



GALAN
LITHIUM LIMITED

ASX ANNOUNCEMENT

28 April 2020

GALAN ACQUIRES 100% OF STRATEGIC DECEO III TENEMENT AT HOMBRE MUERTO WEST PROJECT, ARGENTINA

Highlights:

- **Completion of low-cost acquisition of Deceo III.**
- **The tenement is located in the world class lithium producing projects' cluster, the Hombre Muerto Salar, which also hosts lithium producer Livent and lithium developers POSCO and Galaxy Resources.**
- **Deceo III is located in the heart of Hombre Muerto West (HMW) next to Galan's Inferred Resource of 1.08Mt LCE @ 946mg/l Li (no cut off).**
- **Exploration upside for Galan is an expected increase to its total combined Indicated and Inferred mineral resource beyond 1.77Mt LCE @ 837mg/l Li.**
- **Scoping and Pre-Feasibility conceptual studies advancing steadily.**
- **Studies intend to demonstrate the potential for Galan to become a low-cost, profitable lithium producer given the Hombre Muerto Salar's proven combination of high-grade lithium with a low impurity setting.**
- **Deceo III enhances Galan's pathway to potential production.**

Galan Lithium Limited (ASX:GLN) (**Galan** or **the Company**) is pleased to announce that it has completed the purchase of the Deceo III tenement under a new re-negotiated agreement. Galan acquired a 100% interest in the Deceo III tenement upon payment of US\$30,000 to the vendors. The mine property is located at the Hombre Muerto salar and increases Galan's tenure at its Hombre Muerto West (HMW) project in Catamarca, Argentina (**Figure 1**).

Deceo III comprises a highly prospective area for high-grade lithium brine of 163.5 hectares. Significantly, Deceo III is adjacent to Galan's Pata Pila tenement and 100 metres East from the 719m deep PP-01-19 drillhole used in the maiden resource estimate for the HMW project of 1.08Mt LCE @ 946mg/l Li (ASX Announcement 12 March 2020). **Figure 2** illustrates a cross section of HMW showing Pata Pila's geological model which Galan reasonably considers could be extended to Deceo III with only limited further evaluation.

HMW is located within the world-class lithium projects' cluster, Salar del Hombre Muerto, where Livent Corp. (NYSE:LTHM) has been producing lithium carbonate for more than 20 years, and POSCO and Galaxy Resources Ltd (ASX:GXY) are separately developing their respective Sal de Vida projects.

JP Vargas de la Vega, Galan's Managing Director said 'This strategic 100% project acquisition by Galan evidences our intentions to consolidate a significant continuous ground holding (currently ~14km) at HMW. Moreover, we are of the conviction that Candelas and HMW could become low-cost, profitable lithium producing projects, even at today's lithium prices. Both of these 100% owned Galan projects

have a solid resource base of high-grade lithium and low impurity levels in the best-known lithium producing region in Argentina.

We are confident Deceo III will increase our lithium inventory given our previous work and the short distance to the drill hole Galan completed at Pata Pila. Despite the constraints of the current COVID-19 pandemic, we continue to advance all the conceptual models of our Scoping and Pre-Feasibility Studies. We have commenced preparations to undertake additional laboratory test work to process our brine into battery grade lithium carbonate once the restrictions are lifted in Argentina and Chile'.

The Galan Board has authorised this release.

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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, Galaxy Resources and POSCO's Sal de Vida projects (sharing the same project's name).

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 (October 2019). 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 1.08Mt of LCE for two of the largest concessions (Pata Pila and Rana de Sal) with exploration upside remaining for the rest of the concessions.

