ASX ANNOUNCEMENT

7 April 2022

Extensional Drilling Success at HMW Project Delivers Lithium Resource Upside

Highlights:

- **Diamond drillhole, PP-02-22, completed to a depth of 450m at Pata Pila licence.**
- **Results confirm HMW Project Mineral Resource extends to the east at depth, delivering further resource and potential production upside:**
  - **Extends brine potential a further 800m from existing drillhole (PP-01-19) to within 1km of the neighbouring Livent tenement boundary.**
  - **Downhole geophysics indicate high porosity intervals, particularly the sand units equating to high specific yield (porosity) and hydraulic conductivity.**
  - **Core logs and cuttings reveal detailed units with abundant sand-dominant lithologies showing strong indicators for brine-bearing production aquifers.**
- **Results to be incorporated into HMW Project Mineral Resource update, on track for completion during Q3 CY2022.**
- **Further exploration drilling of new target zones to commence this quarter.**
- **HMW pilot plant S1 pond filling with brine, evaporation testing to commence.**

Galan Lithium Limited (ASX:GLN) (**Galan** or **the Company**) is pleased to announce the successful completion of the first drill hole in the latest drilling campaign at its 100% owned Hombre Muerto West Lithium Project (**HMW Project**), which is located on the Western Basin of the Hombre Muerto salar in Catamarca Province, Argentina.

Commenting on the latest drilling outcomes at Pata Pila, Galan's Managing Director, Juan Pablo ('JP') Vargas de la Vega, said:

"This exploration diamond hole has further unlocked the potential of the world-class lithium brine resource held at the HMW Project. The results have enhanced our hydrogeological modelling, a key to confirmation of Reserve estimates, and delivered further Mineral Resource upside at HMW."

"Following the new exploration target areas identified by the recent TEM geophysical survey, we now look forward to aggressively drilling these additional potential HMW Mineral Resource expansion zones from this quarter through the rest of 2022."

