ASX ANNOUNCEMENT

30 October 2020

QUARTERLY ACTIVITIES REPORT
SEPTEMBER 2020

HIGHLIGHTS

PROJECT

- **Completion of conceptual pond modelling at HMW Project shows its exceptional potential with concentration grade over 50% higher than Candelas (4.8% Li v 3.1% Li)**
- **Galan's Board and project team fully focussed on the development of the HMW Project**
- **PEA and scoping studies for HMW remain on track with process design and pond layout being finalised with final results expected in Q4 2020**
- **Company commences lab test production of battery grade lithium carbonate at world renowned Universidad Catolica del Norte in Antofagasta Chile**
- **Completion of right to earn a 100% interest in the Del Condor and Pucara lithium brine salar projects**
- **Galan's teams in Australia and South America continue to advance its studies, in full compliance with COVID-19 restrictions**

CORPORATE

- **Oversubscribed $3m placement announced and completed in October 2020**
- **Cash on hand of $1m at end of the quarter**

The Board of Galan Lithium Limited ('Galan' or 'the Company') is pleased to provide this Quarterly Activities Report for the quarter ended 30 September 2020 and thereafter. The main focus for the quarter was the continuation of the Preliminary Economic Assessment and scoping studies for the HMW tenements located in the *Hombre Muerto* salt flat in the province of Catamarca, Argentina.

OPERATIONS

Hombre Muerto West

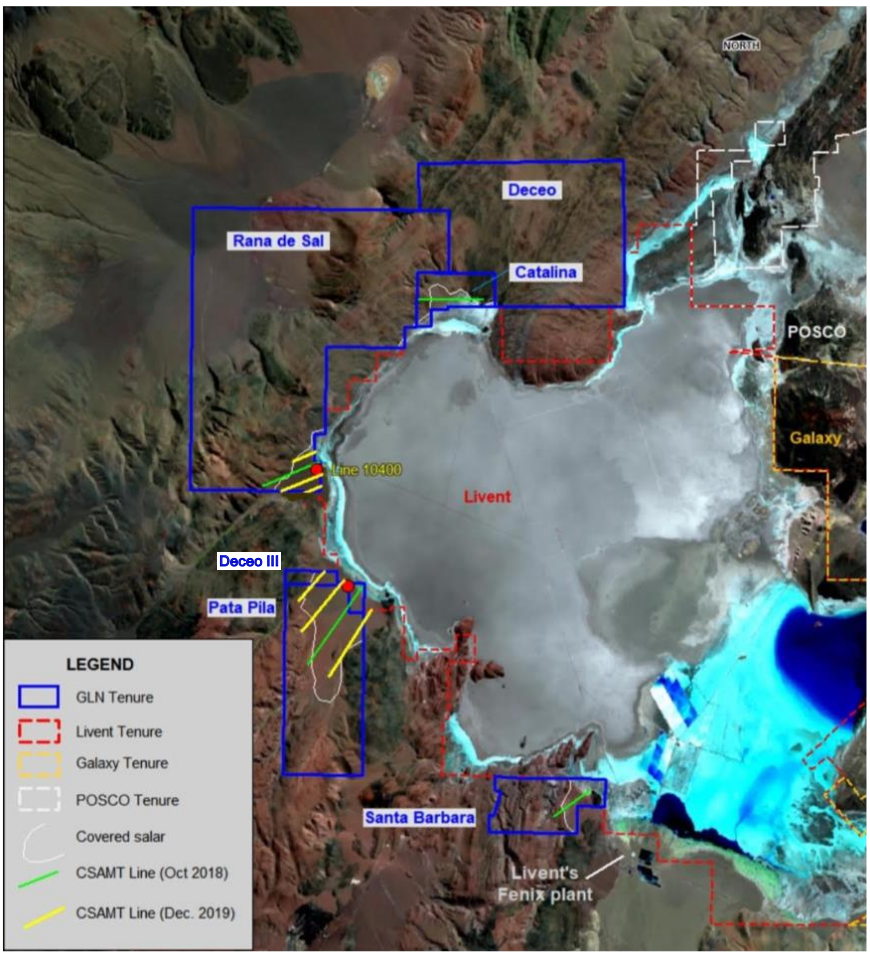

Figure 1: Galan Lithium Limited's Western Basin Projects, Hombre Muerto Salar Argentina

HMW is located within one of the world's greatest 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 developing (separately) their respective Sal de Vida projects.

