ASX ANNOUNCEMENT

29 April 2022

QUARTERLY ACTIVITIES REPORT
31 MARCH 2022

HIGHLIGHTS

- **HMW Project DFS on budget and on schedule for completion by end-CY2022.**
- **Two pumping boreholes completed at HMW with short term pumping tests successfully performed on both wells; third borehole due to commence.**
- **Diamond drillhole, PP-02-22, completed to a depth of 450m at Pata Pila licence; results confirm HMW Mineral Resource extends to the east at depth.**
- **Further exploration drilling of new HMW target zones to commence this quarter.**
- **HMW pilot plant S1 pond completed and full of brine; evaporation testing commenced.**
- **Completion of 7,622 km of airborne magnetic and radiometric geophysics survey at Greenbushes South.**
- **Pathfinder element concentrations from Greenbushes South soil samples and rock chips indicate prospective targets near the trace of the Donnybrook-Bridgetown Shear Zone.**
- **Graeme Fox appointed as Chief Financial Officer.**
- **Galan continues to adhere to Covid-19 protocols in Argentina, Chile and Australia with personnel and community health and safety its number one priority.**
- **Exercised options deliver $2.2m cash injection.**
- **Cash and investments on hand at end of the quarter was $59.2m.**

Galan Lithium Limited (**Galan** or the **Company**) is pleased to provide its Quarterly Activities Report for the quarter ended 31 March 2022. The focus areas for the quarter were ongoing Definitive Feasibility Study (**DFS**) workstreams on the Hombre Muerto West (**HMW**) Lithium Project in Argentina, pilot plant and further drilling activities at HMW, as well as the first exploration sampling and mapping work at the Greenbushes South Lithium Project in Western Australia.

Galan's core strategy is based on rapid asset advancement to both realise, and further grow, underlying value. The Company's exceptionally high-grade HMW resource stands at 2.3 Mt LCE @ 946 mg/l Li whilst total Indicated Resources in Argentina stand at 2.95 Mt LCE @ 858 mg/l Li. [(1)] *These high-grade resources are complemented by two completed Preliminary Economic Assessment (**PEA**) studies* [(1)] *at HMW and Candelas. Both projects are 100%-owned and completely unburdened by any existing offtake, joint venture or royalty agreements.*

