ASX ANNOUNCEMENT

30 April 2020

QUARTERLY ACTIVITIES REPORT
MARCH 2020

HIGHLIGHTS

PROJECT

- **Maiden Inferred mineral resource for Pata Pila and Rana de Sal of 1.08Mt of contained lithium carbonate equivalent (LCE) @ 946mg/l Li (no cut off) at the HMW project**
- **Resource estimate significantly exceeds Galan's expectations of grade, impurities and size**
- **Galan's total combined mineral resource increased by 158% from 685kt LCE @ 672mg/l Li to 1.77Mt LCE @ 837mg/l Li**
- **Results strongly complement the Candelas Scoping and Pre-Feasibility Study with project synergies now being reviewed and upgraded**
- **Galan's projects represent one of the highest grade/lowest impurity resources within Argentina**
- **Potential for exploration and resource upside from recent strategic acquisitions in the Hombre Muerto West region**
- **Despite COVID-19, Galan's team in Australia and South America continue to advance its modelling, scoping studies and PFS**

CORPORATE

- **New Chairman appointed**
- **$550,000 placement announced on 3 April 2020**

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The Board of Galan Lithium Limited ('Galan' or 'the Company') is pleased to provide this Quarterly Activities Report for the quarter ended 31 March 2020 and thereafter. The main focus for the quarter was the compilation of the maiden inferred resource for Pata Pila and Rana de Sal and the continuation of scoping and pre-feasibility studies for the two lithium brine projects in the *Hombre Muerto* salt flat in the province of Catamarca, Argentina.

OPERATIONS

Pata Pila and Rana de Sal

On 12 March 2020, Galan announced the maiden JORC (2012) reported Mineral Resource estimate for the Hombre Muerto West (**HMW**) lithium brine project located in Catamarca province, Argentina. The resource estimate was completed by the Company's consultants SRK Consulting (Australasia) and was conducted by their Australian based team.

The Inferred mineral resource estimate for Pata Pila and Rana de Sal was 1,080,775 tonnes of contained lithium carbonate equivalent (**LCE**) product grading at 946mg/l Li (with no Li cut off). A summary of the HMW mineral resource, is provided in the Mineral Resource Statement (Table 2).

Summary of Resource Estimate and Reporting Criteria

The mineral resource estimation was undertaken by SRK Consulting (Australasia) (**SRK**) and was based upon results from drill holes within the Pata Pila and Rana de Sal tenement holding at Hombre Muerto West for a total of 1,054 metres. See Table 1 for the assay summaries (PP-01-19 and RS-01-19) and Figure 1 for location of drill holes in the Western Basin tenements. The location of holes was mainly guided on the results of resistivity (Controlled Source Audio Magneto-Tellurics (CSMAT)) data.

Table 1: Previously reported laboratory and field test results, Pata Pila & Rana del Sal

Drillhole	Sample No.	From (m)	To (m)	S.G. (mg/l)	Cond. (mS/Cm2)	Li mg/l	Mg mg/l	Mg/Li
PP-01-19	607	99	121	1.220	>200	**938**	1,338	1.43
PP-01-19	609	254	301.5	1.222	>200	**902**	1,570	1.74
PP-01-19	610	493	541	1.219	>200	**902**	1,440	1.60
PP-01-19	611	544	580	1.221	>200	**909**	1,388	1.53
PP-01-19	612	582	647	1.200	>200	**948**	1,546	1.63
PP-01-19	613	651	718	1.200	>200	**933**	1,465	1.57
PP-01-19	632	40	718.5	1.22	>200	**946**	1,412	1.49
RS-01-19	614	32	80	1.100	>200	441	883	2.00
RS-01-19	615	83	122	1.210	>200	**1,043**	1,833	1.76
RS-01-19	624	100	433	1.22	>200	**1,010**	1,712	1.70

The mineral resource estimates undertaken by SRK were determined for lithium and potassium. Lithium is reported as lithium carbonate (Li2CO3) equivalent, and potassium as potassium chloride (KCl). Table 2 below provides a summary of the resource reported in accordance with the JORC Code guidelines:

Table 2: Mineral Resource Statement for Hombre Muerto West and Candelas North (March 2020)