On 24 August 2020, Galan announced that it has successfully completed the preliminary predictive model for brine concentration through an evaporation ponds system at the HMW Project. Results indicated that a concentrate with up to a 4.8 % Li (or 25.6% LCE) could be obtained including high lithium recovery and low impurities. HMW has the potential to be a world class lithium brines project.

Overall, HMW's brine quality showed that it could be more than competitive for the potential production of battery grade lithium carbonate. This can be achieved by using existing proven technologies based on the experience of Galan's specialised lithium consultants (Ad-Infinitum).

The brines data was modelled using HMW's chemical database from its 1.37 Mt LCE Mineral Indicated mineral resource (ASX announcement 22 June 2020) and was prepared by Ad-Infinitum using a specialised software package. The Ad-Infinitum work was strengthened by a team headed by the reputable chemical engineers Mr. Marcelo Bravo and Mr. Hermes Cartes and results were peer reviewed. Mr. Bravo and Mr. Cartes are both former employees of SQM with combined lithium industry experience of more than 35 years.

The predictive model was optimised for high lithium grade and recovery, small evaporation area and low impurity contents. As a result, the brine concentration yielded up to 4.8% lithium. Importantly, Galan now has two exceptional projects (HMW and Candelas) that rank favourably against the new lithium projects for lithium recovery and pond size (**Table 1**). High grade lithium feed is crucial for any potential lithium processing plant as it allows greater flexibility in terms of where the plant can be located eg. plant could be located hundreds of kms from site in a place with better access to roads, utilities and other infrastructure.

Table 1: Comparative table of new developing lithium brine projects

Project (Company) [1]	Li Recovery (Ponds System)	Ponds Area Ratio[2] (LCE t/ ha) per year	Production (LCE t per year)	Source
Hombre Muerto West (Galan)	**Up to 75%** [3]	**Up to 36**[4]	**to be defined** [7]	**Announcement, 24 August 2020**
Candelas (Galan)	70 – 80% [5]	28 – 38[6]	to be defined [7]	Announcement, 4 May 2020
Tres Quebradas (Neolithium)	67%	40[8]	20,000	PFS, 8 May 2019
Salar Blanco (Lithium Power International)	not available	27	20,000	FS, 17 January 17 2019
Pastos Grandes (Millennial Lithium)	77%	16	21,000	FS, 5 September 2019
Pastos Grandes (former LSC Lithium)	not available	23[9]	20,000	PEA, January 2019
Olaroz-Cauchari (LAC)	~63%[10]	33	40,000	Updated FS, August 2019
Olaroz Expansion (Orocobre)	not available	28	25,000	Presentation, 2 May 2019 and Announcement 28 November 2018
Cauchari JV (former Advantage Lithium	not available	24	25,000	PFS Report, 22 October 2019

1 Livent Corp, POSCO and Galaxy Resources do not currently have publicly available information for inclusion in this table.
2 The ratio was calculated using reported publicly available data and information. Some companies reported evaporation area, but others reported the total area covered by the pond systems. Refer to the Source of Information documents for finding further details of the numbers for the area reported.
3 Ponds area ratio is shown to reflect the concentrated brine product with a Li content of 4.8 %. The ponds area ratio could be improved for a lower range of Li content in the concentrated brine.
4 Lithium recovery ratio is shown to reflect the concentrated brine product with a Li content of 4.8 %. The Li recovery could be improved for a lower range of Li content in the concentrated brine.
5 Lithium recovery is shown as a range to reflect the evaporation model end concentration results of 1.2 to 3.06% Li.
6 The size estimate for the evaporation ponds system of the Candelas Project will be reported as part of the PFS. Some preliminary work has been done for the requirements of the evaporation area for a Li concentration ranging from 1.2 to 3.06%, however, some design parameters and the location of the ponds system are still being defined.
7 Galan has not defined the size of HMW and Candelas Projects. A range of production rates is still being analysed.
8 The estimate includes the area of the ponds for the removal of calcium contents of the brine.
9 The ratio was estimated taking the area of the primary, secondary and tertiary concentration ponds. For the primary ponds, an area of 770 ha was considered.
10 The Lithium recovery was estimated from the overall recovery of the full process (evaporation ponds and lithium carbonate plant) of 53.7%, the Li recovery of the lithium carbonate plant is assumed to be 85.0%.

