



ASX ANNOUNCEMENT

3 April 2020

GALAN FULLY SUBSCRIBED PLACEMENT AND PROJECT UPDATE

- **Commitments sought and received for a fully subscribed private placement of \$550,000 (before costs) at 14 cents per share, representing a 3.6% discount to the last closing price**
- **Entire Board, staff and key consultants participate in placement**
- **Funds to be applied to continuing scoping and Pre-Feasibility studies (PFS), commencement of further resource work and working capital**
- **Cash burn rates significantly reduced since January 2020**
- **COVID-19 has had minimal impact on the work scheduled for Galan's scoping and PFS**

Galan Lithium Limited (ASX:GLN) (**Galan or the Company**) is pleased to announce a capital raising for gross proceeds of \$550,000 through a fully subscribed private placement.

The Company confirms that it has received firm commitments from professional and sophisticated investors and others, including the entire Galan Board, staff and key consultants, through a share placement at 14 cents per share plus one free unquoted option (exercisable on or before 31 March 2022 at \$0.25) also being issued on a one for one basis (**Placement**). The Placement shares (3,928,572) and options (3,928,572) are planned to be issued by Thursday 9 April 2020 under the Company's existing placement capacity under ASX Listing Rules 7.1A and 7.1 respectively. Prior shareholder approval will be sought for the issue of directors' shares in the Placement in mid to late May 2020.

The funds raised will, during these challenging times, enable Galan to continue its scoping and PFS studies, move forward with further resource work and for working capital.

Galan's Chairman, Richard Homsany, said,

"The success of this fundraising in unprecedented and most challenging circumstances is testament to the high quality of Galan's management and projects, and the success to date of implementing the Board's robust strategy to deliver shareholder value. We sincerely thank investors for their strong support including the loyalty and confidence shown by our highly capable Board, staff and key consultants. We look forward to continuing to deliver results that will benefit our shareholders"

Project Update

Galan's work has not stopped. Due to the conceptual nature of the work Galan acquired all necessary data last year when it drilled the Candelas and HMW projects. Despite the current lockdown restrictions in Argentina and Chile, the Company's team and contractors continue to remotely advance with engineering and modelling test work for its scoping studies and PFS. Cash burn rates in Australia and Argentina have been significantly reduced since January 2020.

Galan's 2020 goals, within its revised forecast, remain focused and include:

- Completion of the Hombre Muerto West acquisition from Portofino Resources Inc.
- Commencement of further resource work
- Releasing the interim scoping study and PFS to the market.
- Lodge pilot plant permits during H2 2020

Juan Pablo Vargas de la Vega, the Company's Managing Director, commented:

"We are very pleased to secure funds to complete the Hombre Muerto West acquisition and keep advancing our scoping study and PFS. I am also encouraged and proud of the strong commitment of the entire Board, Staff and key consultants in participating in the Placement.

Furthermore, the significant high-grade results from our maiden Resource Estimate for Hombre Muerto West are now part of a bigger picture with a total resource of ~1.8Mt LCE (including Candelas) being modelled in our studies. The value significance of what Galan has now acquired is two excellent projects, in the same salt flat, that are potentially economical as stand-alone projects or combined with a possible production target of 20kt LCE per year.

In regard to COVID-19, we remain committed to delivering on our goals whilst maintaining high safety standards for our employees, contractors and consultants by adhering to the recommended practices mandated by the authorities in Australia, Argentina and Chile."

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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 two 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 wide of the west coast of Hombre Muerto salar neighbouring Livent Corp to the east. HMW is currently comprised of four concessions and an additional two concessions under an option agreement from Portofino Resources Inc (TSX-V). 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) with exploration upside remaining for the rest of the concessions.



GALAN
LITHIUM LIMITED