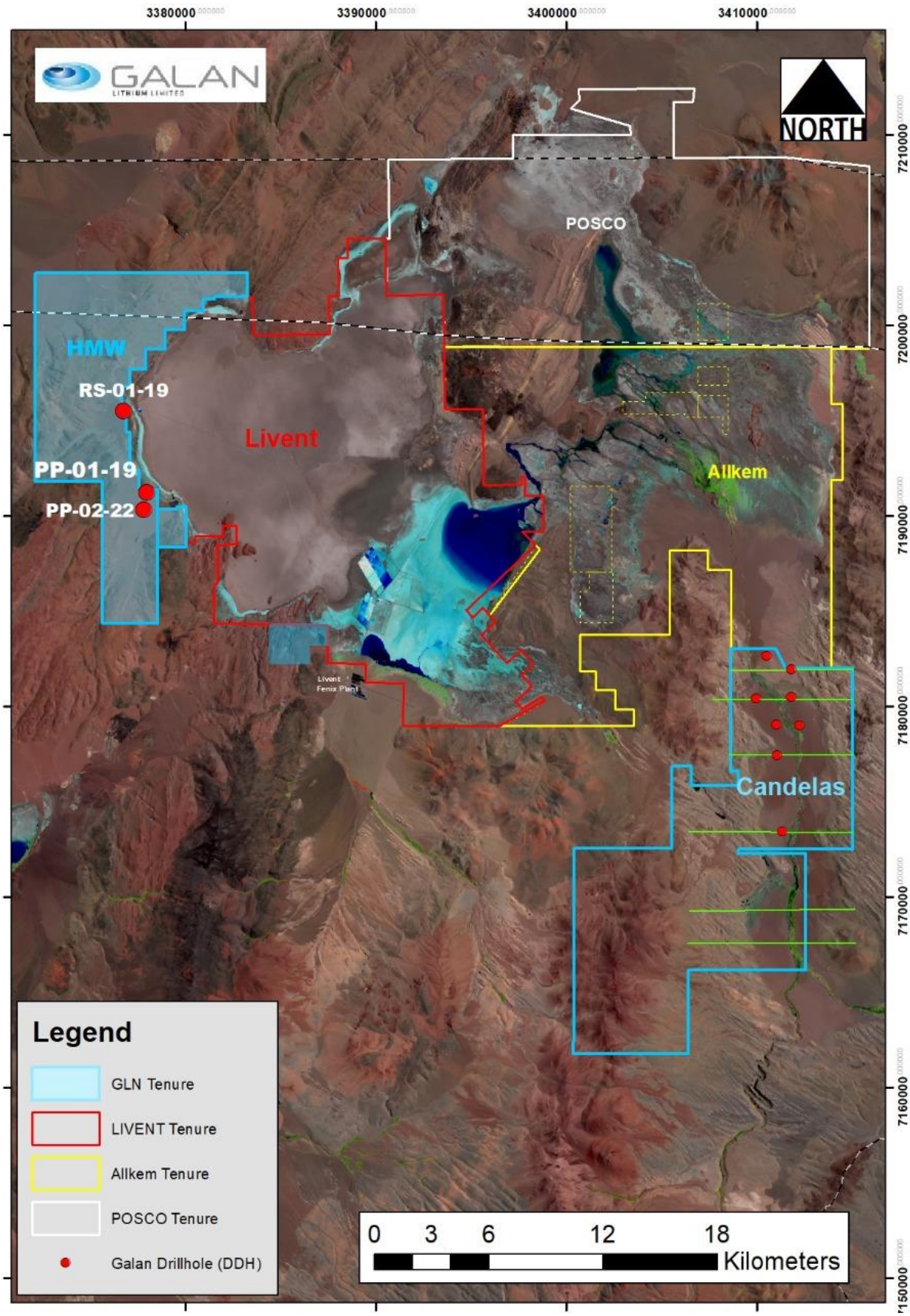

Figure 1 – Galan's HMW and Candelas tenure in Argentina

Extensional Drilling Confirms and Extends HMW Resource Potential

Diamond drillhole, PP-02-22, was completed at Pata Pila to a final depth of 450m. The Pata Pila licence covers large alluvial fan areas lying adjacent to Livent Corporation's (NYSE: LVHM) tenure in the region (see Figures 1 and 2).

The key purpose of PP-02-22 was to extend knowledge in the Pata Pila licence area so as to build-out the hydrogeological models required to confirm Reserve estimates at the HMW Project. The drillhole was designed to provide key geological data for testing extension to the existing HMW Project Mineral Resource, in both horizontal and vertical dimensions, from the salar limits.