In early September 2020, the Company also transported a 3 cubic metre brine sample from the HMW Project to the world re-nowned Universidad Catolica del Norte in Antofagasta (**UA**), Chile. This essential task was completed, in full compliance with all Covid-19 restrictions operating in Argentina and Chile. In unison with UA and Ad-Infinitum, detailed analysis has now commenced to solidify HMW's optimised brine quality of 4.8% Li.

UA will be providing facilities, equipment and technical personnel (in conjunction with Ad-Infinitum) with the laboratory testwork for high end carbonate product and evaporation ponds expected to take 15-18 weeks. The Universidad Catolica del Norte has a sound track record in previously performing this type of lab test work for major lithium companies.

Galan continues to develop the design of the evaporation ponds system and the preferable production capacity. The process design and pond layout are set to be completed during October with completion of the PEA/Scoping Study remaining on track with results expected in Q4 2020.

Candelas

The main focus for the quarter was HMW and therefore minimal work has been undertaken on the Candelas project.

CORPORATE

Placement

On 12 October 2020, the Company was very pleased to announce that it had successfully received firm commitments for a placement of approximately 23.1 million shares at an issue price of $0.13 per share to raise $3 million (before costs). The placement was very well supported by domestic and international investors which resulted in bids exceeding the original placement goal by 50%.

The placement included continued support and participation by Luxembourg green energy fund, Thematica Future Mobility.

The proceeds of the placement, together with the Company's existing cash resources will be applied towards the continued advancement of its 100% owned Hombre Muerto West (**HMW**) lithium project located within the South American Lithium Triangle in Argentina. Funds will be primary allocated towards progressing Scoping and Pre-Feasibility Studies at HMW, completing lab testing to support the development of a high-grade lithium concentrate and/or lithium carbonate product and general working capital purposes.

In regard to COVID-19, Galan remains 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. There have been no major disruptions to our HMW development schedule with site flora and fauna and archaeological studies recently completed and brine samples delivered to Chile and currently being analysed.

Appendix 5B

The following information is disclosed in compliance with ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Related Party	Amount	Description
Managing Director	$45,000	Salary
Directors	$30,613	NED Director Fees
Associate of Director	$9,000	NED Director Fees

The Galan Board authorises the release of this September 2020 Quarterly Activities Report.

For further information contact:

Juan Pablo ("JP") Vargas de la Vega
Managing Director
Email: jp@galanlithium.com.au
Tel: +61 893226283

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

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.

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 an Associate Principal Consultant 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. 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.

Information within this report that relates to Resources for the Candelas project have previously been released in ASX:GLN announcements dated 1/10/19 and 22/6/20.

Information within this report that relates to Exploration Results for the HMW projects have previously been released in ASX:GLN announcements dated 9/10/19, 15/11/19, 19/12/19, 13/1/20 and 15/1/20. Information within this report that relates to Resources for the HMW projects have previously been released in ASX:GLN announcements dated 12/3/20 and 22/6/20.

INTEREST IN MINING TENEMENTS AT 30.09.20

Argentina (Hombre Muerto projects – 100% right, interest and/or title)
DECEO I
DECEO II
DECEO III
CANDELA
CANDELA II
CANDELA III
CANDELA IV
CANDELA V
CANDELA VI
CATALINA
SANTA BARBARA
PATA PILA
RANA de SAL

Australia
E70/4629 (Greenbushes South - application)