Resource Category	Brine Vol. (m^3)	In situ Li (t)	Avg. Li (mg/l)	LCE (t)	Avg. K (mg/l)	In situ K (t)	KCl Equiv. (t)
Pata Pila							
Inferred	173, 548,541	164,160	**946**	**873,788**	8,922	1,548,443	2,952,880
Rana de Sal							
Inferred	40,977,566	38,887	**949**	**206,986**	8,109	332,299	633,695
HMW Total	214,526,107	203,046	**946**	**1,080,775**	8,767	1,880,742	3,586,574
Candelas North (*)							
Indicated	195,660,000	166,834	**672**	**684,850**	5,193	1,734,090	3,306,900
Galan's Resource Inventory							
Grand Total	410,186,107	369,880	**837**	**1,765,627**	6,980	3,614,832	6,893,474

NB.; no cut-off grade for HMW, Li: 500mg/l cut off for Candelas North. These results refer to the drainable porosity, the specific yield (SY) values used are as follows: Sand – 10%, Gravel – 4% and Halite – 3%. There may be minor discrepancies in the above table due to rounding. The conversion for LCE = Li x 5.3228, KCl = K x 1.907.

(*) The Candelas North Mineral Resource Statement was originally announced by Galan on 1 October 2019.

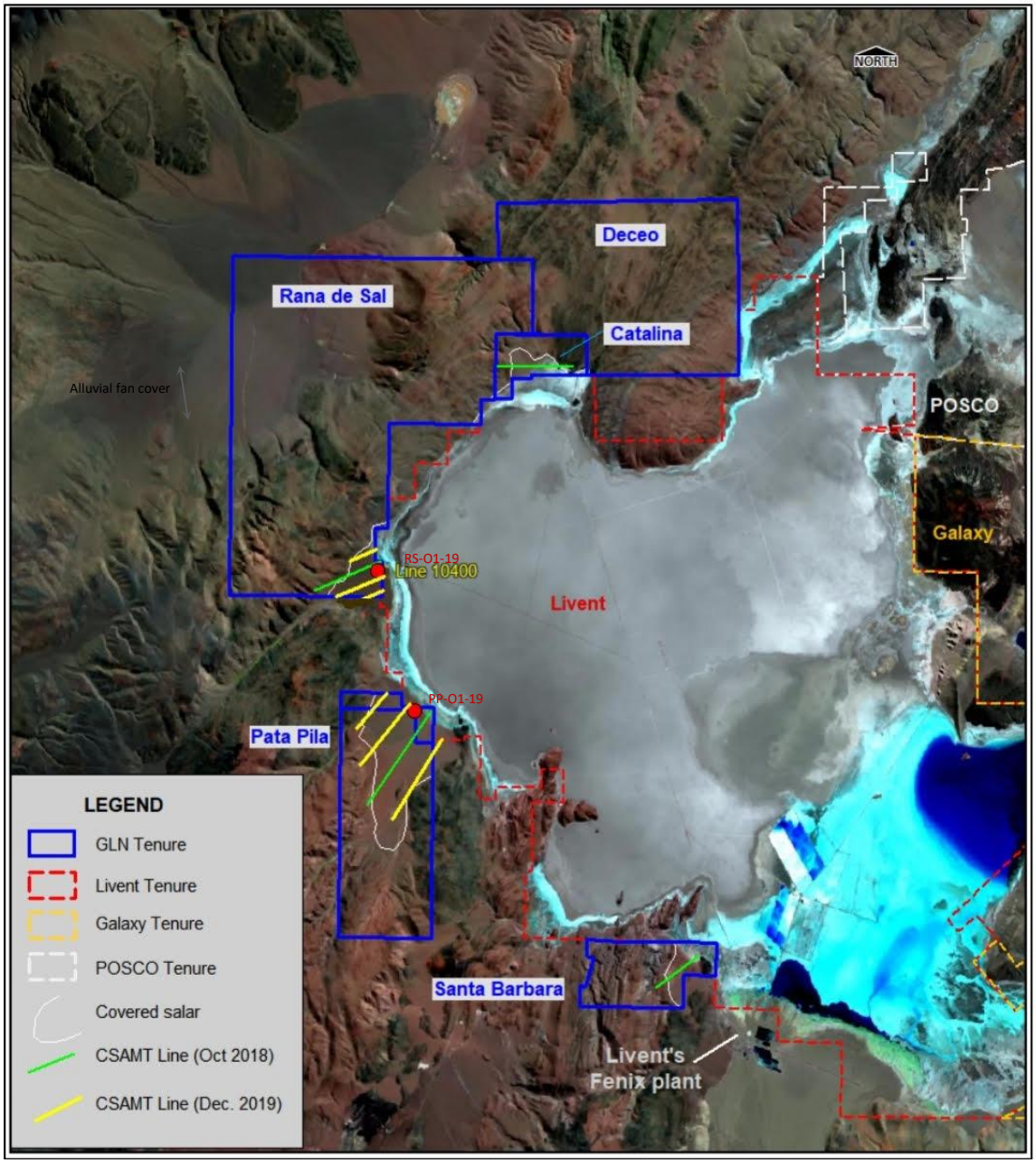

Figure 1: Galan's Western Basin Tenements, Hombre Muerto salar, Argentina

According to SRK, the maiden Hombre Muerto West Mineral Resource represents geologically well-defined zones of high-grade lithium mineralisation. It comprises significant mineralised hydrogeologic domains. The units within the domains show some variation in thickness along strike and depth, see figure 2.

Location & Tenure

The HMW Project is located on the western shores of the Hombre Muerto, a world-renowned lithium bearing salar, located in the Argentinean Puna of the high Andes mountains at an elevation of approximately 4 km above sea-level. The Project comprises two exploration permits, covering a total area of 3,843 hectares and lies adjacent to Livent Corporation, Galaxy Resources and POSCO's Sal de Vida projects. It is approximately 1,400 km northwest of the capital of Buenos Aires and 170 km west-southwest of the city of Salta (in a straight line).