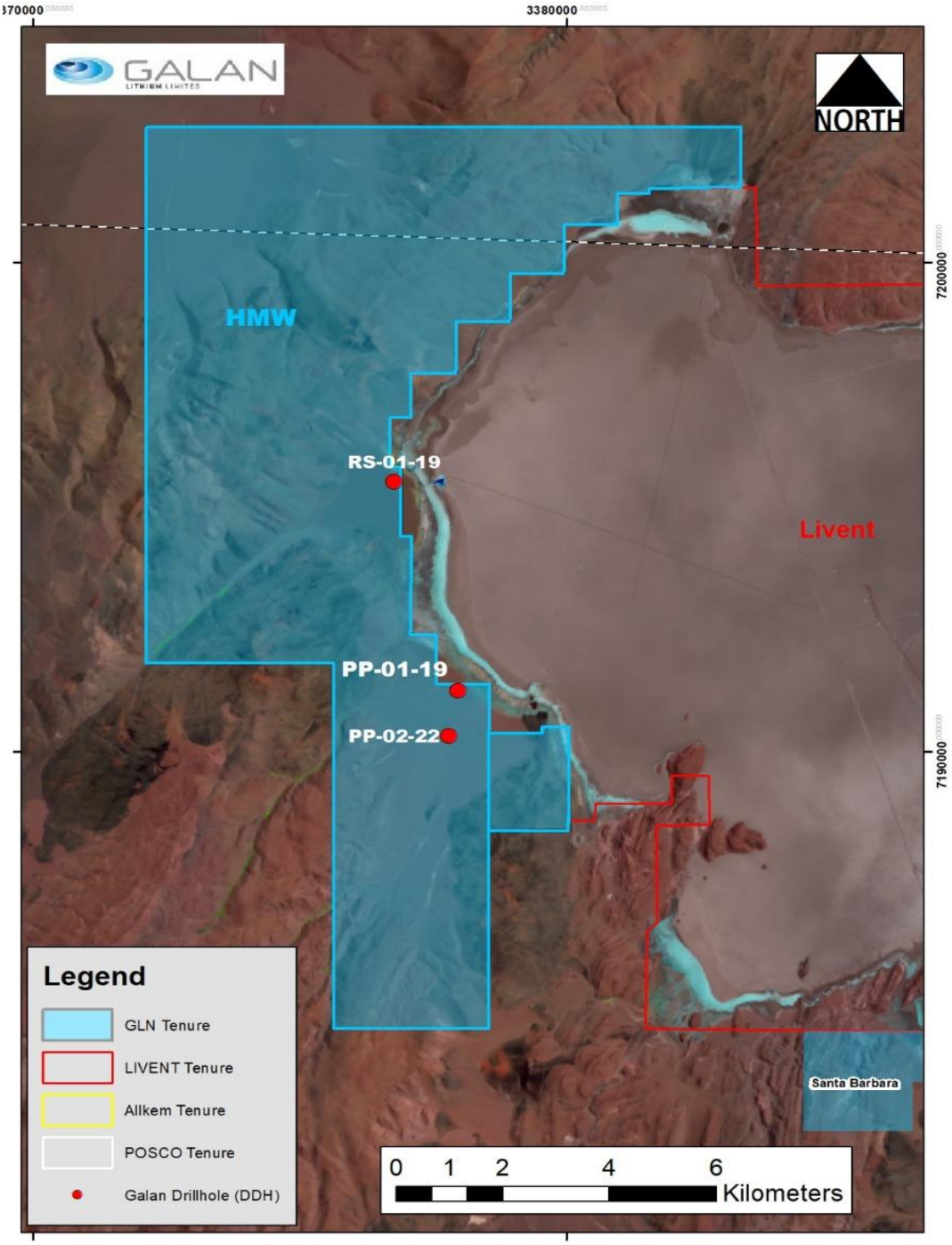

Figure 2 – Location of Pata Pila Drillhole PP-02-22 at HMW Project

Excellent recovery of drill core and cuttings from PP-02-22 has revealed a highly detailed stratigraphic profile downhole. The new borehole has revealed lithologies dominated by unconsolidated fine to medium sized sand for the majority of the 450m, apart from the topmost interval. Here, the top 90m of the hole consists of interbeds of gravel and fine to medium sands. Mud density measurements taken throughout the drilling confirm brines are present, typically 1.2g/ml or higher.

Downhole geophysical logging using Nuclear Magnetic Resonance (NMR) was undertaken to provide an accurate porosity and pore size distribution of the sediments, among other variables. The key results from this work include:

- Confirmation of the conceptual geological model for the upgradient portion of the Pata Pila alluvial fan, corresponding to a thick sedimentary sequence (435 metres):
    - Main presence of sands between approximately 90 and 280 m bls. This interval is estimated to have a relatively high specific yield and hydraulic conductivity.
    - Further presence of sands between 355 and 435 m bls. This interval is estimated to have a high hydraulic conductivity, similar to the upper sand interval.
- NMR results indicates high porosity values for the overall sequence:
    - Specific yield values were generally estimated to be greater than 10%, with zones that exceed 20% and 30%. The higher values are closely related to the sand intervals.
- The drilling and geophysical results allowed for the identification of hydrogeological basement rock at a depth of 450 m bls. This depth corresponds to previously identified geoelectric unit through surface geophysics. This allows the use of this method to better constrain the conceptual model in the surrounding areas.

Analysis of the Zelandez results suggest favorable zones for potential brine extraction at PP-02-22. With the presence of thick sections containing medium-coarse clastic sediments in the upper 280 m and lower 355 m to 435 m bls, specific yield and hydraulic conductivity values are interpreted to be high in general.

The results from PP-02-22 have delivered substantial confirmation of, and further potential upside to, the existing Mineral Resource estimate at the HMW Project. These results are set to be incorporated into an updated Mineral Resource estimate for the HMW Project, which is on track for completion during Q3 CY2022.

Exploratory diamond drilling activities are now set to move to drilling of recently identified Mineral Resource expansion targets (see Galan ASX release dated 31 March 2022, *Hombre Muerto West Project Update: DFS and Pilot Plant Works Making Strong Progress, New Resource Targets Identified*). These exploration drilling activities are expected to continue through the remainder of CY2022.

Pilot Plant Evaporation Operations Commenced

Following the recently completed construction of the first evaporation pond (S1, covering approximately 3,000m^2) of the HMW Project Pilot Plant, Galan is pleased to advise that brine filling of this pond is almost complete and evaporation testing ready to commence (see Figure 3).

This is a major milestone given that it marks the commencement of large-scale piloting activities at the HMW Project. The data set to be obtained from this initial evaporation trial will allow the calibration of the simulation model to predict the completion time for achieving the first batch of brine concentrate with 6% of Li contents produced by the Pilot Plant.

Figure 3 – Aerial view of S1 pond filling with brine with camp and the Hombre Muerto salt flat in the background. Evaporation testing ready to commence.

The Galan Board has authorised this release.

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Competent Person Statement

The information contained herein that relates to Exploration Results 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.

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.

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 Allkem 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.