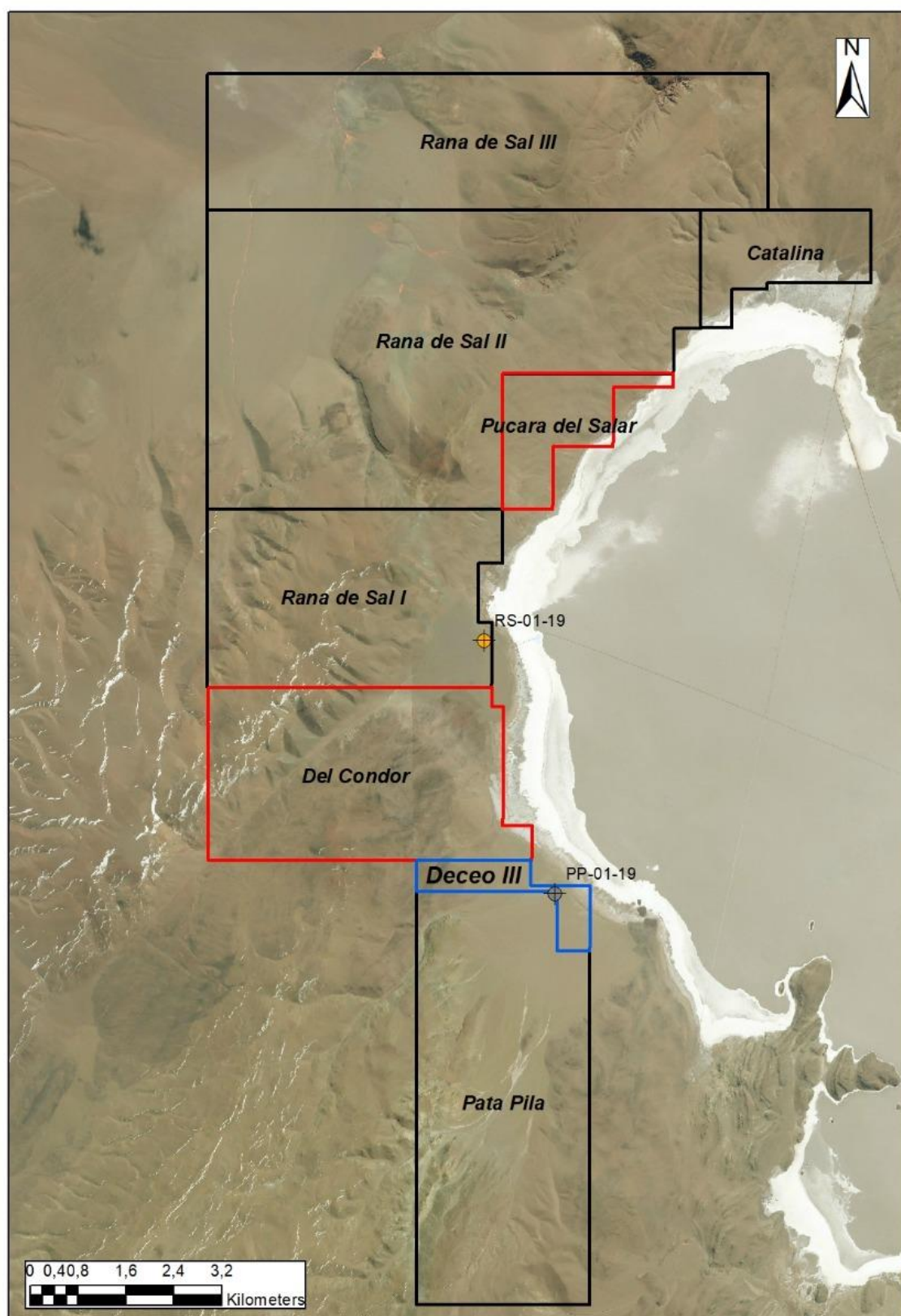


Figure 1: Deceo III location in blue at HMW plus location of drillhole at Pata Pila (PP-01-19). Portofino's concessions Del Condor and Pucara del Salar are highlighted in red with Galan concessions in black.