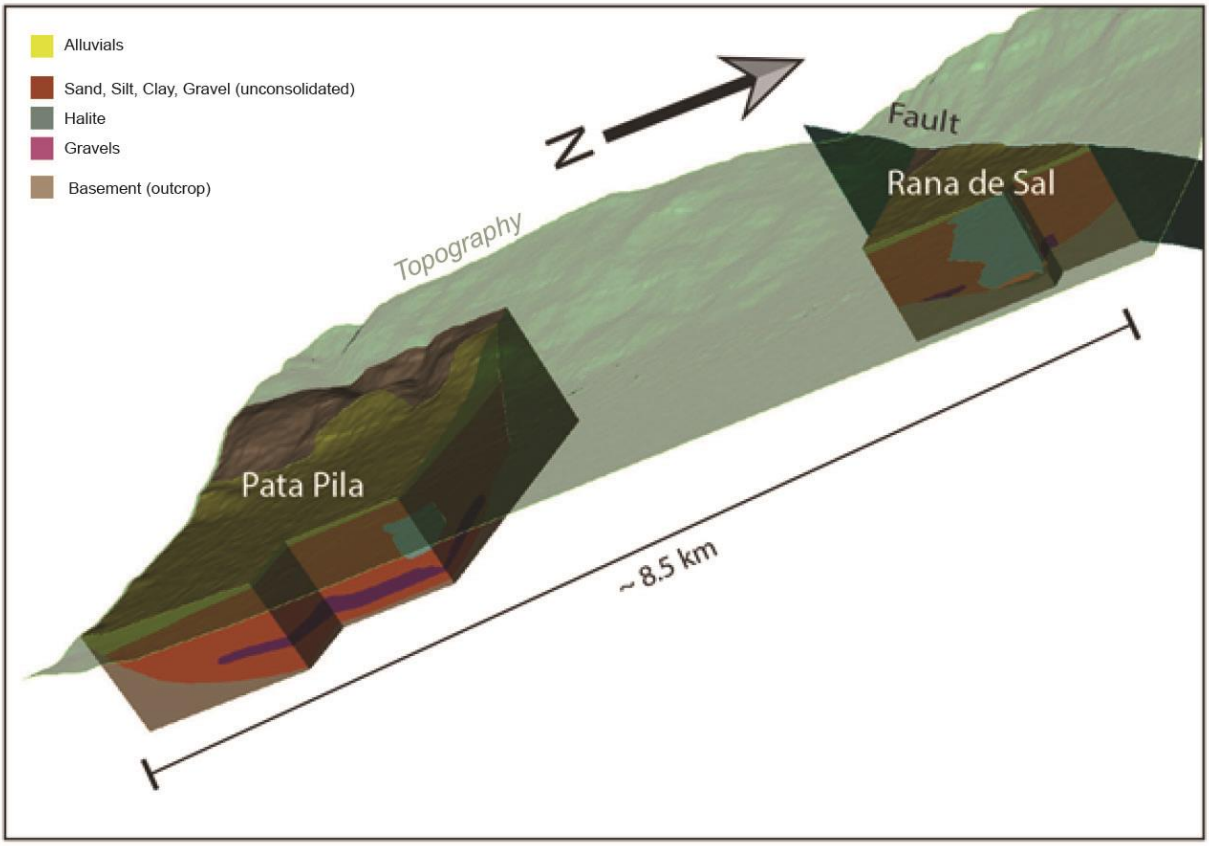

Figure 2: The geological model for Pata Pila and Rana de Sal produced by SRK. Note specific yields are: Sand (10%), Halite (3%) and Gravels (4%)

Geological Model

As part of the mineral resource estimation process, SRK conducted geological modelling (figure 2) of Pata Pila and Rana de Sal using the software packages GoCAD™ (Paradigm, geological modelling) and GEMS™ (Geovia, geological modelling and section interpretation).

The modelling used the following datasets:

- Resistivity and Conductivity profiles (CSMAT);
- Downhole geophysics (particularly gamma);
- Assays obtained from Alex Stewart International laboratory;
- Zelandez downhole data including total porosity and specific yield; and
- Lithological logs.

The Hombre Muerto Salar is a closed drainage basin, structurally controlled and bounded by normal faults. The drill holes were located upon alluvial fans that have prograded out onto the Salar. The younger alluvial fan deposits rest conformably upon the salar.

All borehole drilling was by the diamond drill method, with an internal triple tube for core recovery. Core was sampled in 1.5m lengths and logged by a geologist. Water/brine samples were taken from multiple target intervals using packer, bailer and airlift tests (see table 1 for more details). Downhole geophysics were employed e.g. downhole geophysical profiling and borehole magnetic resonance. Geochemical analyses of brine were undertaken by ICP-MS in two independent accredited laboratories (see table 1 for more details).

The resource boundaries of the hydrogeologic wireframes were determined as follows:

- Vertical limits are constrained between top of basement and top of sand / base of alluvial cover
- The western boundary is limited where the sand unit pinches out against basement
- The eastern margin is constrained by the tenement boundary
- The northern margin is constrained by a northeast-southwest very steeply dipping to the southeast fault, and
- The southern margin is constrained where the sand unit pinches out on shallow basement

