

ASX ANNOUNCEMENT

24 July 2023

Successful Delivery of a Premium Quality, (6% Li) Lithium Chloride Concentrate Product from HMW Pilot Plant

- **HMW pilot plant confirms production of a premium quality, (6% Li) lithium chloride concentrate product (equivalent to 13% Li₂O or 31.9% LCE)**
- **Proven predictive lithium concentration model and process design for HMW Project**
- **Lithium chloride samples ready to distribute to potential off-take partners**
- **Preparations and engineering design commenced for a lithium carbonate pilot plant using lithium chloride produced at HMW.**
- **Phase 1 preparation works (new camp, top-soil removal etc) are on track for delivering lithium chloride production of 5.4ktpa LCE in 2025; main pond 1 clearing 80% complete**
- **Brine concentration process to continue through 2023 and into 2024**
- **Phase 1 full construction permit and Phase 2 DFS advancing, both are expected in Q3 2023**

Galan Lithium Limited (ASX: GLN) (**Galan or the Company**) is very pleased to provide this project update and announce that the Hombre Muerto West (**HMW**) piloting activities have now produced a high quality, (6% Li) concentrated lithium chloride product. The 100 % owned HMW Project is located in the Catamarca Province, Argentina.

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

"This is a wonderful achievement and significant project milestone! To deliver a high quality product from our HMW piloting activities is just reward to the Galan team. It has proven our process model and design theories were correct – it can be done. Congratulations to the whole project team who have ploughed on, despite the ravages of winter, to achieve this sensational result.

Samples are now ready to be distributed to potential buyers of our lithium chloride product. As we gear up for Phase 1 construction, I am confident that Galan has put together one of the most experienced lithium brine teams in the business."

Pilot Plant Achievement and Next Steps

Galan commenced piloting activities in April 2022 by filling the first evaporation pond of the existing pilot plant. This plant had a small scale, as the main purpose of early pilot plant construction and operation was to prove the process design for the HMW Project, and to provide samples to potential buyers of the lithium chloride product.

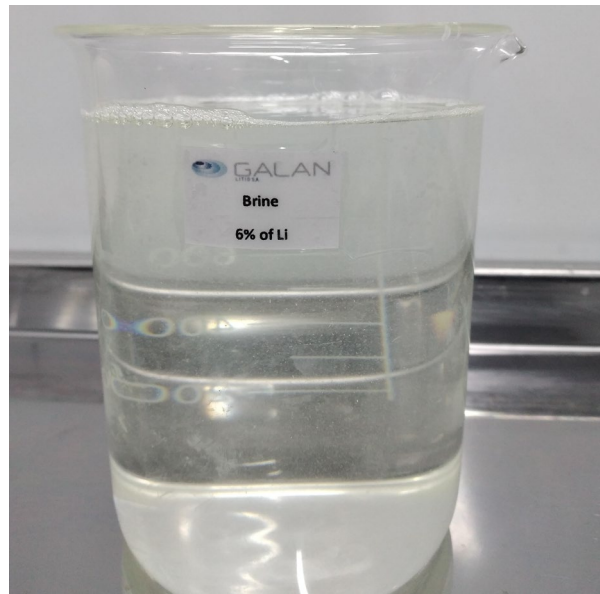


Figure 1: Premium lithium chloride concentrate sample

On 16 July 2023, the most advanced brine evaporation delivered a premium quality product of 350 litres containing 6% of Li content with significantly low levels of impurities (Mg, Ca, SO_4 etc). During the piloting process the team learnt important takeaway knowledge on evaporation rates and reagent usage at site. As a result the team feels vindicated and confident of delivering the Phase 1 DFS lithium chloride production milestone in H1 2025.

The next stage of the piloting is to achieve continuous production delivering multiple samples at low and medium scale for satisfying any volume required by potential off-takers. In addition, the pilot plant will feed a demonstrative lithium carbonate plant to be installed at the HMW Project site in 2024.

The Galan project team is now focused on the next block of activities:

- Preparations and engineering design of a demonstrative lithium carbonate pilot plant using the current lithium chloride concentrate feedstock
- Provision of samples for potential off-take partners
- Testing of further downstream optionality

The pilot plant is expected to continue operations during 2023 and 2024 to provide ongoing data for further optimising the HMW project.