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OPERATIONS

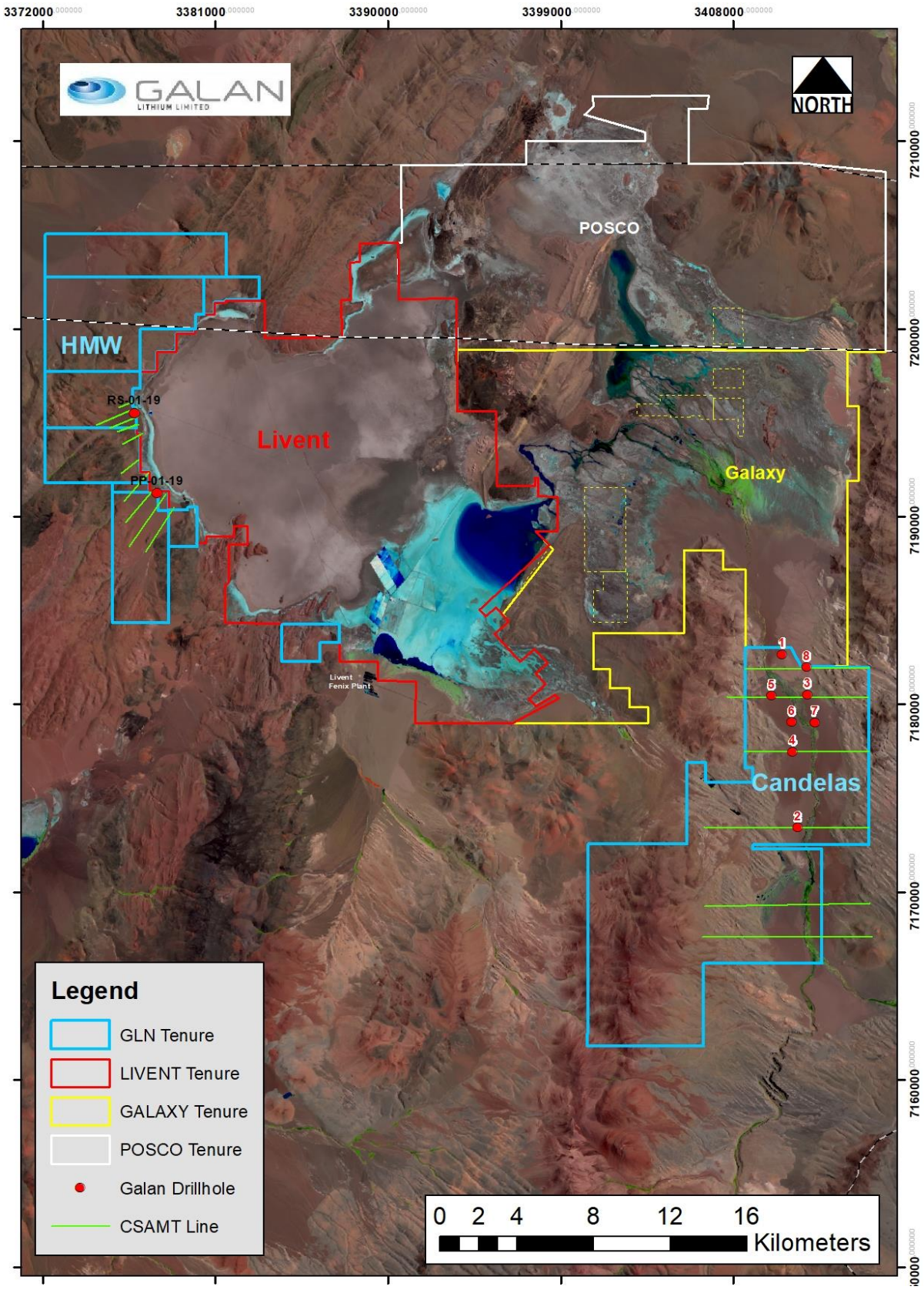

Figure 1: Galan's HMW and Candelas Projects in Argentina have a current combined total Indicated Resource of approximately 3 Mt LCE @ 858mg/l Li

Hombre Muerto West (HMW) Project

On 31 March 2022, Galan provided an update on its HMW site and DFS workstream activities.

Galan's Managing Director and CEO, JP Vargas de la Vega, said:

"I have spent the past few months on the ground in Argentina and Chile working with our teams, relevant government authorities and the local communities. I am very pleased to say that our world-class lithium HMW Project is progressing strongly, on all fronts. My meetings with local Catamarca authorities saw evidence of excellent governmental and community support for the HMW and Candelas Projects. We are proud to be rapidly advancing projects that offer such economic and social benefits to the broader regions in which they are located."

"Despite the logistical challenges posed by COVID-19, our key activities at the HMW Project remain on track and on budget. Even more importantly, we remain lost time injury free with all work being undertaken in a safe and highly professional manner. Thank you to our dedicated teams in Argentina, Chile and Australia, who have Galan blood in their veins."

"Finally, as part of this update it is also pleasing to be able to demonstrate the further potential Mineral Resource upside evidenced by the recent TEM geophysical survey. We look forward to aggressively drilling these new target zones from next quarter and through the rest of 2022."

The HMW DFS is being led by leading global engineering consulting group, Hatch. The Feasibility Study teams Hatch with Galan's other key consultants, including Ad-Infinitum, SRK and WSP, along with the Company's own project teams in Argentina, Chile and Australia.

Early DFS workstreams have now been completed, including various trade-off analyses for location of main infrastructure and process design. Work has also commenced on detailed facilities design. The preparation of the Environmental Impact Assessment (**EIA**) commenced with Galan further strengthening its team in this area, allowing for regular and ongoing interaction with all key stakeholders.

The DFS is on budget and on schedule for completion by end-CY2022.

Borehole well drilling and pumping activities

Drilling of two pumping borehole wells was completed during the quarter. These two wells are located at Pata Pila (to 225m depth) and at Rana de Sal (to 200m depth).

Short-term pumping tests were successfully performed on both wells. Long term hydraulic pumping tests are set to commence in May 2022, once monitoring wells are constructed and the drilling of the third pumping borehole is set to commence shortly.

Pilot Plant progress

The construction of the first evaporation pond (S1, covering approximately 3,000m^2) of the HMW Project Pilot Plant was completed during the quarter (Figure 3). Brine filling of the pond has also been completed and evaporation testing has commenced.

