



GALAN
LITHIUM LIMITED

REPLACEMENT ASX ANNOUNCEMENT

9 August 2023

NEWLY CONSOLIDATED CATALINA TENURE PROVIDES FOUNDATION FOR POTENTIAL INCREASE IN HMW RESOURCE & PRODUCTION

On 2 August 2023, Galan Lithium Limited (ASX:GLN, “Galan” or “the Company”) lodged an announcement entitled “Newly Consolidated Catalina Tenure Provides Foundation for Potential Increase in HMW Resource & Production.”

The Company now provides an updated version of that announcement (“Replacement Announcement”) which now includes a revision of the exploration target disclosures as well as timing of the planned work at Catalina.

A copy of the Replacement Announcement is attached.

The Galan Board authorises the release of this announcement.

For further information contact:

Juan Pablo (“JP”) Vargas de la Vega
Managing Director
Email: jp@galanlithium.com.au
Tel: +61 892142150

Terry Gardiner
Non-Executive Director
Email: TGardiner@galanlithium.com.au
Tel: +61 400900377



ASX ANNOUNCEMENT

2 August 2023

NEWLY CONSOLIDATED CATALINA TENURE PROVIDES FOUNDATION FOR POTENTIAL INCREASE IN HMW RESOURCE & PRODUCTION

- Recently consolidated tenure overlaps with 5,954 hectares of existing HMW tenements in Catamarca, and adjacent to the existing HMW Resource.
- Data from existing exploration by Galan strongly validates the positive prospectivity of the consolidated area. Galan's well PS-01, located approx. 500m south of the newly consolidated area, ranges 953 to 988 mg/L Li, with explored depth of 300m, still open at depth.
- As a result of the consolidation and previous drilling results, Galan has developed an exploration target and anticipates a significant increase in the HMW Resources ⁽¹⁾
- The consolidated tenure is also an area that is favourable for future pond construction.

The Board of Galan Lithium Limited (**Galan** or the **Company**) is pleased to provide an update on the newly secured Catalina tenure, and its strong potential to significantly add to the existing HMW Resource. As announced on 28 July 2023, Galan has consolidated the Catalina tenure, which also covers the Catalina, Rana de Sal II, Rana de Sal III, Pucara del Salar, Deceo I and Deceo II tenements (see Figure 1).

Galan's Managing Director, Juan Pablo Vargas de la Vega, said:

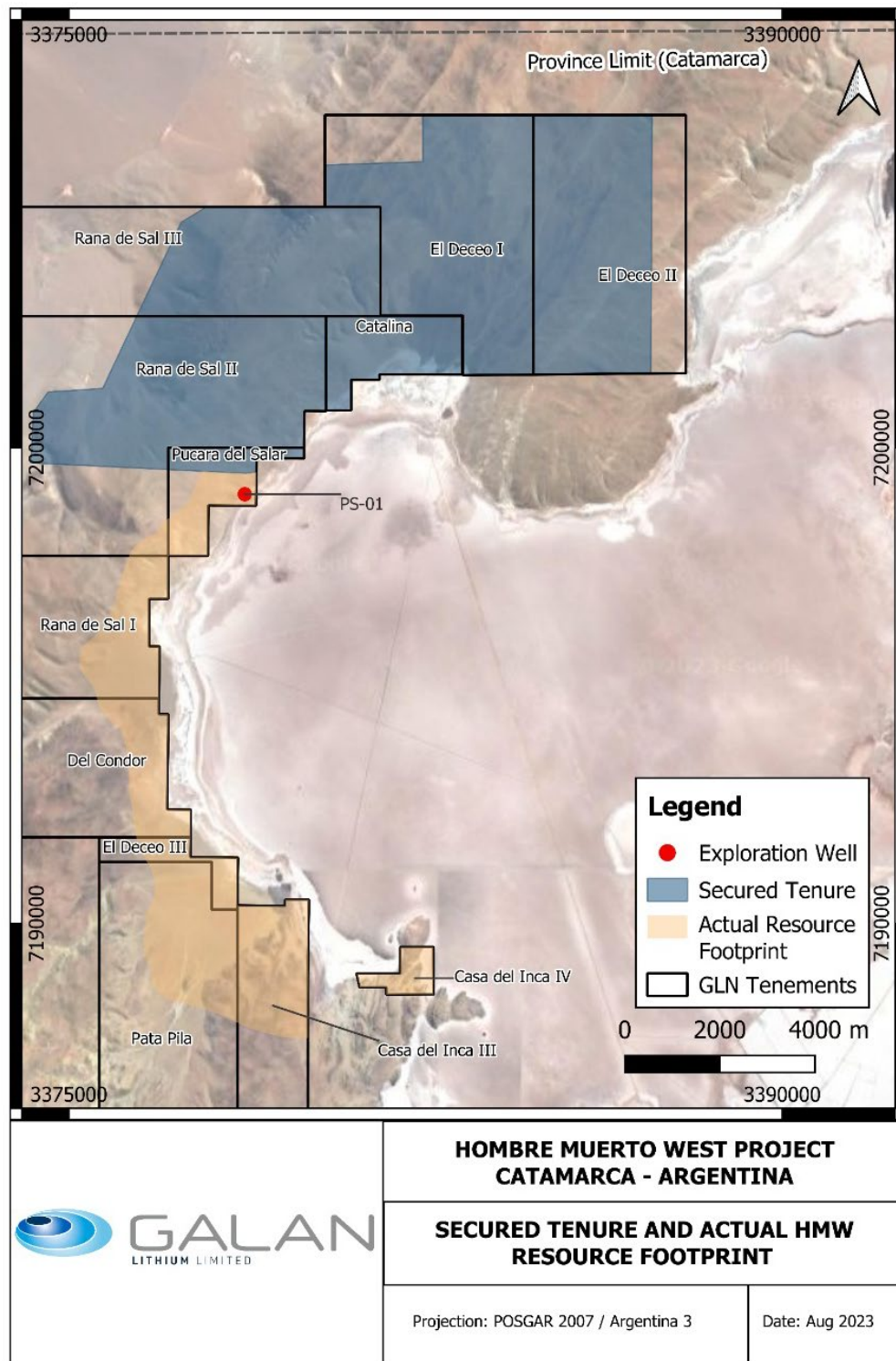
"This important transaction comes at a pivotal time for consolidating and securing Galan's tenure at HMW. Our geological and hydrogeological information has identified this new target area as an exciting opportunity to increase our actual resource footprint, providing exceptional conditions for both brine quality and productive yield.

Existing exploration data on the HMW area, located on the southern limit of the consolidated area, provides an excellent foundation for Resource expansion at HMW.

Furthermore, exploration has now already commenced on this tenure. We expect the future production phases of our HMW project (Phases II, III and IV) will be cemented by the expected resulting resource expansion."

- (1) An exploration target is not a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature. A potential Mineral Resource has been identified within the exploration target but there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Figure 1. Secured consolidated tenure (blue polygon) in relation to actual HMW brine Resource footprint and existing exploration well PS-01.