HMW Project looking north from Pata Pila

ANNEXURE 1

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

Criteria	• JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rotary tricone drill bits (12.5 inch) were employed and produced drill cuttings. Drill cuttings were sampled and sieved regularly at meter intervals. • Conductivity tests are taken on site with a field portable Hanna Ph/EC/DO multiparameter. • Drill core was recovered in 1.5 m length core runs in core split tubes to minimize sample disturbance. Core recovery was carefully measured by comparing the measured core to the core runs. • Drill core was to obtain representative samples of the stratigraphy and sediments. • Downhole geophysics (Zealandez) logs of the bore hole were used to obtain depth-specific data (ie. specific yield and brine chemistry)
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Rotary drilling with tricone head of 12.5 inches was employed for sampling of drill chips at meter intervals. • Diamond drilling with internal (triple) tube was used for drilling. The drilling produced core with variable core recovery, associated with unconsolidated material. Recovery of the more friable sediments was difficult, however core recovery by industry standards was very good. • Fresh water is used as drilling fluid for lubrication during drilling.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sand, conglomerate, halite, mud and silt were recovered, sampled and logged by a geologist and a photo was taken to document the lithologies. • Diamond drill core was recovered in 1.5m length intervals in triple (split) tubes. Appropriate additives were used for hole stability to maximize core recovery. The core recoveries were measured from the core and compared to the length of each run to calculate the recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• The core is logged by a senior geologist and contract geologists who are overseen by the senior geologist who also supervised the taking of samples for laboratory analysis. • Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially

	• *The total length and percentage of the relevant intersections logged.*	extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies. Cores are split for sampling and are photographed. • All core was logged by a geologist • Borehole geophysical logs (Zealandez) including NMR were obtained for the entire length of the hole.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• N/A
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• N/A • Zealandez borehole logging is a well-established technique suitable for brine field exploration. Especially this type of exploration targeting lithium brine mineralization in the Andes.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Field duplicates, standards and blanks are used to monitor potential contamination of samples and the repeatability of analyses. • Zealandez has significant experience in this type of exploration methods targeting lithium brine mineralization in the Andes. They have previously conducted work for Galan Lithium Limited at the Candelas and HMW tenement areas.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The survey locations were located using modern Garmin handheld GPS with an accuracy of +/- 5m. • The grid System used by Quantec: POSGAR 94, Argentina Zone 3 • Topographic control was obtained by handheld GPS, and the topography is mostly flat with very little relief.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications*	• Geophysical logs were made for the entire length of the borehole.

	applied. • *Whether sample compositing has been applied.*	
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The brine concentrations being explored for generally occur as sub-horizontal layers and lenses hosted by conglomerate, gravel, sand, salt, silt and/or clay. Vertical diamond drilling is ideal for understanding this horizontal stratigraphy and the nature of the sub-surface brine bearing aquifers
Sample security	• *The measures taken to ensure sample security.*	• Data was recorded, processed and provided by Zealandez ensuring the data was not manipulated or altered. • Data was recorded and processed by trusted employees, consultants and contractors to the Company and overseen by senior management ensuring the data was not manipulated or altered. • Samples are transported from the drill site to secure storage at the camp on a daily basis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been conducted to date. The drilling is at a very early stage however the Company's independent consultant and CP have approved the procedures to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Hombre Muerto Lithium Project consists of numerous licences located in Catamarca Province, Argentina. The tenements are owned by Blue Sky Lithium Pty Ltd ('Blue Sky'). The Company and Blue Sky executed a Share Sale Agreement whereby Galan Lithium Limited purchased 100% of the issued share capital of Blue Sky.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No historical exploration has been undertaking on this licence area. Both PP-01-19, RS-01-19 and PP-01-22 are west of the adjacent licence area by Livent Corporations (NYSE:LVHM), see figure 1.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Pata Pila licence area cover sections of alluvial fans located on the western shore of the Hombre Muerto salar proper. The salar hosts a world renowned lithium brine deposit. The lithium is sourced locally from weathered and altered felsic ignimbrites and is concentrated in brines hosted within basin fill alluvial sediments and evaporites.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of*	Drillhole ID: PP-01-19 • Easting: 679776.5005 E (WGS84 Zone 19) • Northing: 7189763.574 N (WGS84 Zone 19) • Vertical hole • Hole Depth: 718m Drillhole ID: RS-01-19 • Easting: 678684.72 E (WGS84 Zone 19)

Criteria	JORC Code explanation	Commentary
	the drill hole collar ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Northing: 7194047.40 N (WGS84 Zone 19) • Vertical hole • Hole Depth: 474m Drillhole ID: PP-02-22 • Easting: 679598.42 (WGS84 Zone 19) • Northing: 7185550.65 (WGS84 Zone 19) • Vertical Hole • 450m Drillhole ID: PBRS-02-22 • Easting: 678684.72 E (WGS84 Zone 19) • Northing: 7194047.40 N (WGS84 Zone 19) • Vertical hole • Hole Depth: 200m
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting or cut off grades have been applied to the assay results
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• It is fairly assumed that the brine layers lie sub-horizontal and, given that the drillhole is vertical, that any intercepted thicknesses of brine layers would be of true thickness.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Provided, refer to maps, figures and tables in the document
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• These results are from drillholes at Pata Pila licence areas.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All meaningful and material information is reported
Further work	• *The nature and scale of planned further*	• Further exploration drilling of new target zones

Criteria	JORC Code explanation	Commentary
	work (eg; tests for lateral extensions or depth extensions or large-scale step-out drilling). • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	to commence this quarter.