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 2: Brine from pumping well PBPP-1-21 located at Pata Pila

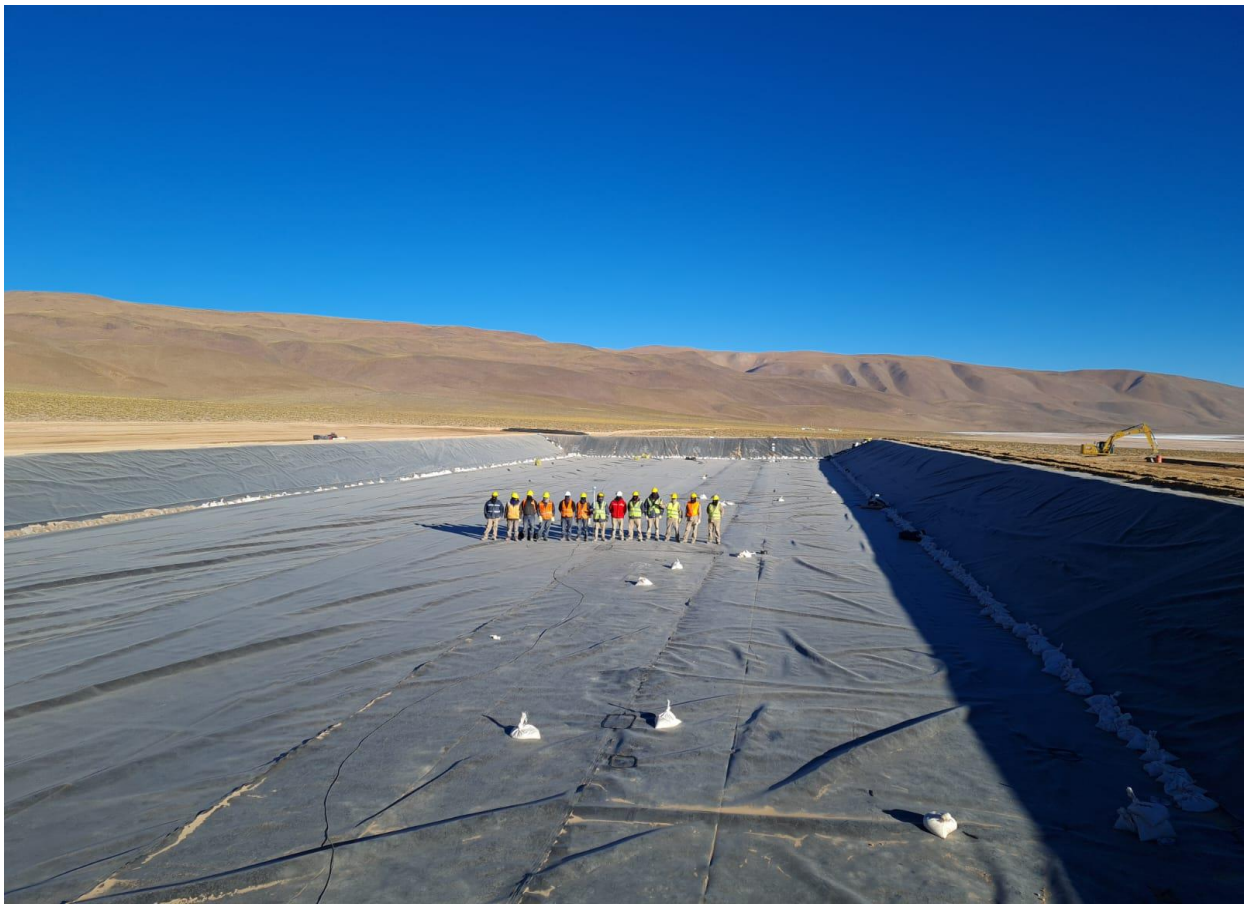

Figure 3: Evaporation Pond S1 Construction

Figure 4: Aerial view of S1 pond filling with brine with camp and the Hombre Muerto salt flat in the background

New camp facilities

The new expanded camp at HMW has been operational since mid-January 2022. An additional 20,000 litre diesel tank and residual storage area have also been constructed.

Extensional Drilling Success

On 7 April 2022, Galan announced that it had completed its first drill hole in the latest drilling campaign at HMW.

Diamond drillhole, PP-02-22, was completed to a depth of 450m at Pata Pila. The Pata Pila licence covers large alluvial fan areas lying adjacent to Livent Corporation's (NYSE: LVHM) tenure (Figure 5).

Results confirmed the 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.

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.