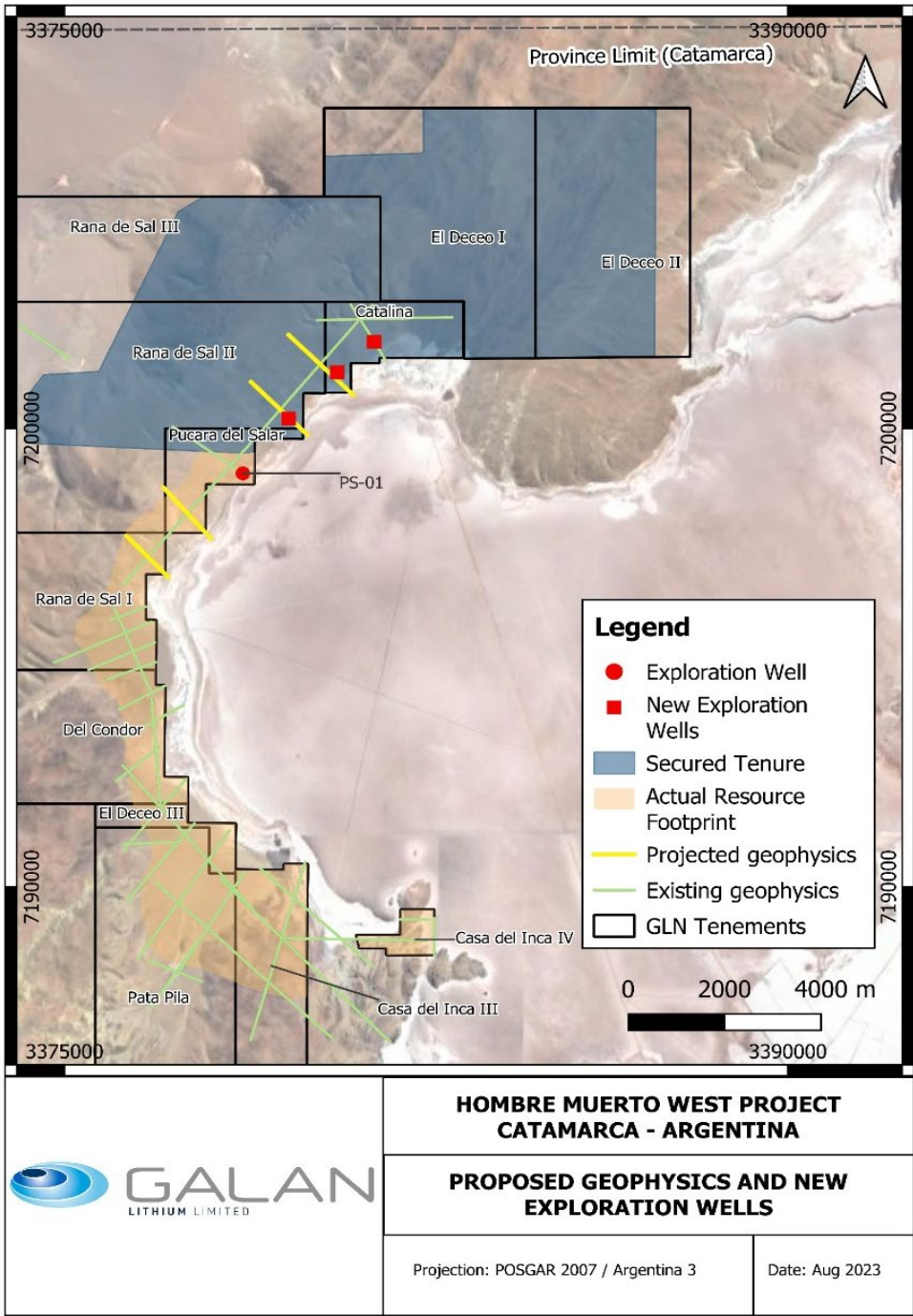


In June 2023, a team of structural geologists completed a field campaign at the Hombre Muerto West project. The key aim was to map the structural controls of the regional geology to build a geological model and create a detailed geologic map of Galan's northern fractured rock domain (**NFRD**). Four (4) major fault zones were defined from the collection of bedrock measurements, geomorphological analyses and syntheses of previous drilling results.

The preliminary results indicate that the recently consolidated tenure forms part of the fractured rock domain, affected by major faulting and fractures allowing the brine resource to infill this secondary porosity. The ongoing exploration campaign on this area considers the construction of three DDH exploration drillholes (see **Figure 2**), totalling approximately 1,000 metres HQ diameter core drilling. All drillholes will be completed with 3" slotted PVC in order to allow the execution of 72 hours airlift tests, brine sampling, and the use of NMR downhole probe for determine the total porosity of the fractures. This information will be complemented with existing and future surface TEM and CSAMT geophysics to allow reinterpretation of the complete NFRD into an updated Resource Model.

It is expected that drilling and further geophysics will be conducted in the last quarter of 2023.

Figure 2. Drilling location for Catalina consolidated tenure exploration plan.