In general, the style of geology has been assumed to be relatively flat to gentle basinward dipping stratigraphy with no preferred direction of mineralisation continuity.

A block model was created to cover the extents of both licence areas and was confined by a wireframe model based upon the various lithologies. When choosing appropriate model cell dimensions of 250 (easting) by 250 (northing) by 5m (elevation), consideration was given to drill spacing, sample interval, the interpreted geometry and thickness of the hydrogeologic domains and the style of mineralisation.

The main assay intervals for both holes are based on 72-hour airlift samples. As a result, no useful variography is possible from two averaged air lift samples. For Pata Pila, the air lift sample was obtained from interval 40 to 718.5m, and for Rana de Sal, the sample was obtained from 100 to 433m. Two simple packer samples were also obtained from the Rana de Sal drillhole over 32 to 122m.

A simple Inverse Distance weighted (to the power value of 2) extrapolation was carried out, using an isotropic search that allowed all blocks coded with Sand, Gravel or Halite to be interpolated. The maximum extrapolated distance for Pata Pila is 2.57 km with an average distance of 1.3 km. For Rana de Sal, the maximum extrapolated distance is 1.1 km with an average distance of 0.6 km.

A study by Houston et al., (2011)(#) showed that drill spacing of between 7 and 10km should be sufficient for Inferred resource definition. Therefore, the distance of 4.5 km between the two holes and maximum extrapolation distances of around 2.6 km are considered reasonable.

- "The Evaluation of Brine Prospects and the Requirement for Modifications to Filing Standards" by John Houston, Andrew Butcher, Peter Ehren, Keith Evans and Linda Godfrey (October 2011)

Resource Classification

The mineral resource estimate for the Pata Pila and Rana de Sal tenements has been classified in accordance with the JORC Code, 2012 edition. This classification also conforms to the AMEC "Guidelines for Resource and Reserve Estimation for Brines". Numerous factors were taken into consideration when assigning the classification applied to the Mineral Resource estimate.

