

ASX ANNOUNCEMENT

22 July 2019

High-grade Lithium Brines Confirmed with 70.4m @ 744 mg/l Li from Drillhole 8 at Candelas Maiden Resource on Course for Q3 2019

Highlights

- **Further high-grade results from drilling program at Candelas Lithium Brine project, Hombre Muerto Salar, Catamarca province, Argentina**
- **Result from drill hole C-08-19 returns 70.4m @ 744mg/l Li**
- **C-08-19 confirms lateral brine extension and high-grade continuity in the northern end of the Candelas basin**
- **Work to commence for maiden JORC compliant resource estimate, on track for delivery in Q3 2019**
- **Drilling permits for the Western Tenements imminent**
- **Preparation for Pre-Feasibility Studies continue with brine samples sent to international laboratories**

Galan Lithium Limited (ASX: GLN) (“Galan” or “the Company”) is pleased to announce the latest results from hole eight (C-08-19) located in the northern portion of the Candelas lithium brine project located in Catamarca province, Argentina. This is the last drillhole from the Company’s initial drilling campaign to deliver a maiden JORC compliant resource estimate in Q3 2019.

Positive laboratory results for hole eight indicated a **70.4m interval grading 744mg/l Li with low impurities**. Initial packer results from a 5-hour pumping test yielded 655 mg/l Li. Following this, the hole was cased and the interval resampled utilising a more comprehensive 72-hour pumping test. Results from this indicated an increase in grade to 744 mg/l Li from 655 mg/l Li and a brine density of 1.80 (compared to 1.162 using 5-hour pumping test) with both conductivities remaining >200 mS/cm.

Drillhole eight (C-08-19) also positively tested and confirmed the presence of high-grade lithium close to the eastern boundary of the Candelas basin. This indicates a minimum 3.5km strike and 2.5km width extent in this northern portion of Candelas (Figure 1). All five holes drilled at Candelas North graded >500 mg/l Li (Table 1). Importantly, results continue to show exceptional low levels of impurities with Mg/Li ratios <2.80, which is in line with those observed at the nearby Livent project (NYSE: Fenix) and Galaxy Resources’ (ASX: GXY) Sal de Vida project.

Next Steps

SRK (Australia) will be visiting Candelas this week as part of their ongoing oversight of the project and to initiate the Mineral Resource Estimation process. During this time SRK will also visit the Western Tenements where site access works for drilling will be finalised once drill permitting has been received. The expected maiden resource estimate for Candelas remains on track for delivery in Q3 2019.

Pumping tests continue to be carried out at the remaining holes at Candelas to ensure quality control over previous samples. Permits to commence maiden drilling at the Western Tenements are also expected to be granted soon.

The Company is preparing for the commencement of a Pre-Feasibility Study ('PFS') into the potential development of the project. Samples have been sent to international laboratories for the testing of lithium extraction using ion-exchange technologies with results expected in the next coming months.

Commenting on these results, Galan Lithium Managing Director, Juan Pablo ("JP") Vargas de la Vega, said: *"We are delighted with results from hole 8 and now have a fuller picture of Candelas that shows high grade continuity over a large area in the northern section of the channel. With this new data, Galan will now commence work on its maiden JORC compliant resource estimate for the northern portion of Candelas which is on track for delivery in Q3 this year.*

"The resource will form the basis for our Pre-Feasibility Study which will investigate conventional technologies and be complemented with results from brines already sent to international laboratories to test new lithium extraction technologies.

"We soon expect to also receive drilling permits to test our other targets in the Western Basin at Hombre Muerto which have the potential to provide a new production front for Galan."

