



## ASX ANNOUNCEMENT

13 December 2022

# Galan Moves To 100% Ownership of Greenbushes South Lithium Project

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### Highlights:

- Galan to acquire the remaining 20% of the Greenbushes South Lithium Project ('the Project') from Lithium Australia Limited (ASX:LIT)
- At completion, Galan will own 100% of the Project, which is located only 3 km south of the world-class Greenbushes Lithium Mine
- Joint venture partnership with LIT terminates on completion of the acquisition
- The acquisition, along with its 100% interest in E70/6264, consolidates Galan's significant package of exploration ground in a world-class lithium district

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is pleased to announce that it has executed a Binding Term Sheet with Lithium Australia Limited (ASX:LIT) to acquire its remaining 20% interest in the Greenbushes South tenements and its 20% participating interest in the Greenbushes South Joint Venture. At completion, Galan will hold a 100% interest in the Greenbushes South Lithium Project which comprises four granted exploration licences, one pending exploration licence and seven prospecting licences (Figure 1).

The Greenbushes South Lithium Project ('the **Project**') is located 250 km south of Perth, in Western Australia. Covering an area of approx. 315 km<sup>2</sup>, the Project was originally acquired by Lithium Australia Limited due to its predicted strike projection of the geological structure associated with the Greenbushes Lithium Mine ('**Greenbushes**').

In March 2022 airborne geophysics was flown to develop pegmatite targets for all of Galan's tenements. Following on, in August 2022, a pegmatite associated with spodumene-bearing rocks was discovered at E70/4790. This tenement is approximately 3 km to the south of the Greenbushes mine. Further geological mapping, soil sampling and geophysical investigations are being used to determine drill targets within E70/4790. These aforementioned ground-based methods are also being applied to Galan's other granted tenements in the region.

Greenbushes is currently the largest hard-rock lithium mine in the world and has been in production since 1983. It is operated by Talison Lithium Pty Ltd, a private company now owned by joint venture partners Tianqi Lithium Corporation / IGO Limited JV (51%) and Albemarle Corporation (49%).

**Galan's Managing Director, JP Vargas de la Vega, said:** "We are delighted to acquire full ownership of this highly prospective project in one of the world's most renowned lithium districts. We have the necessary personnel in place to undertake the pending exploration programmes and workload at Greenbushes South and are extremely excited with what is to come there. Galan is in total control of its destiny with full ownership of its lithium projects in Argentina and Australia."

### Key terms of the transaction

- Cash payment of \$2,000,000;
- The issue of GLN fully paid shares to the value of A\$1,000,000 to LIT, with the number of shares to be issued to be calculated based on the volume weighted average price of GLN shares traded on the ASX for the five (5) days preceding the date of completion.
- On completion, the Joint Venture will terminate.
- LIT has the first right to negotiate an offtake agreement with Galan in respect of 20% of Galan's share of lithium product from the tenements.