Of these factors, it is considered that the classification has been primarily influenced by the drill coverage, geological complexity and data quality as described below:

Data quality: The datasets comprise a mix of sample data which were provided to SRK in numerous separate editable files. QAQC for Galan's data was acceptable for brine chemistry. Chemical results from Alex Stewart International laboratory were preferred for resource estimation. The brine occurrence and chemistry, the relative consistency of the data and confidence in the drilling and sampling results is good.

Geological complexity: The general orientation of the major defined domains / horizons appears to be consistent and predictable. Thickness is variable for each hydrogeologic domain. The lower boundary of Sand and Gravels needs to be better constrained due to some basement topography as indicated by basement encountered at 710m in Pata Pila and at 189m at Rana de Sal. The geophysical resistivity lines also show this irregularity and were used to help guide the model. Structures can be clearly observed and mapped from surface. However, it is not clear at present as to their affect at depth. Overall, there is reasonable understanding of the stratigraphy of the basin with excellent correlation of units between most areas.

Brines will migrate from unit to unit throughout the basin during production pumping. Therefore, at this stage, much of the resource is categorised as Inferred, but with more precise interpretation of the hydrogeologic domains, this would result in potential upgrade of the category to Indicated. At this stage, SRK does not deem it necessary to understand the local variations to that level of detail.

Data coverage: The data coverage reflects the 2019 drilling and geophysical surveys. The drillhole spacing is 4.5 km and both holes are vertical. All estimated blocks within the defined extents and hydrogeologic domains were assigned a classification of Inferred Resource.

Validation results: The model validation checks show a reasonable match between the input data and estimated grades, indicating that the estimation procedures have performed as intended.

Potential economic viability: The deposit is located in a well-known area of brine lithium with good existing infrastructure and nearby mills available for ore processing.

When assessing the criteria described above, SRK considers the greatest source of uncertainty to be the large drillhole spacing and large sample intervals which has resulted in data aggregation. The large intervals have also resulted in some degree of smearing of high grades within the modelled domains.

The minimum interpolated grade is around 950 Li mg/l, which is very high grade, and above what has been deemed in similar projects as an economic cut off grade. For example, a 500 Li mg/l cut off was used for [1]NRG Metals Inc's Hombre Muerto North project that has a combined Measured/Indicated resource.

[1]NRG Metals, NI 43-101 Preliminary Economic Assessment Report for the Hombre Muerto Norte Project Salta Province, Argentina. Effective Date 3rd June 2019

Deceo III

As announced 28 April 2020, the Company completed the purchase of the Deceo III tenement under a new re-negotiated agreement. Galan acquired a 100% interest in the Deceo III tenement upon payment of US$30,000 to the vendors.

Deceo III comprises a highly prospective area for high-grade lithium brine of 163.5-hectares. Significantly, Deceo III is adjacent to Galan's Pata Pila tenement and 100 metres East from the 719m deep PP-01-19 drillhole used in the maiden resource estimate for the HMW project of 1.08Mt LCE @ 946mg/l Li (ASX Announcement 12 March 2020).

Portofino Acquisition

Galan also recently acquired the option to purchase strategic projects (Del Condor and Pucara de Salar) at Hombre Muerto West from Portofino Resources Inc (TSX-V:POR) (Galan Announcement dated 26 February 2020). These and the Deceo III concessions are shown in figure 3.

Pending the completion of legal and title due diligence and any regulatory approvals, Galan will pay Portofino CDN$100,000 in cash (inclusive of a CDN$20,000 deposit) and issue 650,000 fully paid Galan shares for Portofino's 100% interest in the Hombre Muerto West Agreement (**HMW Agreement**).

The HMW Agreement gives Portofino the rights to earn a 100% interest in the Del Condor and Pucara lithium brine projects. Galan has a three (3) month exclusivity period (with an option to extend for another three (3) months, if required).

The Del Condor and Pucara projects comprise two claim blocks totalling 1,804-hectares. They are located within the world-class, Salar del Hombre Muerto, where Livent Corporation (NYSE:LTHM) is currently producing lithium carbonate and Galaxy Resources Limited (ASX:GXY) is developing its Sal de Vida project. Completed surface sampling tested 18 sites within the claim blocks and returned high-grade brine assay results up to 1,031mg/L Lithium (Portofino News Release dated July 10 2018).

More importantly, the projects abut Galan's Pata Pila and Rana de Sal concessions.