Table 1: Candelas Drillhole Assays Summary (C-01-19 to C-08-19)

Hole ID	From (m)	To (m)	Interval (m)	Li mg/L	Mg mg/L	B mg/L	K mg/L	Mg:Li	Location
C-01-19	205	397	192 m@	802	2,224	577	8,219	2.77	Candelas North
C-02-19	470	662	192 m@	121	368	347	1,854	3.04	Candelas Central
C-03-19	311	454	143 m@	784	2,144	544	7,095	2.73	Candelas North
C-04-19	371	488	117 m@	141	525	349	1,880	3.72	Candelas Central
C-05-19	240	377	137 m@	680	1,721	506	6,682	2.53	Candelas North
C-06-19	350	404	54 m@	508	1,363	462	5,670	2.68	Candelas North
C-07-19	150	331	181 m@	99	126	281	1,859	1.27	Candelas North
C-08-19	270	340.4	70.4 m@	744	1,974	566	7,684	2.65	Candelas North

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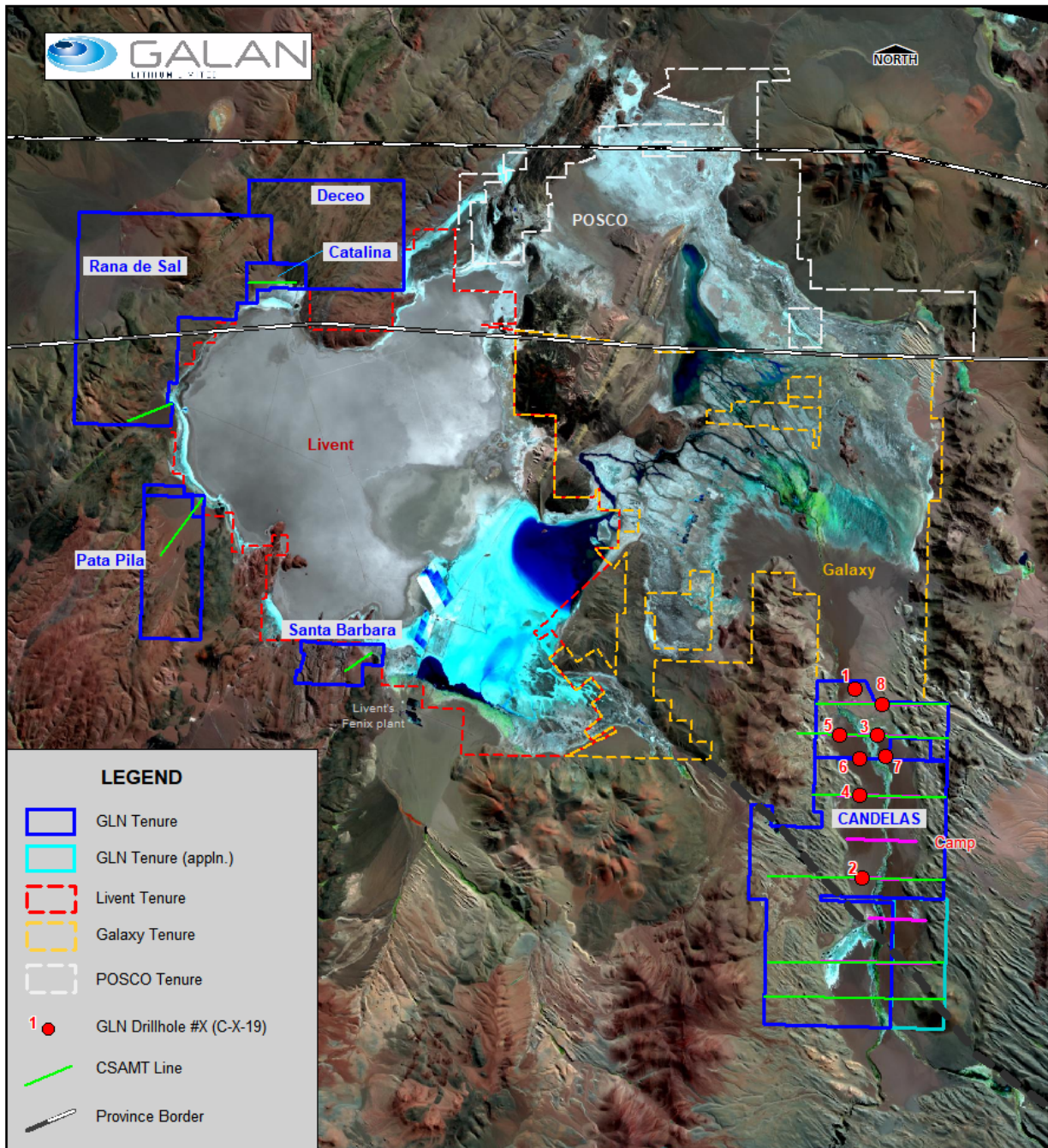


