



ASX ANNOUNCEMENT

20 July 2021

Galan to Initiate Candelas Scoping Study

Highlights:

- **Candelas' brine concentrate modelling shows results up to 6%Li. Similar to Hombre Muerto West (HWM) concentrate with low impurities**
- **Galan to commence a Scoping Study building from the learnings at HMW's PEA Study (released 21 Dec 2020) with an in-house team and Ad-Infinitum**
- **Results expected during Q4 2021**
- **All other activities at HMW for its Feasibility Study to continue as planned**

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is very pleased to announce the imminent commencement of a scoping study for the Company's Candelas project (see Figure 1). Candelas is Galan's second key project and is also located on Hombre Muerto West salt flat (on the southeast) in the well-known South American Lithium Triangle in Catamarca, Argentina.

The scoping study for the Candelas Project will be performed by Galan's in-house engineering team whilst Ad-Infinitum in Chile will oversee the chemical processing and other relevant study sections. The study is expected to be finalised during Q4 2021.

Galan's Managing Director Juan Pablo (**JP**) Vargas de la Vega said "We are very pleased with Candelas' modelling results for its lithium chloride concentrate. Results are showing that it can reach up to 6%Li with a low impurity setting which can provide commercial flexibility to production. To date, we have accumulated a significant amount of data from our detailed studies and testing at HMW which gives us the confidence to take Candelas into the scoping study phase. This next step is a natural step to complement our lithium inventory from the same salt flat with an aim to adding further value by investigating an increase in production levels for Galan."

The Galan Board has authorised this release.

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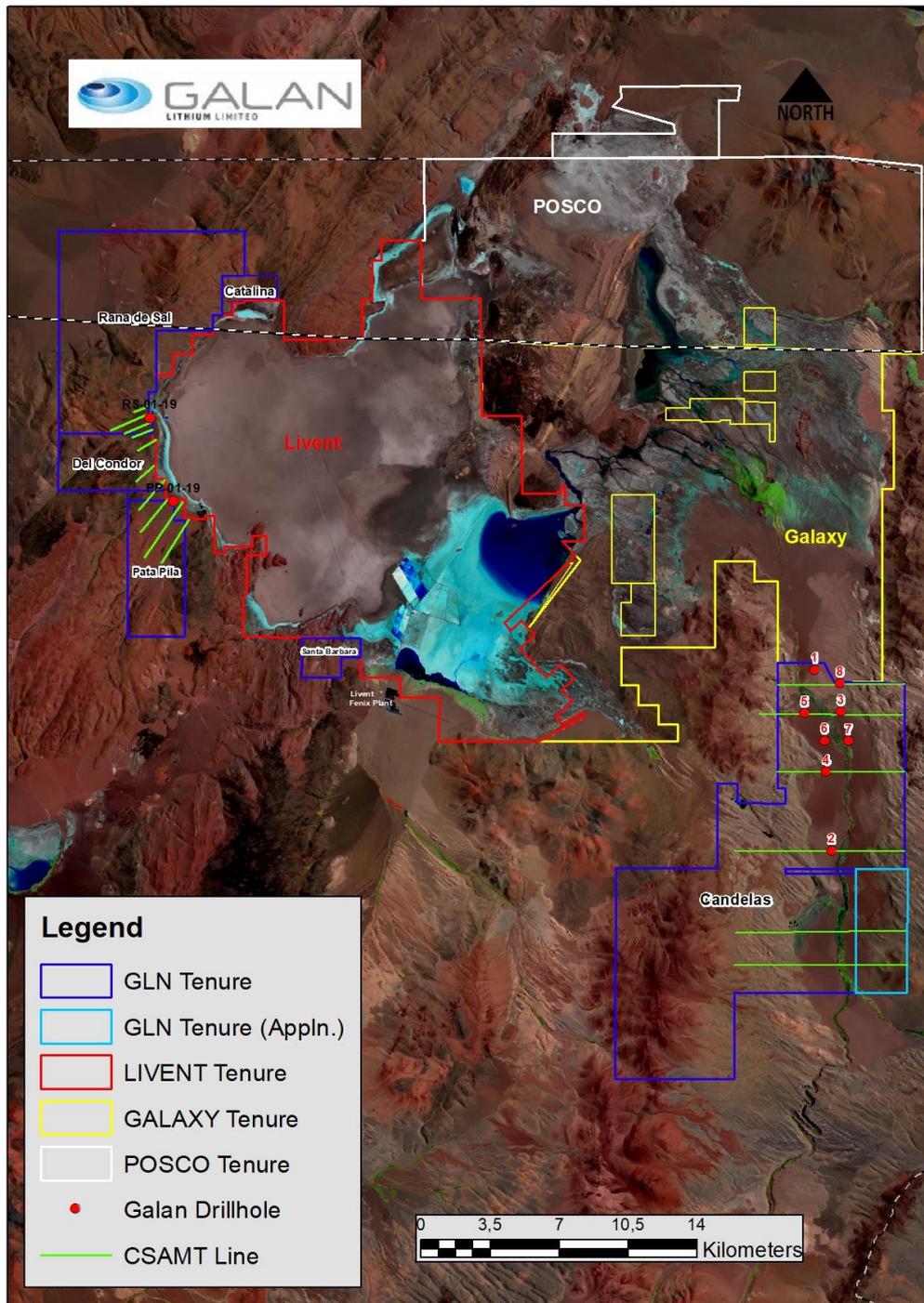


Figure 1 – Location of Galan’s Hombre Muerto West salt flat tenure

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 contained herein that relates to the progress of the laboratory test work and study development related activities have been directed by Mr. Marcelo Bravo. Mr. Bravo is Chemical Engineer and managing partner of Ad-Infinitum Spa. with over 25 years of working experience and he is a Member of the Chilean Mining Commission and has sufficient experience which is relevant 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'. Mr. Bravo consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.