Data from existing exploration by Galan strongly validates the positive prospectivity of the consolidated area. As per the ASX Announcement dated 16 January 2023, Galan's PS-01 well, located approximately 500 metres south of the newly consolidated area, reported airlift results indicating the presence of high-grade brine, with lithium concentrations reaching up to 988 mg/L Li (averaging 974 mg/L), and had an explored depth of 300m. This exploration well is still open at depth.

Consolidation of Catalina tenure

The background to Galan's successful consolidation at Catalina is as follows:

- There exists a long-standing political border dispute (>100 years) between the Salta and Catamarca Provincial Authorities, that includes the northern part of the Salar del Hombre Muerto, and which does not have a foreseeable resolution.
- Both Authorities have claimed ownership of the disputed area and issued mining rights that overlap over the same area.
- On 28 July 2023, the Company announced that it had executed the necessary agreements to register its full ownership of the Catalina tenure (as issued by both the Salta and Catamarca Provincial Authorities). The uncertainty around the private ownership and potential mine development of Galan's tenure has now been resolved through this important transaction.
- There is precedent to resolve this uncertainty through private acquisition of overlapping mining titles (the nearby consolidation undertaken by POSCO).
- For clarity, Galan's consolidated Catalina tenure covers Catalina, Rana de Sal II, Rana de Sal III, Pucara del Salar, Deceo I and Deceo II.
- The Catalina tenure has never been included in the HMW Resource estimate or previous Project studies.
- Now that Galan has consolidated and secured Catalina tenure, a focused and detailed work campaign will ramp up in the area.
- Galan expects Catalina will make a significant contribution to the 4 phases of development with its goal of production of 60Ktpa LCE.

The Galan Board authorises the release of this announcement.

For further information contact:

Juan Pablo ("JP") Vargas de la Vega
Managing Director
Email: jp@galanlithium.com.au
Tel: +61 892142150

Terry Gardiner
Non-Executive Director
Email: TGardiner@galanlithium.com.au
Tel: +61 400900377

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 contained herein relating to the Exploration Target was compiled by Mr Alvaro Henriquez. Mr Henriquez is a full-time employee of Galan Lithium Limited and has been engaged by Galan as their Exploration 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 an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. Review of the hydrogeological aspects of the exploration program and a site inspection was completed by Dr Brian Luinstra, BSc honours (Geology), PhD (Earth Sciences), MAIG, PGeo (Ontario). Dr Luinstra is a Principal Consultant of SRK Consulting (Australasia) Pty Ltd.

Competent Persons Statement 3

The information contained herein that relates to the Mineral Resources estimation approach at Hombre Muerto West was compiled by Dr Michael Cunningham. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. 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.

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 Limited'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, consultants, 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 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 remains for other areas of the HMW concessions that have 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 which 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, maiden drilling commenced within E70/4790.

Resources (May 2023)

Resource Category	Brine Vol. (Mm ³)	In situ Li (Kt)	Avg. Li (mg/l)	LCE (Kt)	Avg. K (mg/l)	In situ K (Kt)	KCl Equiv. (Kt)
Hombre Muerto West							
Measured	1,020	890	873	4,737	7,638	7,782	14,841
Indicated	205	185	904	986	7,733	1,585	3,022
Inferred	182	161	887	859	7,644	1,391	2,653
HMW Total	1,407	1,237	880	6,582	7,653	10,758	20,516
Candelas North (*)							
Indicated	196	129	672	685	5,193	1,734	3,307
Galan's Total Resource Inventory							
Grand Total	1,603	1,366	852	7,267	7,793	12,492	23,823

Notes:

1. No cut-off grade applied to the updated Mineral Resource Estimate as minimum assays values are above expected economic concentrations (Li 620 mg/L).
2. Specific yield (SY) values used are as follows: Sand – 23.9%, Gravel – 21.7%, Breccia – 8%, Debris – 12%, Fractured rock – 6%, and Halite – 3%.
3. The conversion for LCE = Li x 5.3228, and KCl = K x 1.907.
4. There may be minor discrepancies in the above table due to rounding.
5. (*) The Candelas North Mineral Resource Statement was originally announced by Galan on 1 October 2019.
6. There may be minor discrepancies in the above table due to rounding.