

ASX ANNOUNCEMENT

15 July 2021

GALAN ACQUIRES OPTION TO PURCHASE KEY TENEMENT AT HOMBRE MUERTO WEST

- **Option to purchase strategic new tenement executed**
- **Right to acquisition increases flexibility and more area for pond location and infrastructure such as camp and processing plant for HMW**
- **Potential to increase lithium resource to be assessed with geophysics work to follow**

Galan Lithium Limited (ASX:GLN) (**Galan** or **the Company**) is pleased to announce that it has executed a binding Option Agreement (**Agreement**) with a private Argentinian individual for the purchase of the right to earn a 100% interest in the *Casa Del Inca III* lithium brine tenement. The acquisition increases and consolidates our Hombre Muerto West (**HMW**) project footprint located in the South American Lithium Triangle in Catamarca, Argentina (Figure 1).

Galan has agreed to initially acquire 300ha for a total of US\$150,000 with the initial deposit of US\$80,000 being paid.

Figure 1 shows that the project abuts the east side of the Pata Pila tenement and highlights the initial 300ha to be purchased under the Agreement plus the total 900ha, if required.

Casa del Inca III is 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. More importantly, it abuts Galan's Pata Pila interest, which shares the same geology setting forming part of the suite of tenements that comprise the HMW project. The HMW project currently houses a high-grade, low impurity lithium brine resource of ~2.3Mt LCE @ 946mg/l Li.

JP Vargas de la Vega, the Galan Managing Director said, 'This strategic project acquisition by Galan consolidates its Hombre Muerto West project with an extension of the concessions from Catalina to Pata Pila and onwards to Casa del Inca III. This provides Galan with the opportunity to quickly build additional scale to its already significant brine resource and tenure in the region.'

The Galan Board has authorised this release.

For further information contact:

Juan Pablo ("JP") Vargas de la Vega
Managing Director
Email: jp@galanlithium.com.au
Tel: +61 8 9322 6283

Terry Gardiner
Non-Executive Director
Email: TGardiner@galanlithium.com.au
Tel: + 61 400900377

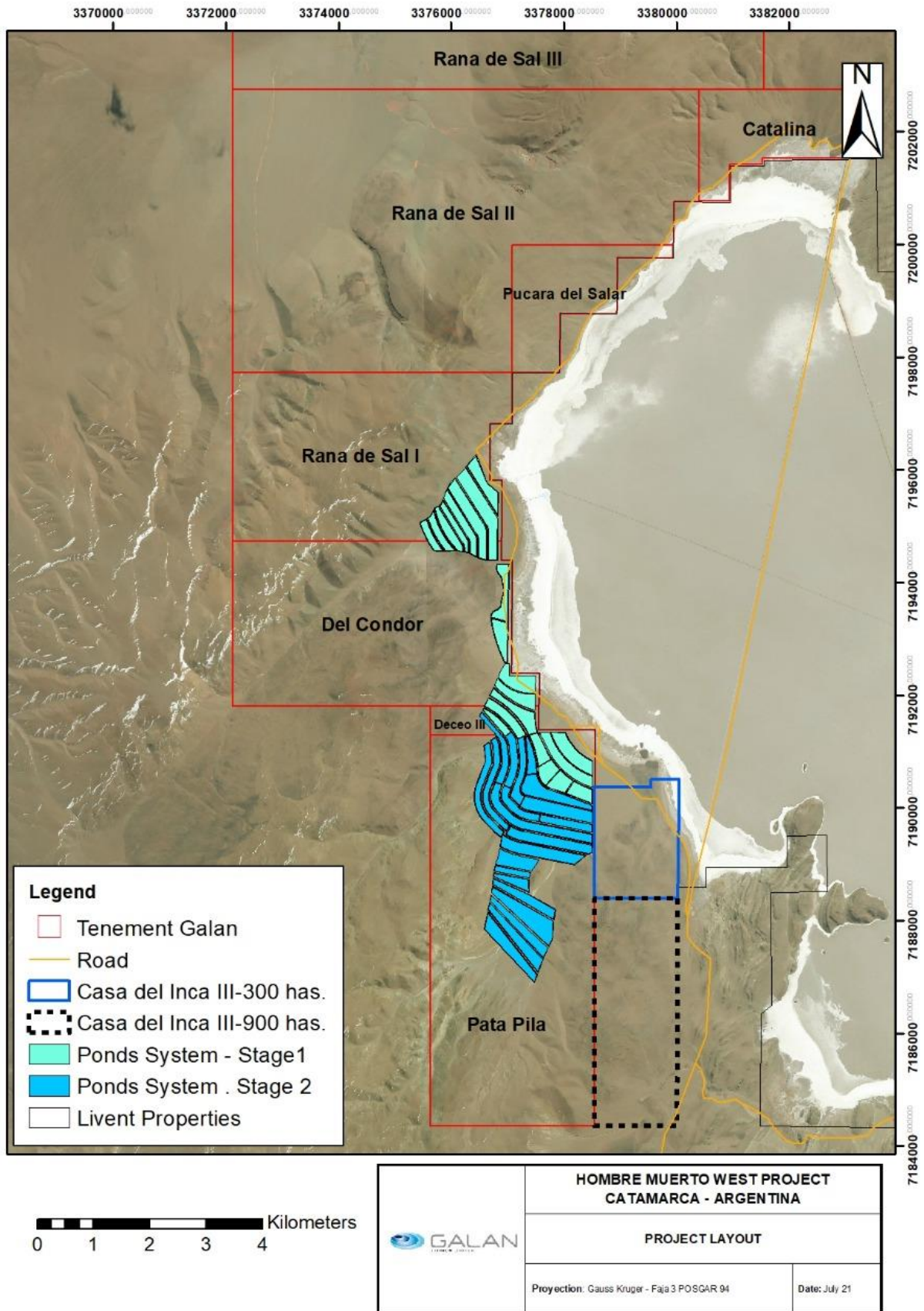


Figure 1: Location of Casa del Inca III concession (300ha in blue; 900ha dotted) and GLN's concessions (in red)

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 three 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 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 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). That resource now sits at 2.3Mt of LCE with exploration upside remaining for the rest of the HMW concessions not included in the current indicated resource.

Greenbushes South Lithium Project: Galan has an Exploration Licence application (E70/4629) covering a total area of approximately 43 km². It is approximately 15kms to the south of the Greenbushes mine. In January 2021, Galan entered into a sale and joint venture with Lithium Australia NL for an 80% interest in the Greenbushes South Lithium project, which is located 200 km south of Perth, the capital of Western Australia. With an area of 353 km², the project was originally acquired by Lithium Australia NL due to its proximity to the Greenbushes Lithium Mine ('Greenbushes'), given that the project covers the southern strike projection of the geological structure that hosts Greenbushes. The project area commences about 3km south of the current Greenbushes open pit mining operations.

Competent Persons Statement

The information in this announcement that relates to the Mineral Resources estimation approach at Hombre Muerto West was compiled by Dr Cunningham. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. 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.