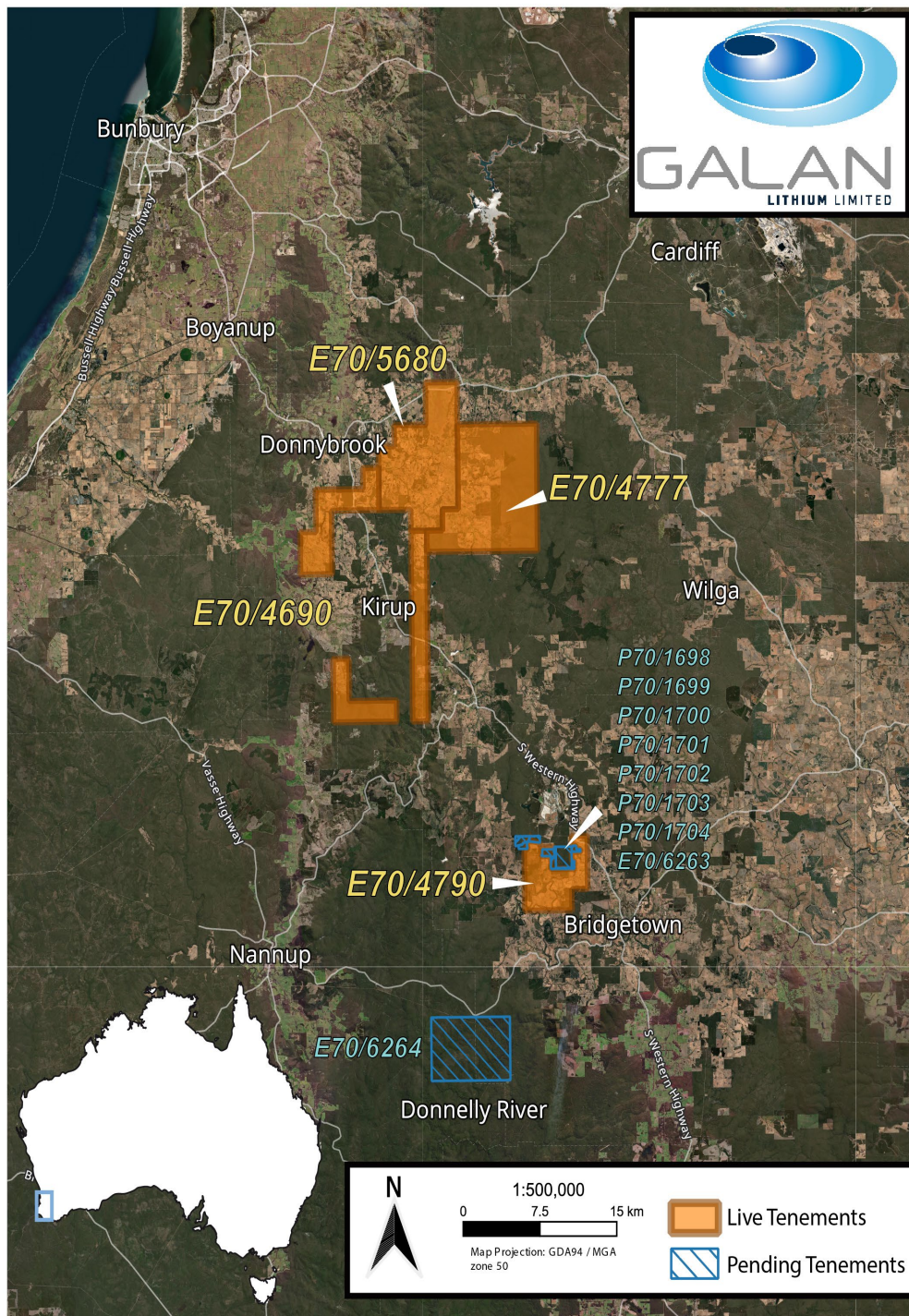


Figure 1 – Galan's Greenbushes Tenements

Tenement	Status
<u>Greenbushes South</u>	
E70/4690	Granted
E70/4777	Granted
E70/4790	Granted
E70/6263	Pending
E70/5680	Granted
P70/1698-P70/1704	Pending
<u>Donnelly River</u>	
E70/6264	Pending

*Table 1 – Status of Galan’s Greenbushes Tenements*

### 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 3km south of the Tier 1 Greenbushes Lithium Mine.

**Hombre Muerto West (HMW):** A ~16km 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 significant potential of a deep basin. In October 2022, an updated Mineral Resource estimate was delivered totalling 5.8Mt of LCE for the largest concessions (including Pata Pila, Casa del Inca and Rana de Sal). Exploration upside remains for the rest of the HMW concessions not included in the current resource estimate.

**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.

**Greenbushes South Lithium Project:** Galan now owns 100% of the tenement package that makes up the Greenbushes South Project that covers a total area of approximately 315 km<sup>2</sup>. The project is located ~250 km south of Perth in Western Australia. These tenements are located along the trace of the geologic structure, the Donnybrook-Bridgetown Shear Zone, that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes. In March 2022 airborne geophysics was flown to develop pegmatite targets for all of Galan’s tenements. Following on, in August 2022, a pegmatite associated with spodumene-bearing rocks was discovered at E70/4790. This tenement is approximately 3 km to the south of the Greenbushes mine. Further geological mapping, soil sampling and geophysical investigations are being used to determine drill targets within E70/4790. These aforementioned ground-based methods are also being applied to Galan’s other granted tenements in the region.

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.

**Forward-Looking Statements**

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Galan Lithium Limited operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward- looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside Galan Lithium'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, 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.