Figure 1: Location of drillholes and Galan Lithium's tenure, salar Hombre Muerto, Argentina

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.

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.

ANNEXURE 1

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

Criteria	• JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Drill core was recovered in 1.5 m length core runs in core split tubes to minimize sample disturbance. Core recovery was carefully measured by comparing the measured core to the core runs. • Drill core was undertaken along the entire length of the holes to obtain representative samples of the stratigraphy and sediments that host brine. • Water/brine samples from target intervals were collected by either the Packer or Bailer tests. Bailer tests; purge isolated sections of the hole of all fluid multiple times to minimise the possibility of contamination by drilling fluid (fresh water), although some contamination (5-15%) may occur. The hole is then allowed time to re-fill with ground water. Following the final purge the sample for lab analysis is collected. The casing lining the hole ensures contamination with water from higher levels in the borehole is likely prevented. Packer tests utilise a straddle packer device which isolates a discrete interval and allows for sampling purely from this interval. Samples were taken from the relevant section based upon geological logging and conductivity testing of water. • Conductivity tests are taken on site with a field portable Hanna Ph/EC/DO multiparameter. • Density measurements were undertaken on site with a field portable Atmospheric Mud Balance, made by OFI testing equipment. • Downhole geophysical profiling was conducted using a Ponti Electronics MPX-14 Multiplex Well Logger.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • Diamond drilling with internal (triple) tube was used for drilling. The drilling produced core with variable core recovery, associated with unconsolidated material. Recovery of the more friable sediments was difficult, however core recovery by industry standards was very good. • Fresh water is used as drilling fluid for lubrication during drilling.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Diamond drill core was recovered in 1.5m length intervals in triple (split) tubes. Appropriate additives were used for hole stability to maximise core recovery. The core recoveries were measured from the core and compared to the length of each run to calculate the recovery. • Brine samples were collected over relevant sections based upon the geology encountered and ground water representation. • Brine quality is not directly related to core recovery and is largely independent of the quality of core samples. However, the porosity and permeability of the lithologies where samples are taken is related to the rate of brine inflow.

<p><i>Logging</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • The core is 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 core was logged by a geologist
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Bailer sampling: Utilises a stainless steel hollow 3m-long tube with a check valve at the bottom. The hole was first purged by extracting a calculated volume of liquid (brine and drilling mud) to ensure that sampled brine corresponds to the sampled depth. Once the calculated volume was extracted and brine was clear, samples were collected in plastic bottles and delivered to the laboratories. The lower part of the sampling hole section was temporarily sealed during purging and sampling. • Double packer sampling: Water/brine samples were collected by purging isolated sections of the hole of all fluid in the hole, to minimize the possibility of contamination by drilling fluid, then allowing the hole to re-fill with ground waters. Samples were then taken from the relevant section. • Duplicate sampling is undertaken for quality control purposes.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The Alex Stewart laboratory located in Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected. • The Alex Stewart laboratory is ISO 9001 and ISO 14001 certified and is specialised in the chemical analysis of brines and inorganic salts, with considerable experience in this field. • The SGS laboratory was used for secondary check analyses and is also certified for ISO 9001 and ISO 14001 • Core samples will also be sent to a laboratory for porosity test work.
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Field duplicates, standards and blanks are used to monitor potential contamination of samples and the repeatability of analyses. • Sub-sample duplicates are also being transported to a second reputable industry standard laboratory in country for check analysis
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> 	<ul style="list-style-type: none"> • 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