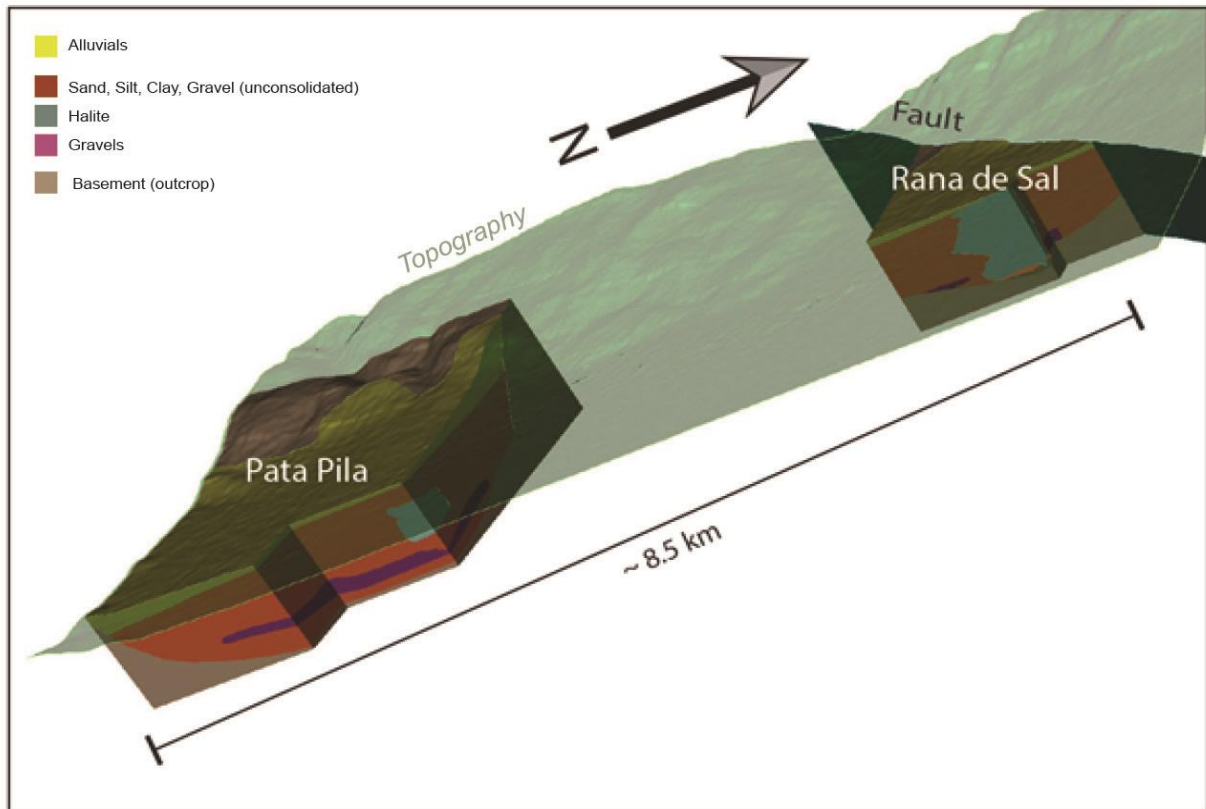


Figure 2: The geological model for Pata Pila and Rana de Sal produced by SRK Consulting (12 March 2020). Deceo III is adjacent to the North and North-East of Pata Pila (where the exposed cross section cut is shown). Note specific yields are: sand (10%), halite (3%) and gravels (4%).

Competent Persons Statements

Competent Persons Statement 1

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.

Competent Persons Statement 2

The information relating to the Exploration Results and integrity of the database was compiled by Mr Francisco Lopez (Geology). Mr Lopez is a full-time employee of Galan Lithium Limited and has been engaged by Galan as their Geology Manager. The integrity of the database and site inspection was done by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM, MAIG, MGSA, FGSL. Dr Cunningham is a Principal Consultant and full-time employee of SRK Consulting (Australasia) Pty Ltd.

The information in this report that relates to the Mineral Resources estimation approach at Candelas and Hombre Muerto West was compiled by Dr Cunningham. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Dr Cunningham consents to the inclusion in this report of the matters based on his 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.