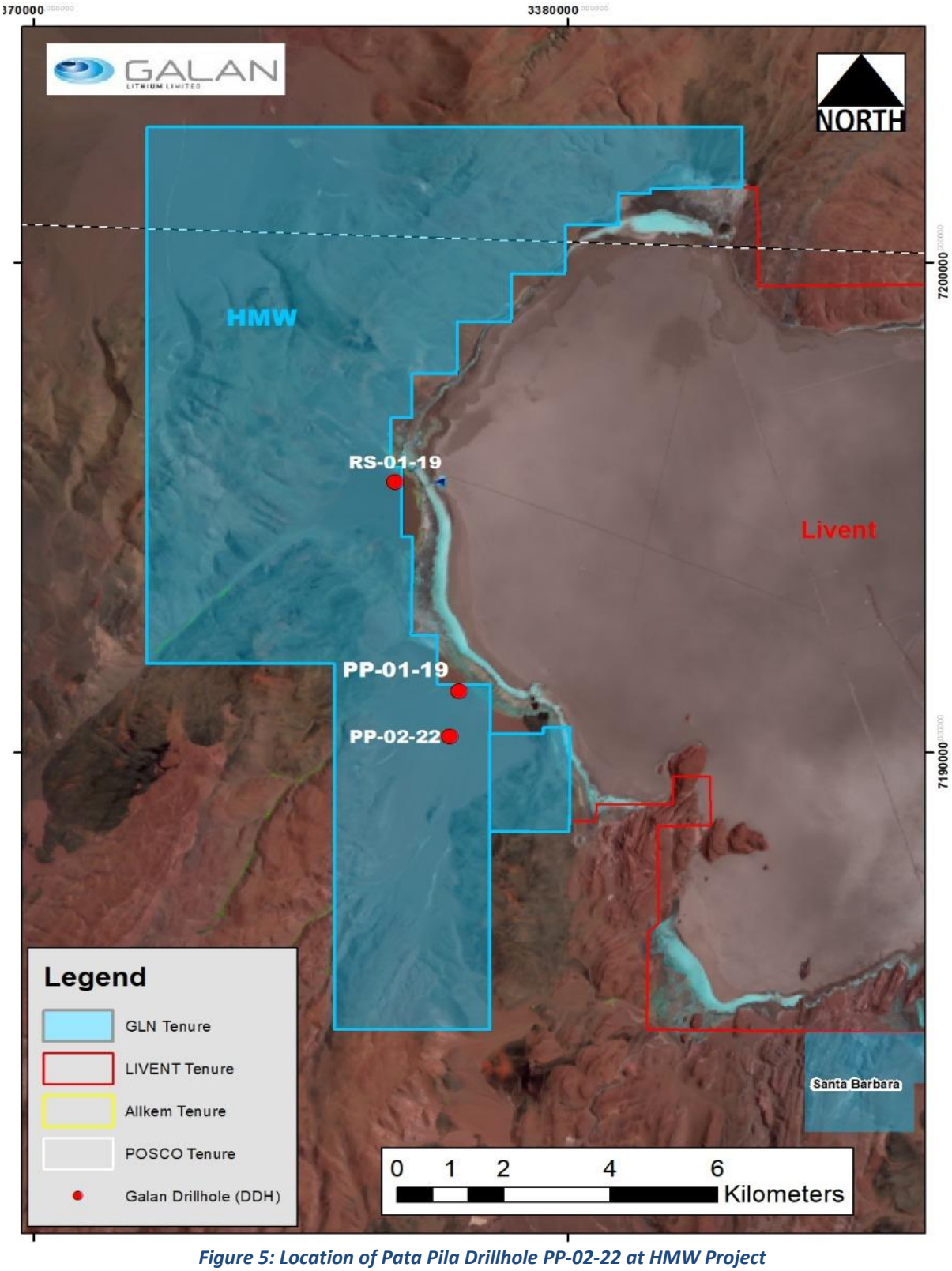

Figure 5: Location of Pata Pila Drillhole PP-02-22 at HMW Project

Excellent recovery of drill core and cuttings from PP-02-22 revealed a highly detailed stratigraphic profile downhole. The new borehole 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 where 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 favourable 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 (GLN:ASX release dated 31 March 2022). These exploration drilling activities are expected to continue through the remainder of CY2022.

Candelas Project

Candelas is a PEA study level project and is located on the south-east side of the Hombre Muerto West salt flat in Catamarca, Argentina. Apart from project and environmental monitoring, no significant work was undertaken on the Candelas project during the quarter.