	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	GPS, and the topography is mostly flat with very little relief.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Water/brine samples were collected within isolated sections of the hole based upon the results of geological logging.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • 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 brine bearing aquifers
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • 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.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No audits or reviews have been conducted to date. The drilling is at a very early stage however the Company's independent consultants 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The Hombre Muerto Lithium Project consists of numerous licences located in Catamarca Province, Argentina. 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.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • There has not been any historical exploration over the Candelas licence area • Galaxy Resources, who owns the Sal de Vida lithium brine resource situated to the north of Candelas with the Hombre Muerto salar, has conducted drilling within the Candelas channel approximately 1km east-northeast of Galan drillhole C-01-19.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Candelas licence area is located within a structurally controlled basin (graben) and is part of the Hombre Muerto salar. 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.

Criteria	JORC Code explanation	Commentary
<p><i>Drill hole Information</i></p>	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Drillhole ID: C-01-19 • Easting: 712,115.5 E (WGS84 Zone 19) • Northing: 7,180,414.0N (WGS84 Zone 19) • Vertical hole • Hole Depth 401m • Drillhole ID: C-02-19 • Easting: 712,756.1E (WGS84 Zone 19) • Northing: 7,171,177.0N (WGS84 Zone 19) • Vertical hole • Hole Depth 662m • Drillhole ID: C-03-19 • Easting: 713,170E (WGS84 Zone 19) • Northing: 7,178,175N (WGS84 Zone 19) • Vertical hole • Hole Depth: 460m • Drillhole ID: C-04-19 • Easting: 712,345E (WGS84 Zone 19) • Northing: 7,175,238N (WGS84 Zone 19) • Vertical hole • Hole Depth 488m • Drillhole ID: C-05-19 • Easting: 711,350E (WGS84 Zone 19) • Northing: 7,178,200N (WGS84 Zone 19) • Vertical hole • Hole Depth: 380m • Drillhole ID: C-06-19 • Easting: 7112,300E (WGS84 Zone 19) • Northing: 7,177,000N (WGS84 Zone 19) • Vertical hole • Hole Depth: 422m • Drillhole ID: C-07-19 • Easting: 713,600E (WGS84 Zone 19) • Northing: 7,177,150N (WGS84 Zone 19) • Vertical hole • Hole Depth: 331m • Drillhole ID: C-08-19 • Easting: 713,392E (WGS84 Zone 19) • Northing: 7,179,695N (WGS84 Zone 19) • Vertical hole • Hole Depth: 340m
<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and 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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • Pumping tests continue to be carried out at the remaining holes at Candelas to ensure quality control • All new assay results received to date are included in this report.
<p><i>Relationship between</i></p>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration</i> 	<ul style="list-style-type: none"> • It is fairly assumed that the brine layers lie sub-horizontal and, given that the drillhole is

Criteria	JORC Code explanation	Commentary
<i>mineralisation widths and intercept lengths</i>	<p><i>Results.</i></p> <ul style="list-style-type: none"> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	vertical, that any intercepted thicknesses of brine layers would be of true thickness.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Provided, refer to maps, figures and tables in the document
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> These assay results are from all 8 holes drilled at the project to date.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> All meaningful and material information is reported Refer to previous ASX Company releases; ASX:GLN - 4 October, 2018 ASX:GLN - 11 March, 2019 ASX:GLN - 20 March, 2019 ASX:GLN - 4 April, 2019 ASX:GLN - 29 May, 2019 ASX:GLN - 2 July 2019
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg; tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> The Company is awaiting approval for drilling over its Western Basin tenements Maiden resource estimation will be the main focus for further work at Candelas