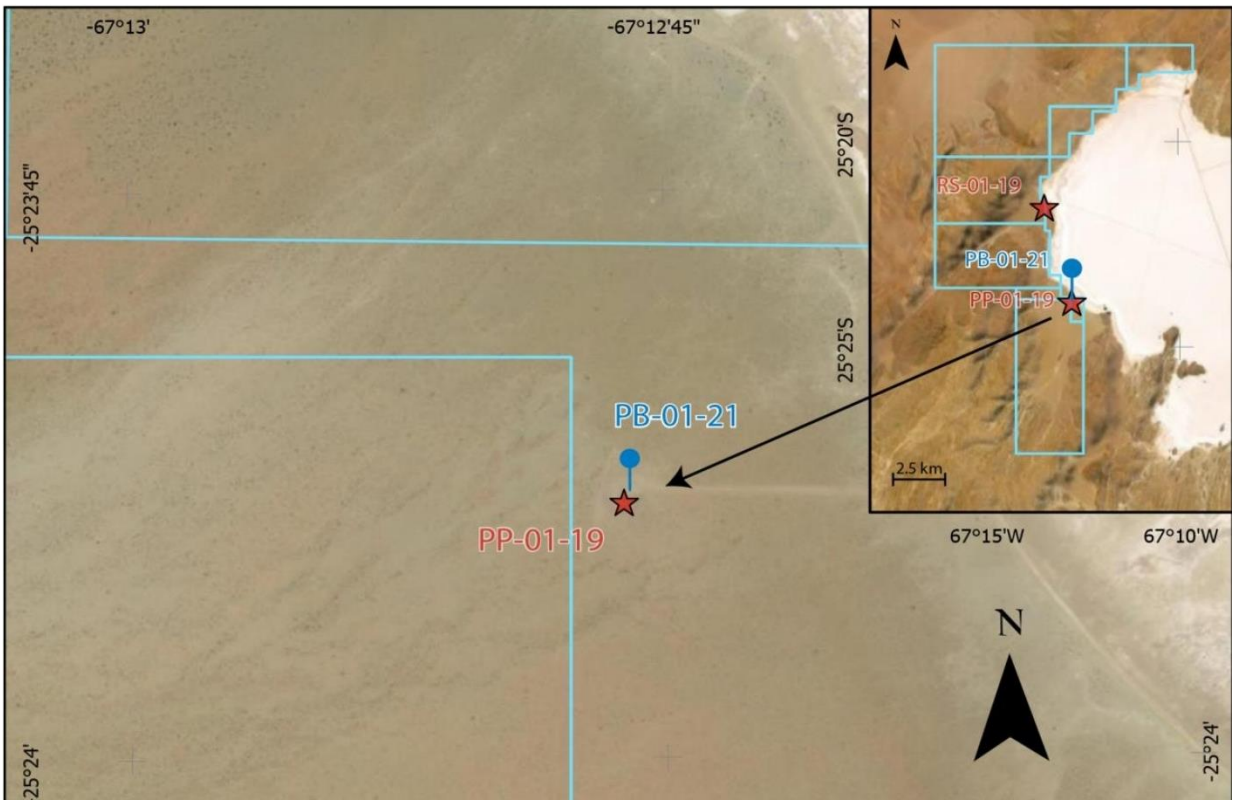

Figure 1: Inset: Galan Lithium Limited’s Western Basin Projects, Hombre Muerto salar, Argentina. Main figure shows location of drill hole PP-01-19 and the adjacent new drill hole PB-01-21.

Figure 2: Cuttings of drill hole PB-01-21. These are cuttings of a polymictic conglomerate which we now know to extend through a min 40m zone of no recovery from the previous adjacent drill hole PP-01-19.

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About Galan

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

Competent Persons Statement

The information contained herein that relates to Exploration Results 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.

