

ASX ANNOUNCEMENT

13 August 2019

GALAN TO COMMENCE WESTERN BASIN DRILLING THIS WEEK

HOMBRE MUERTO LITHIUM BRINE PROJECT, ARGENTINA

Galan Lithium Limited (ASX:GLN) (**Galan or the Company**) is pleased to announce that, following the recent receipt of drilling permits from the Secretaria de Estado de Minería - Gobierno de Catamarca (the authority that approves drilling permits in Catamarca, Argentina), the Company will commence its maiden drill programme over its Western Basin projects located on the Hombre Muerto salar in Argentina later this week.

Preparatory works to access sites for drilling have now been completed within the *Pata Pila* and *Rana del Sal* project areas. The drilling will target highly conductive anomalies recorded from CSAMT (Controlled Source Audio-frequency Magnetotellurics) surveys previously completed in September last year (Figures 1, 2).

Galan Managing Director, Juan Pablo (“JP”) Vargas de la Vega, said:

“With the maiden resource currently being defined for Candelas, we are now turning our attention to drilling our Western Basin projects where we hope to discover more low impurity, high-grade lithium in our land holding in one of the richest lithium areas in the world.”

Pata Pila

Pata Pila covers a large alluvial fan along the western margin of the salar with the geophysical profile showing an upper, horizontal conductive layer over ~2km being compatible with geological units interpreted to contain brines (Figure 1). The south-west extreme of the line shows the limit of the conductive materials which is more transitional and may be due to mixing of fresh/salty water content with brines in the area between stations 10400E and 10800E. To the west, the resistive materials are interpreted as metamorphic basement.

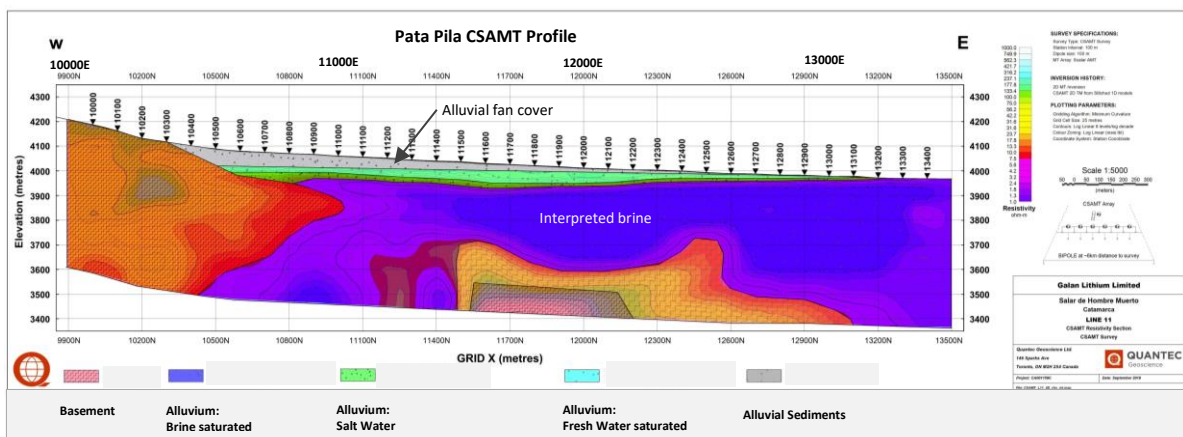


Figure 1: Pata Pila - Interpreted CSAMT model showing lowly resistive brine saturated materials (in purple/blue)

Rana del Sal

The Rana de Sal profile covers an alluvial fan area interpreted to overlie the salar. The geophysical profile shows a highly conductive response over ~1.5km that are compatible with units interpreted to contain brines (Figure 2). The eastern end shows the conductive anomaly remaining open, as expected, as the line enters the salar in the area where Livent Corporation (NYSE:LTHM) has its operations. Towards the west a more resistive unit is interpreted as basement. Between stations 10700E and 11900E, the overlying materials are interpreted as alluvial fan sediments saturated with fresh or salty water.

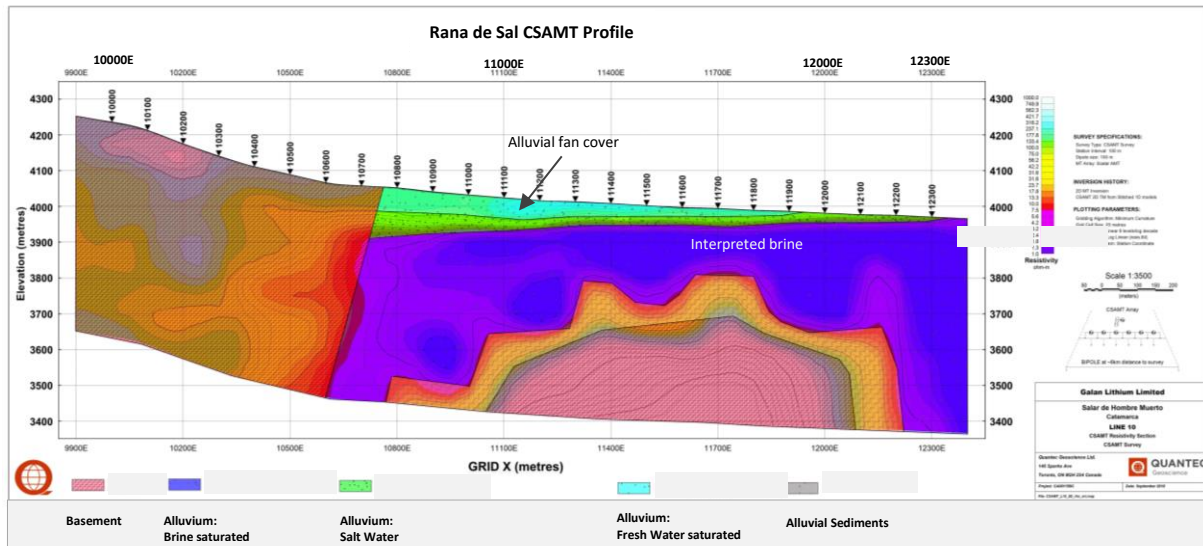


Figure 2: Rana del Sal - Interpreted CSAMT model showing lowly resistive brine saturated materials

The Company has been granted permits to drill a total of 14 drillholes plus 5 water bores within 18 months over the Western tenements (Figure 3).

This work follows the completion of its initial resource drilling over the Candelas project located in the south-east region of Hombre Muerto (see ASX: GLN release, 22 July 2019). A maiden resource is currently being estimated for Candelas by the Company’s consultants SRK (Australia) and is on track for completion during the current quarter.

For further information contact:

Juan Pablo (“JP”) Vargas de la Vega
 Managing Director, Galan Lithium Limited
 Email: jp@galanlithium.com.au
 Tel: +61 8 9322 6283

Nathan McMahon
 Non-Executive Chairman, Galan Lithium Limited
 Email: nathan@galanlithium.com.au
 Tel: +61 8 9322 6283

Media

David Tasker
 Chapter One Advisors
 E: dtasker@chapteroneadvisors.com.au
 Tel: +61 433 112 936

Colin Jacoby
 Chapter One Advisors
 E: cjacoby@chapteroneadvisors.com.au
 Tel: +61 439 980 359

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 is currently being conducted.



Figure 3: Galan Lithium Limited's Western Basin Projects, Hombre Muerto salar, Argentina



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