Previous Test work and Piloting Activities

During 2022, Galan conducted test work activities at the HMW Project site for obtaining lithium chloride with a content of 6% Li. Test work utilised a batch methodology starting with a volume of around 40m³ of brine, to obtain around 10 litres of lithium chloride. Another set of lab test work activities were conducted in the Antofagasta Region of Chile during 2021. These tests also obtained lithium chloride products with similar qualities with the results being released to the market on 21 March 2021.

Galan also conducted lab scale test work activities using the lithium chloride product obtained in the test work, for successfully achieving the obtention of lithium carbonate within battery grade specifications. The result of these tests were released to the market on 12 July 2021.

All the test work undertaken and described previously, was released in line with the ASX disclosure requirements.

Project Update

Phase 1 preparation works (figures 2 and 3) for lithium chloride production of 5.4ktpa LCE and camp expansion continue. 80% of top-soil clearing for main Pond 1 completed and further approved early works continue at site and camp. Phase 1 full construction permit and Phase 2 DFS are advancing and expected to be achieved in Q3 2023.

New camp expansion progressing well in readiness for the Phase 1 construction phase (figure 3).

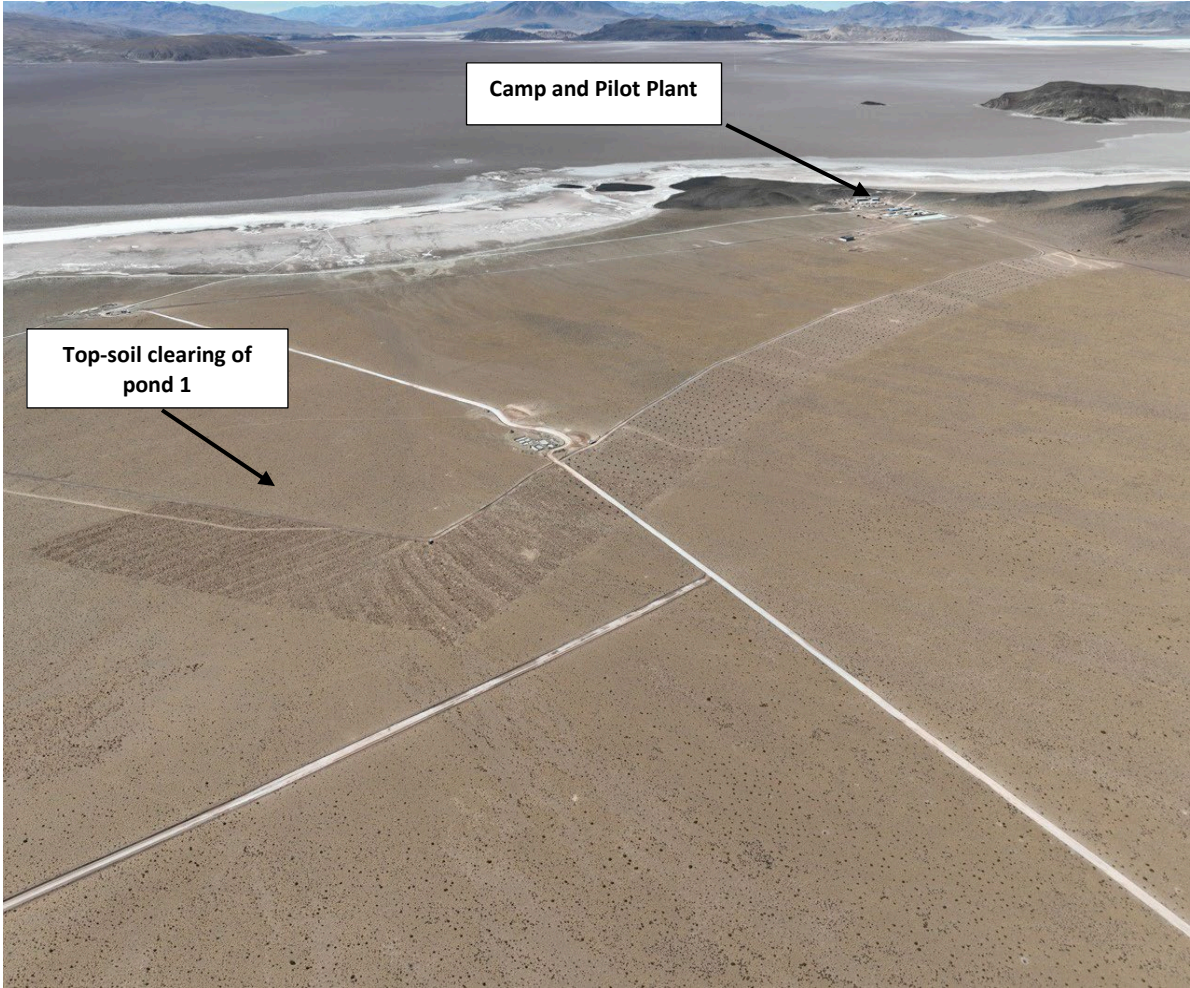


Figure 2: Aerial view of early work advances for Pond 1

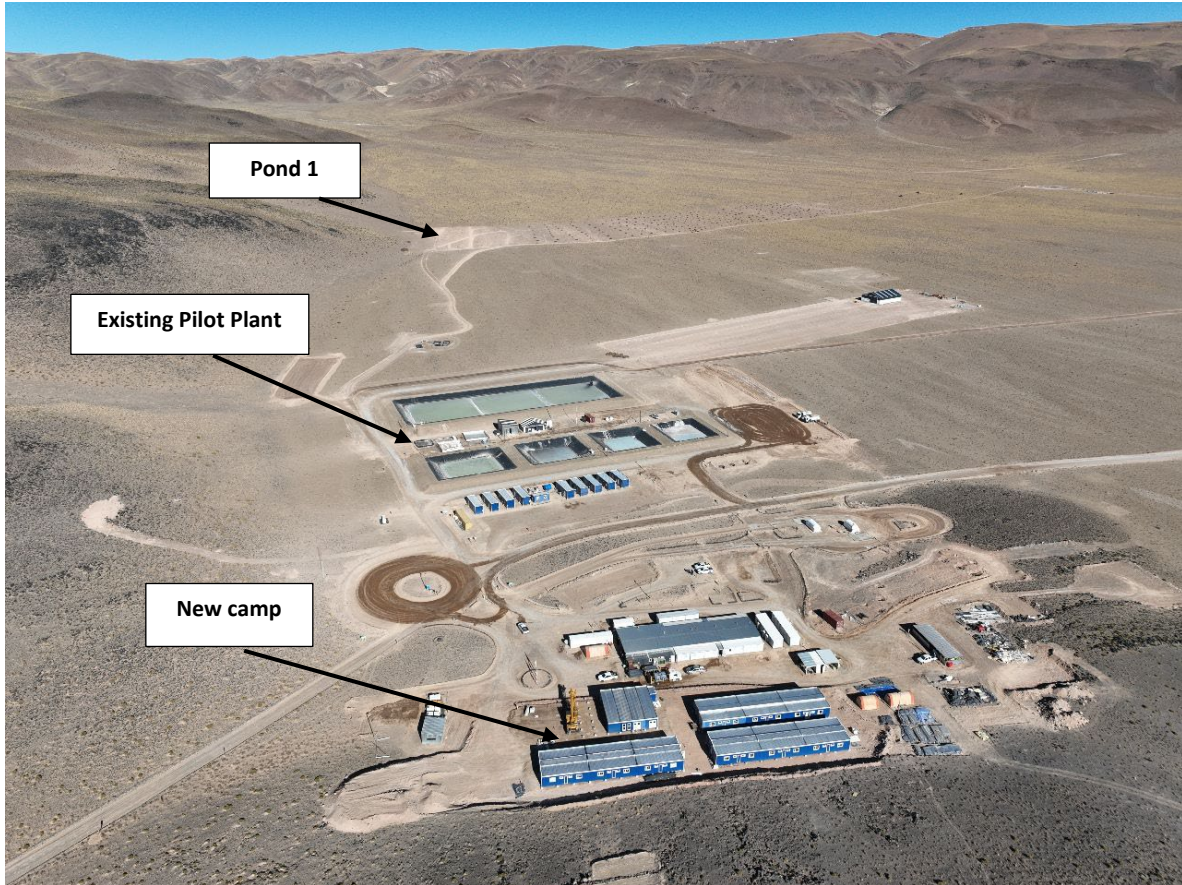


Figure 3: Aerial view of general advances for Phase 1 of HMW Project



Figure 4: Aerial view of existing pilot plant

The Galan Board has authorised this release.

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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 May 2023 an updated Mineral Resource estimate was delivered totalling 6.6Mt of LCE. There still remains exploration upside for other areas of the HMW concessions that have not been 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 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. In early March 2023, drilling commenced within E70/4790.