

ASX ANNOUNCEMENT

20 December 2022

Maiden Drill Program To Commence At Greenbushes South Lithium Project

Highlights:

- Maiden drill targets identified at Fry's Block following extensive fieldwork, geochemical and geophysical data analysis
 - Diamond drilling campaign to commence late January 2023 pending POW approvals
 - Exploration program ongoing, including geophysics, soil sampling and target generation
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Galan Lithium Limited (ASX: GLN) (**Galan** or the **Company**) is pleased to announce a maiden drilling program at the newly defined Fry's Block located within its 100% owned Greenbushes South Lithium Project. Diamond drilling is scheduled to commence in late January 2023, pending receipt of program of works (**POW**) approvals.

The Greenbushes South Lithium Project (the **Project**) (refer Figure 1) is located 250 km south of Perth, in Western Australia and covers an area of approximately 315 km². The Project tenements are located along the trace of the Donnybrook-Bridgetown Shear Zone geologic structure, which hosts the lithium-bearing pegmatites at the Greenbushes Lithium Mine (**Greenbushes**). The maiden drill campaign is designed to test delineated pegmatites hosted within the Donnybrook-Bridgetown Shear Zone structure.

Greenbushes is currently the largest hard-rock lithium mine in the world and has been in production since 1983. It is operated by Talison Lithium Pty Ltd, a private company now owned by joint venture partners Tianqi Lithium Corporation / IGO Limited JV (51%) and Albemarle Corporation (49%).

The five-hole diamond drilling program has been developed to test three interpreted pegmatite targets at the Fry's Block Prospect on E70/4790. The shallow-angled drilling program follows recent successful fieldwork campaigns, including highly encouraging geophysics and soil sampling results (refer ASX announcements dated; 1 August 2022, 15 June 2022, 24 March 2022 and 15 November 2021).

Located approximately 3 km from the operational Greenbushes mine, the potential pegmatite targets at Fry's Block are thought to be part of a more extensive, interfingering geologic system. Diamond drilling has been selected to capture the sample and geometry of the pegmatites, details of their magmatic histories as well as any potential irregularities in grade distribution.

Exploration within E70/4790 tenement is ongoing, with additional ground geophysics planned as a follow-up to historical and pending soil transects to aid in the identification of blind pegmatites at depth.

Galan's Managing Director, JP Vargas de la Vega, commented:

"We are very excited by the identified opportunity at the newly defined Fry's Block which follows our extensive fieldwork, geochemical and geophysical data analysis. We now have three highly prospective targets, land access, a drilling contractor and ideal weather conditions ready for our maiden drilling campaign at our fully owned Greenbushes South Lithium Project. We expect these initial targets to be the first of many planned in one of the world's most renowned lithium districts."

