

ASX ANNOUNCEMENT

22nd January 2019

MAIDEN DRILLING TO COMMENCE AT THE CANDELAS LITHIUM BRINE PROJECT, HOMBRE MUERTO, ARGENTINA

- **Drilling contract signed with Major Drilling – highly experienced in drilling brines on salt flats in Argentina**
- **Diamond drilling rig on site with maiden drilling to commence at Candelas this week**
- **Contract also signed with international consultancy group SRK (Australia) to oversee resource definition, QA/QC and review work over the Candelas Project. SRK will utilise its Australian and local team in Argentina to oversee the work.**
- **Galan's Managing Director onsite to support the local team at Candelas**

Galan Lithium Limited (ASX:GLN) (**Galan or the Company**) is pleased to announce that its maiden drilling programme at Candelas is due to commence this week. The Company has engaged Canadian based international drilling company Major Drilling to perform its diamond drilling campaign at Candelas. Major Drilling has significant experience in drilling salt flats for brine in Argentina. Additionally, Galan has contracted the services of SRK Australia (with support from their offices in Argentina) to oversee resource definition, QA/QC and review work over the Candelas Project with a view to potentially generating a JORC compliant resource estimation.

Galan remains strongly committed to sourcing, contracting and training local people from the Catamarca Province for its operations. As part of this commitment, some locals have been trained by Major Drilling to assist in their operations which has slightly delayed the commencement of the drilling programme.

The maiden drilling campaign aims to test the geophysical model (see Galan ASX release 4 October 2018) developed by the Company and its consultants and is also planned to provide detailed data on the stratigraphy within the Candelas channel. The results from the initial hole will also assist in the planning of subsequent drilling. This maiden drill programme is planned to comprise five holes to be drilled along the ~12-15 km extent of the Candelas channel.

Commenting, Galan's Managing Director, Juan Pablo ("JP") Vargas de la Vega said from Argentina, *"We are excited to commence our maiden drilling at Candelas. The team in Argentina is well experienced in the exploration for lithium bearing brines and is focused on providing the Company with the best chance to prove our thesis that Candelas can host commercial levels of lithium similar to our neighbors at Hombre Muerto"*.

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 recent geophysics has indicated the potential to host a substantial volume of brine.

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Diamond drilling rig arrives at the Candelas project, Hombre Muerto