The information relating to the integrity of the database, site inspection and Mineral Resource estimates was compiled by Dr Michael Cunningham, GradDip, (Geostatistics) BSc Honours (Geoscience), PhD, MAusIMM, MAIG, MGSA, FGSL. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by 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.

GALAN
LITHIUM LIMITED

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.*	• Rotary tricone drill bits (12.5") were employed and produced drill cuttings. Drill cuttings were sampled and sieved regularly at meter intervals. • Conductivity tests are taken on site with a field portable Hanna Ph/EC/DO multiparameter.
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).*	• Rotary drilling with tricone head of 12.5" was employed for sampling of drill chips at meter intervals.
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.*	• Sand, conglomerate, halite, mud and silt were recovered, sampled and logged by a geologist and a photo was taken to document the lithologies.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The samples were logged by a senior geologist and contract geologists who are overseen by the senior geologist who also supervised the taking of samples for laboratory analysis. • Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies. Cores are split for sampling and are photographed.

		• All samples were 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.*	N/A – brine sampling will commence once the hole is cased
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.*	N/A
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.*	N/A
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The survey locations were located using modern Garmin handheld GPS with an accuracy of +/- 5m. • The grid System used by Quantec: POSGAR 94, Argentina Zone 3 • Topographic control was obtained by handheld GPS, and the topography is mostly flat with very little relief.
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.*	N/A – brine sampling will commence once the hole is cased
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*	• The brine concentrations being explored for generally occur as sub-horizontal layers and lenses hosted by conglomerate, gravel, sand, salt, silt and/or clay. Vertical diamond drilling is ideal for understanding this horizontal stratigraphy and the nature of the sub-surface

	mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	brine bearing aquifers
Sample security	• *The measures taken to ensure sample security.*	• Data was recorded and processed by trusted employees, consultants and contractors to the Company and overseen by senior management ensuring the data was not manipulated or altered. • Samples are transported from the drill site to secure storage at the camp on a daily basis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been conducted to date. The drilling is at a very early stage however the Company's independent consultant and CP have approved the procedures to date.

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 Hombre Muerto Lithium Project consists of numerous licences located in Catamarca Province, Argentina. Most of the tenements are owned by Blue Sky Lithium Pty Ltd ('Blue Sky'). The Company and Blue Sky executed a Share Sale Agreement whereby Galan Lithium Limited purchased 100% of the issued share capital of Blue Sky. The Pata Pila, Rana Del Sal, Pucara and Del Condor were later purchased by Galan's wholly owned subsidiary in Argentina.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All drilling has been conducted by Galan. This area is west of the adjacent licence area by Livent Corporations (NYSE:LVHM)
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Both the Pata Pila and Rana De Sal licence areas cover sections of alluvial fans located on the western shore 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 Person should clearly explain why this is the case.*
		<u>Drillhole ID: PP-01-19</u>
		• Easting: 679776.5005 E (WGS84 Zone 19)
		• Northing: 7189763.574 N (WGS84 Zone 19)
		• Vertical hole
		• Hole Depth: 718m
		<u>Drillhole ID: RS-01-19</u>
		• Easting: 678684.72 E (WGS84 Zone 19)
		• Northing: 7194047.40 N (WGS84 Zone 19)
		• Vertical hole
		• Hole Depth: 474m
		<u>Drillhole ID: PB-01-21</u>
		• Easting: 679840.000 E (WGS84 Zone 19)
		• Northing: 7189807.270 N (WGS84 Zone 19)
		• Vertical hole
		• Hole Depth: 220m

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*	N/A

Criteria	JORC Code explanation	Commentary
	longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the 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 drillhole 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 maps, 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 second drillhole at Pata Pila. .
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 geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• This is the first bore drill hole of two in a drilling campaign to review and revise the resource estimates. Pending results, more drilling may be undertaken • SRK are undertaking a revised resource estimate for the Western Basin project areas • Passive seismic study is being planned to help define the lateral extent of the newly defined lithologies.