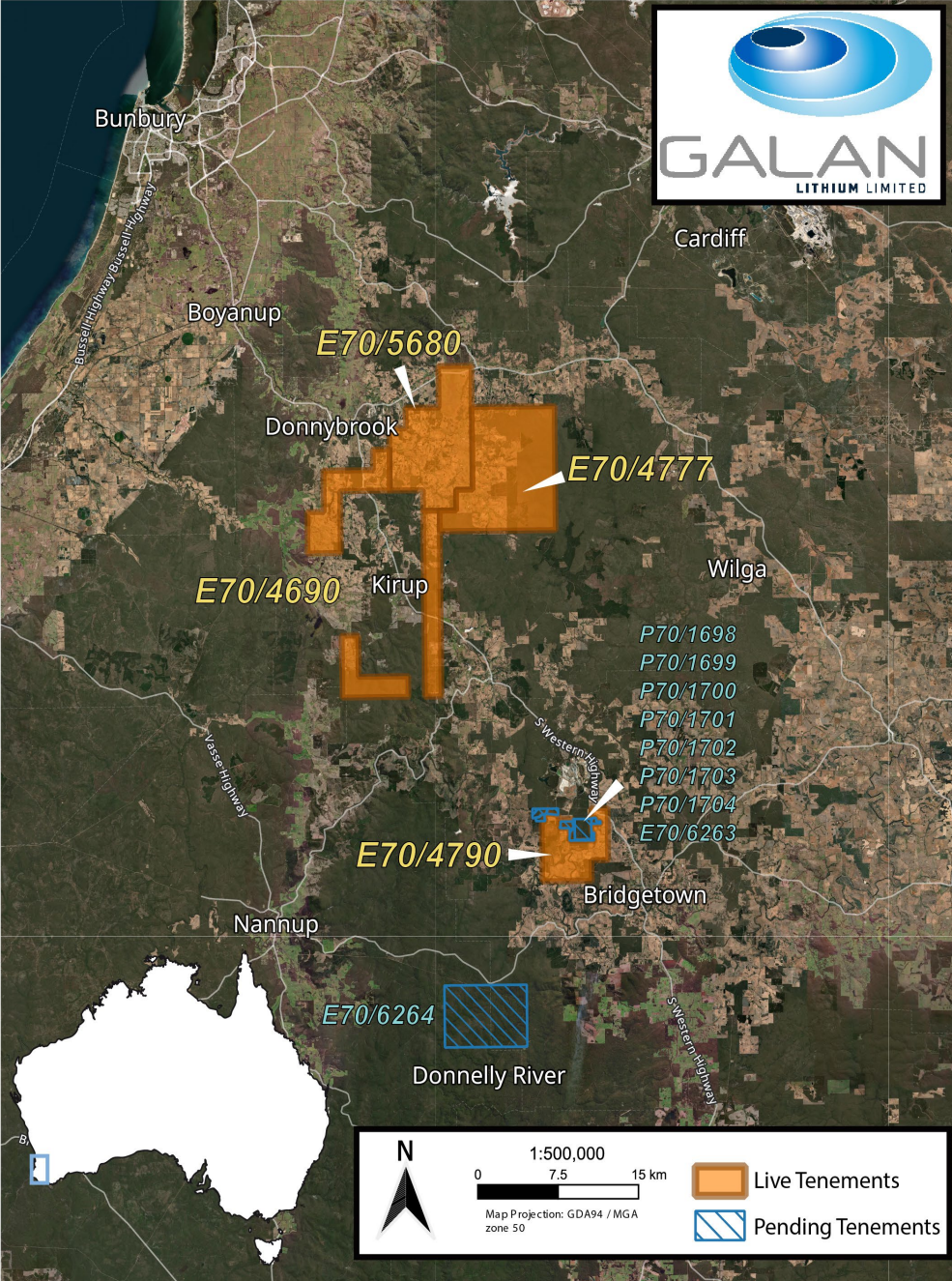


Figure 1: Galan's Greenbushes Tenements



Figure 2: Fieldwork being conducted in Greenbushes South.

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

Competent Persons Statement

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.

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.

About Galan

Galan Lithium Limited (ASX:GLN) is an ASX-listed lithium exploration and development business. Galan’s flagship assets comprise two world-class lithium brine projects, HMW and Candelas, located on the Hombre Muerto salar in Argentina, within South America’s ‘lithium triangle’. Hombre Muerto is proven to host lithium brine deposition of the highest grade and lowest impurity levels within Argentina. It is home to the established El Fenix lithium operation (Livent Corporation) and the Sal de Vida (Allkem) and Sal de Oro (POSCO) lithium projects. Galan is also exploring at Greenbushes South in Western Australia, approximately 3km south of the Tier 1 Greenbushes Lithium Mine.

Hombre Muerto West (HMW): A ~16km 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 significant potential of a deep basin. In October 2022, an updated Mineral Resource estimate was delivered totalling 5.8Mt of LCE for the largest concessions (including Pata Pila, Casa del Inca and Rana de Sal). Exploration upside remains for the rest of the HMW concessions not included in the current resource estimate.

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.

Greenbushes South Lithium Project: Galan now owns 100% of the tenement package that makes up the Greenbushes South Project that covers a total area of approximately 315 km². The project is located ~250 km south of Perth in Western Australia. These tenements are located along the trace of the geologic structure, the Donnybrook-Bridgetown Shear Zone, that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes. In March 2022 airborne geophysics was flown to develop pegmatite targets for all of Galan's tenements. Following on, in August 2022, a pegmatite associated with spodumene-bearing rocks was discovered at E70/4790. This tenement is approximately 3 km to the south of the Greenbushes mine. Further geological mapping, soil sampling and geophysical investigations are being used to determine drill targets within E70/4790. These aforementioned ground-based methods are also being applied to Galan's other granted tenements in the region.

Forward-Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Galan Lithium Limited operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside Galan Lithium's control. Galan Lithium Limited does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Galan Lithium Limited, its directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.