

ASX ANNOUNCEMENT

19 August 2021

GALAN TO COMMENCE NEXT DRILLING PROGRAMME AT HOMBRE MUERTO WEST

- **Galan has received the next round of drilling permits for Hombre Muerto West**
- **Drilling campaign to assess new resources and maiden reserves at Hombre Muerto West**
- **Drilling will also test production well flow rates and lithium grade**
- **Earthworks has commenced and drilling equipment on site**

Galan Lithium Limited (ASX:GLN) (**Galan or the Company**) is pleased to announce that, following the recent receipt of the next round of drilling permits from the Secretaria de Estado de Minería - Gobierno de Catamarca (the authority that approves drilling permits in Catamarca, Argentina), Galan will commence its next drilling programme over the Hombre Muerto West (**HMW**) project located on the Hombre Muerto salar in Argentina.

Preparatory works to access sites for drilling have now commenced within the *Pata Pila* and *Rana de Sal* concessions. Drilling equipment has already mobilised to site. This next round of drilling aims to confirm and expand current resources and to test the dynamics of brine flow rates, and lithium grade necessary to estimate a maiden Reserves Estimate to be used as part of HMW's Definitive Feasibility Study (**DFS**).

Galan's Managing Director, Juan Pablo ("JP") Vargas de la Vega, said:

"We are pleased to be able to return to HMW, this time to drill for Reserves. With our new funding, Galan will also test new undrilled areas aiming to firm-up and increase resources. We want to prove that HMW could have a productive well field to support potential production as part of the DFS."

The HMW project currently houses a high-grade, low impurity lithium brine resource of ~2.3Mt LCE @ 946mg/l Li.

The Galan Board has authorised this release.

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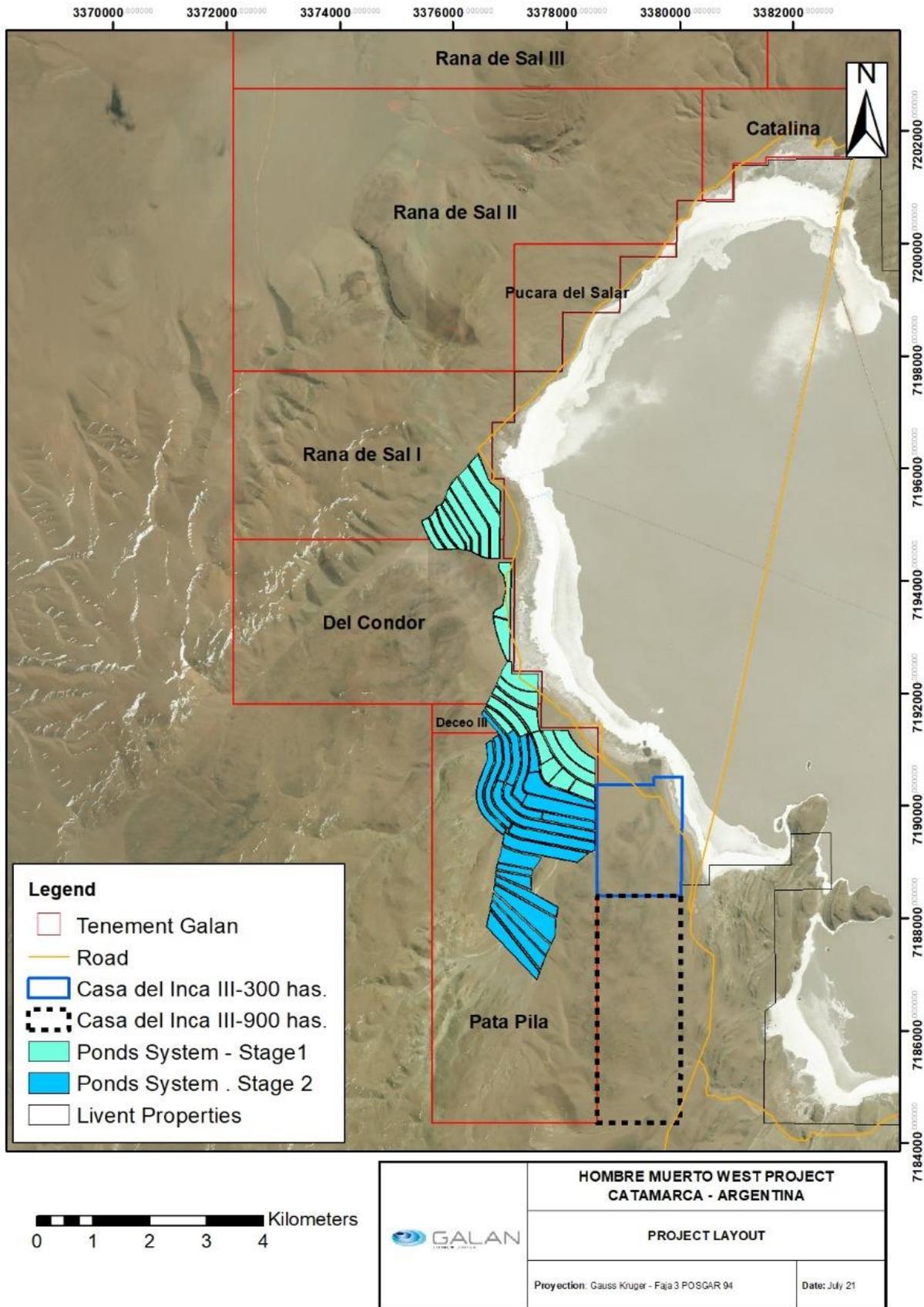