Next Steps

Galan's work has not stopped. Due to the conceptual nature of the work Galan acquired all necessary data last year when it drilled the Candelas and HMW projects. Despite the current lockdown restrictions in Argentina and Chile, the Company's team and contractors continue to remotely advance with engineering and modelling test work for its scoping studies and PFS. Cash burn rates in Australia and Argentina have been significantly reduced since January 2020.

Galan's 2020 goals, within its revised forecast, remain focused and include:

- Completion of the Hombre Muerto West acquisition from Portofino Resources Inc.
- Commencement of further resource work
- Releasing the interim scoping study and PFS to the market.
- Lodge pilot plant permits during H2 2020

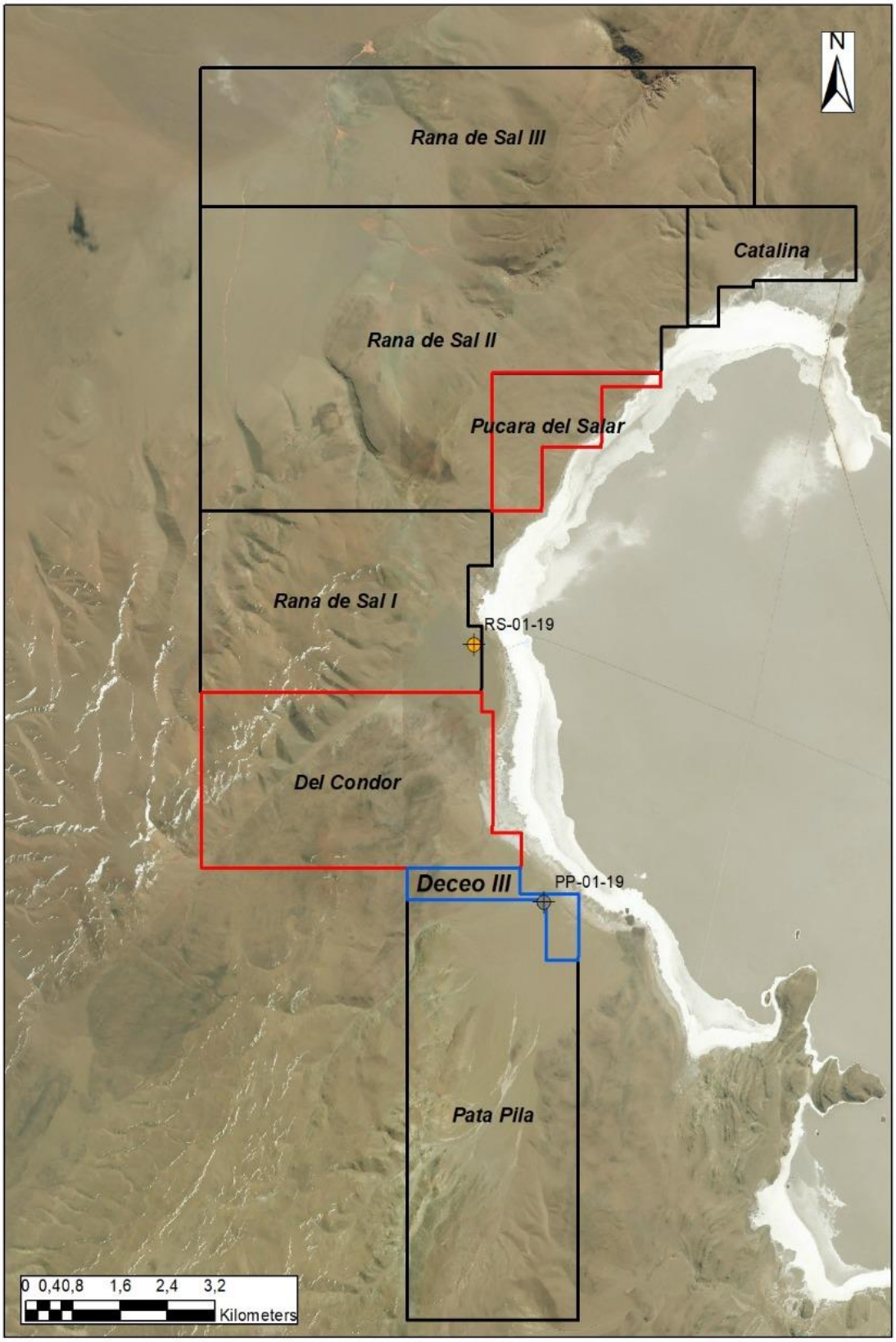

Figure 3: Deceo III location in blue at HMW plus location of drillhole at Pata Pila (PP-01-19). Portofino's concessions Del Condor and Pucara del Salar are highlighted in red with Galan concessions in black.