Greenbushes South

As announced on 24 March 2022, the Company completed its first exploration sampling and mapping work at the Greenbushes South Lithium Project (joint venture between Galan (80%) and Lithium Australia NL (LIT) (20%)). The Greenbushes South Project is located approximately 3 kms south of the world-class Greenbushes Lithium Mine which is owned and managed by Talison Lithium Pty Ltd.

The Company received the results of its completed geochemical survey comprising 425 soil samples and 14 rock chip samples. These samples were taken at the northern edge of Galan's E70/4790 tenement and at the mapped location of the Donnybrook-Bridgetown Shear Zone (**DBSZ**). The DBSZ is primarily associated with syntectonic emplacement of the lithium-bearing pegmatites of the Greenbushes mine to the north.

The airborne geophysical survey campaign was conducted by Thomson Airborne and is now in the data processing phase. After the raw data has been processed by Thomson Airborne it will be transferred to Southern Geoscience Consultants, who have been contracted to interpret results for potential lithium targets. A total of 7,622 km was flown at heights between 45 and 65 m. The geophysical survey acquired high-resolution magnetics and radiometrics above all Galan tenements (Figure 6), with the Company eagerly awaiting the high-resolution data to improve targeting of the DBSZ and target generation to help identify lithium-bearing pegmatites.

Galan submitted the final revision of its Conservation Management Plan (**CMP**) for the planned exploration activities on its pending applications (E70/4889, P70/1702 & P70/1703). Additionally, it has also submitted a new CMP for its 100%-owned pending tenement (E70/4629) in the Donnelly State Forest.