Figure 1: Location of Hombre Muerto West

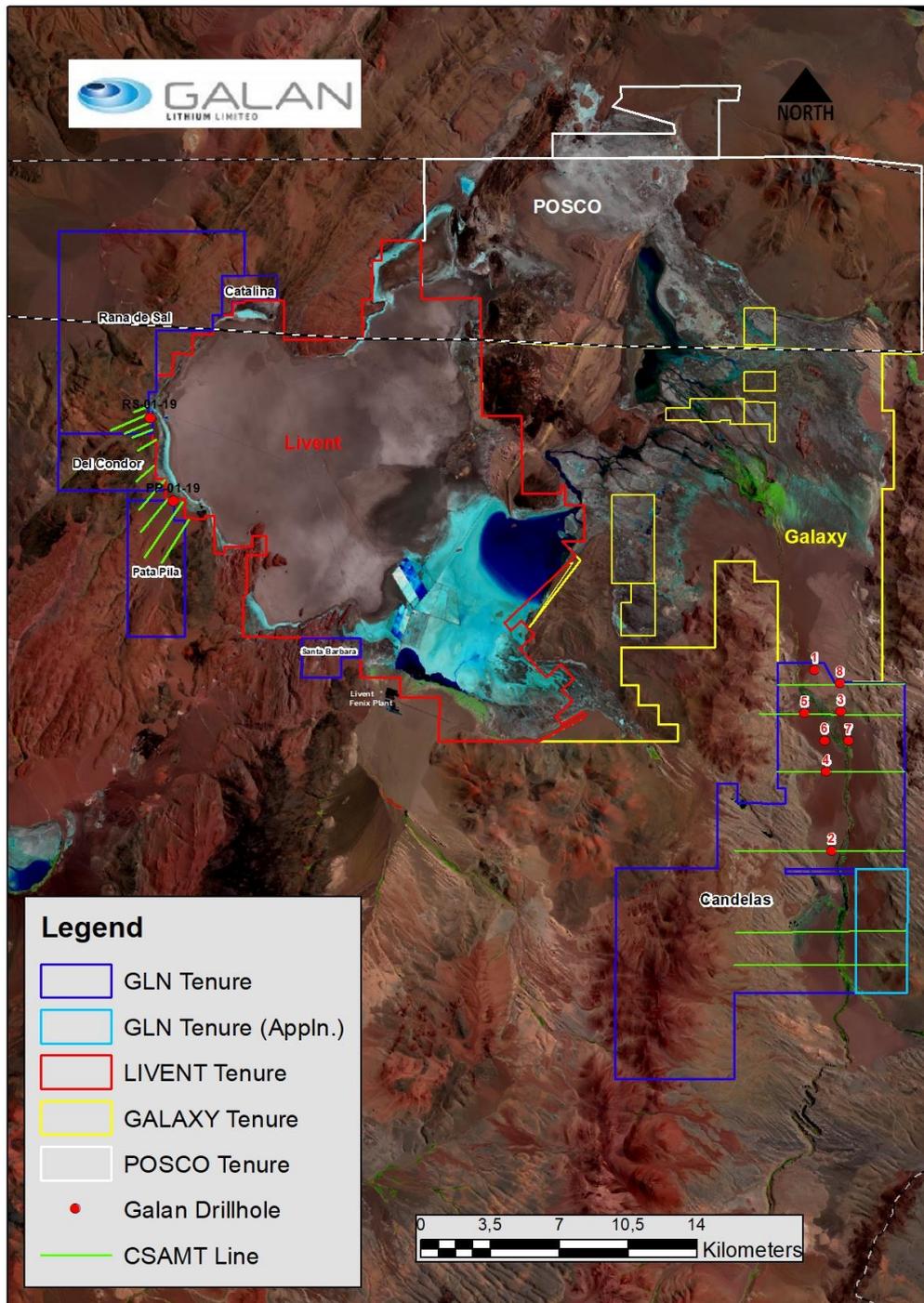


Figure 2: Location of Galan Projects at Hombre Muerto

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.

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.