CORPORATE

Chairman

On 5 February 2020, the Company announced the appointment of Mr Richard Homsany as Non-Executive Chairman of the Company after the retirement of Mr Nathan McMahon.

The Board sincerely thanked Mr McMahon for his contribution as Chairman and as a major shareholder since Galan's initial public offering. He successfully led and steered the Company through the acquisition of its Argentinian Lithium assets, delivering excellent value to shareholders and left the Company in a sound position with a bright future.

Mr Homsany is an experienced corporate lawyer and has extensive board and operational experience in the resources and energy sectors. He is Executive Chairman of ASX listed uranium exploration and development company Toro Energy Limited (ASX:TOE), Executive Vice President, Australia of TSX listed uranium exploration company Mega Uranium Ltd (TSX:MGA) and the principal of Cardinals Lawyers and Consultants, a boutique corporate and energy & resources law firm.

Richard is Chairman of the Health Insurance Fund of Australia Ltd (HIF) and listed Redstone Resources Limited (ASX:RDS) and Central Iron Ore Limited (TSX-V:CIO) and is a non-executive director of Brookside Energy Ltd (ASX: BRK).

Placement

As announced on 3 April, Galan conducted a capital raising for gross proceeds of $550,000 through a fully subscribed private placement. The placement included participation of the entire Galan Board, staff and key consultants, at 14 cents per share plus one free unquoted option (exercisable on or before 31 March 2022 at $0.25) also being issued on a one for one basis. 2,071,429 placement shares and options were issued on 9 April 2020 under the Company's existing placement capacity under ASX Listing Rules 7.1A and 7.1 respectively. Prior shareholder approval will be sought for the issue of a total of 1,857,143 shares and options to directors in mid-June 2020.

In regard to COVID-19, Galan remains committed to delivering on our goals whilst maintaining high safety standards for our employees, contractors and consultants by adhering to the recommended practices mandated by the authorities in Australia, Argentina and Chile.

The Galan Board authorises the release of this Quarterly Activities Report (30.04.20).

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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 has two projects:

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.

Hombre Muerto West (HMW): a ~14km by 1-5km wide of the west coast of Hombre Muerto salar neighbouring Livent Corp to the east. HMW is currently comprised of four concessions and an additional two concessions under an option agreement from Portofino Resources Inc (TSX-V). Geophysics and drilling at HMW demonstrated a significant potential of a deep basin. In March 2020, a maiden resource estimate delivered 1.1Mt of LCE for two of the largest concessions (Pata Pila and Rana de Sal) with exploration upside remaining for the rest of the concessions.

Competent Persons Statements

Competent Persons Statement 1
The information contained herein that relates to exploration results and geology 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.

Competent Persons Statement 2
The information relating to the Exploration Results and integrity of the database was compiled by Mr Francisco Lopez (Geology). Mr Lopez is a full-time employee of Galan Lithium Limited and has been engaged by Galan as their Geology Manager. The integrity of the database and site inspection was done by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM, MAIG, MGSA, FGSL. Dr Cunningham is a Principal Consultant and full-time employee of SRK Consulting (Australasia) Pty Ltd.

The information in this report that relates to the Mineral Resources estimation approach at Candelas and Hombre Muerto West was compiled by Dr Cunningham. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – 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.

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.

Information within this report that relates to Resources for the Candelas project have previously been released in ASX:GLN announcement dated 1/10/19.

Information within this report that relates to Exploration Results for the HMW projects have previously been released in ASX:GLN announcements dated 9/10/19, 15/11/19, 19/12/19, 13/1/20 and 15/1/20. Information within this report that relates to Resources for the HMW projects have previously been released in ASX:GLN announcement dated 12/3/20.

INTEREST IN MINING TENEMENTS AT 31.03.20

Western Australia

E70/4629 (Greenbushes South - application)

Argentina (Hombre Muerto Project – 100% right, interest and/or title)

DECEO I
DECEO II
DECEO III

CANDELA
CANDELA II
CANDELA III
CANDELA IV
CANDELA V
CANDELA VI

CATALINA

SANTA BARBARA
PATA PILA
RANA de SAL

GALAN LITHIUM LIMITED