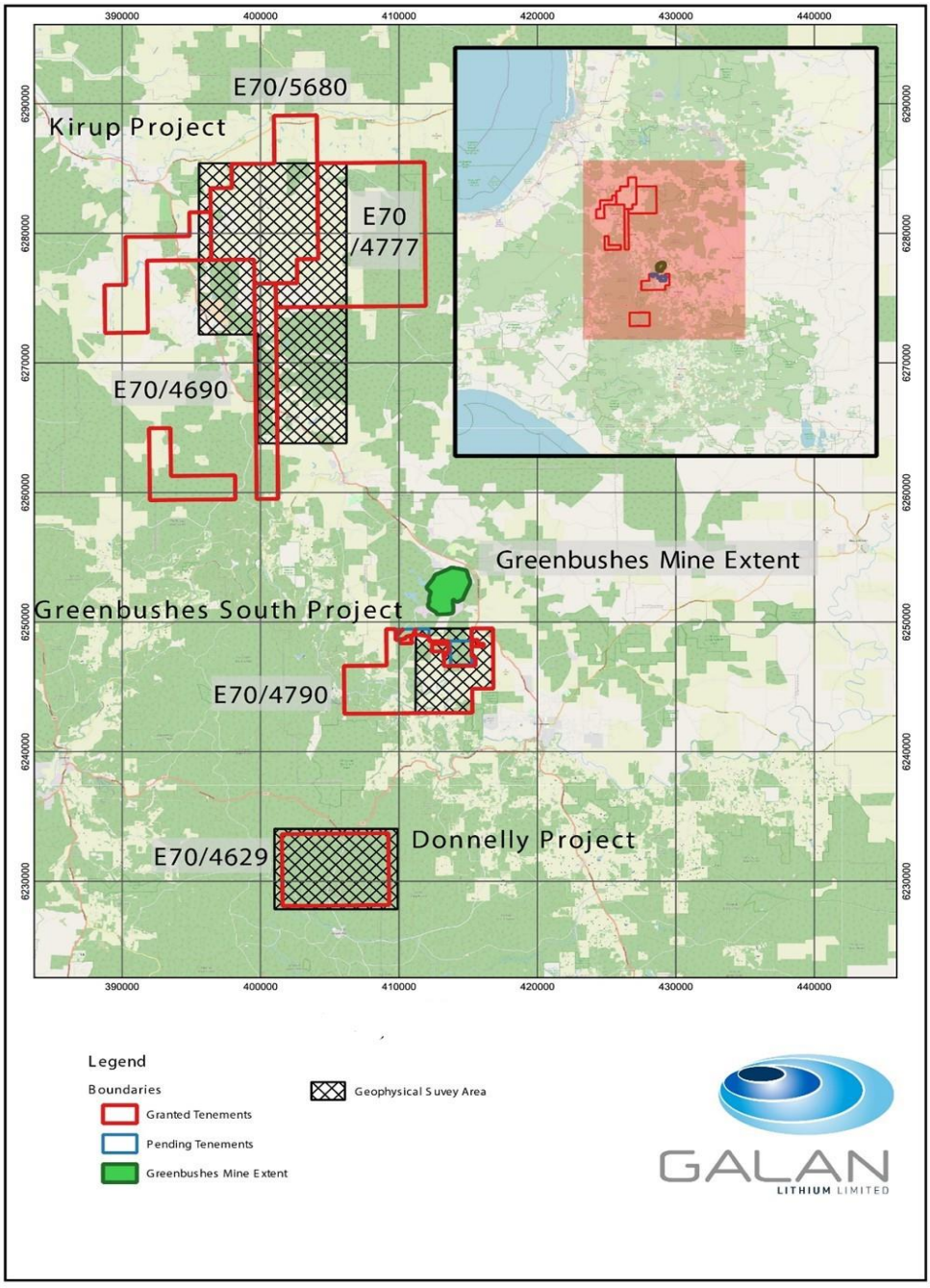

Figure 6: Location of Greenbushes South tenements and geophysical survey areas

CORPORATE

As announced on 9 February 2022, Galan appointed Mr Graeme Fox to the role of Chief Financial Officer (CFO). Mr Fox is an Australian CPA qualified accountant and experienced business analyst, with over 25 years of experience in the mining, contracting and transport industries, with a focus on strategic planning, financial modelling, investment evaluation, management accounting and compliance.

The balance of all outstanding $0.25 strike price Galan options were exercised during the quarter, resulting in a cash injection of $2.2 million.

In regard to COVID-19, Galan remains committed to delivering on our goals whilst maintaining the highest possible safety standards for our employees, contractors and consultants by adhering to all the recommended practices mandated by the authorities in Australia, Argentina and Chile. The borders remain open between Chile and Argentina so the removal of COVID-19 travel and trade restrictions will only benefit our DFS workstream activities and HMW and Candelas site works.

At the end of the March 2022 quarter, the Company had cash and liquid investment resources of $59.2 million.

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 ($A'000)	Description
Managing Director	$89	Salary
Directors	$120	NED Director Fees (includes 18 months' salary paid for a NED that was previously accrued)
Associate of Director	$22	NED Director Fees
Associate of Director	$28	Legal Fees
	$259	

The Galan Board authorises the release of this March 2022 Quarterly Activities Report.

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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.

1. See Galan ASX releases dated 1 October 2019, 12 March 2020, 22 June 2020, 17 November 2020, 21 December 2020, 30 November 2021 and 9 December 2021 for full Resources and PEA details.

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 Quarterly Report 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, 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 Quarterly Report reflect views held only on the date of the relevant announcements.

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, located just south of the Tier 1 Greenbushes Lithium Mine.

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.

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 has an Exploration Licence application (E70/4629) covering a total area of approximately 43 km^2. 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 km^2, 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

Lithium classification and conversion factors

Lithium grades are normally presented in mass percentages or milligrams per litre (or parts per million (ppm)). Grades of deposits are also expressed as lithium compounds in percentages, for example as a per cent. lithium oxide (Li2O) content or per cent. lithium carbonate (Li2CO3) content. Lithium carbonate equivalent ("LCE") is the industry standard terminology for, and is equivalent to, Li2CO3. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included further below to get an equivalent Li2CO3 value in per cent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li2CO3 from the deposit. Conversion Factors for Lithium Compounds and Minerals:

Convert from		**Convert to Li**	**Convert to Li_2O**	**Convert to Li_2CO_3**
Lithium	Li	1.000	2.153	5.323
Lithium Oxide	Li_2O	0.464	1.000	2.473
Lithium Carbonate	Li_2CO_3	0.188	0.404	1.000

INTEREST IN MINING TENEMENTS AT 31.03.22

Argentina (Hombre Muerto projects) - 100% right, interest and/or title

Candela I - VI
Casa Del Inca III
Catalina
Deceo III
Del Condor
Jazmin II
Pata Pila
Pucara
Rana de Sal
Santa Barbara

Australia (Greenbushes South project – 80%) – Granted (G) or Pending (P)

E70/4690 (G)
E70/4790 (G)
E70/4777 (G)
E70/5680 (G)
E70/4889 (P)
E70/1698 to E70/1704 (P)
E70/4629 (P) (100% owned by Galan)