ASX ANNOUNCEMENT

01 August 2022

Greenbushes South Exploration Update

New pegmatite discovery, anomalous lithium soils and pilot geophysics

Highlights:

- **Discovery of new outcropping pegmatite with 500m+ strike length; remains open along strike with geological mapping ongoing**
- **New soil assays spatially associated with prior pegmatite discovery reveal up to 215 ppm Li; further soil and rock chip assay results pending**
- **UltraFine+ assay method also confirms presence of anomalous pathfinder element concentrations (As, Cs)**
- **Pilot ground geophysics program in process, consisting of passive seismic (HSVR), gravity and resistivity methods**
- **Processed HSVR and gravity data outcomes expected in next few weeks**

Galan Lithium Limited (ASX: GLN) (**Galan** or the **Company**) is pleased to provide an update on its ongoing exploration activities at the Greenbushes South Lithium Project (a joint venture between Galan (80%) and Lithium Australia Limited (ASX: LIT) (20%)) (**Greenbushes South**).

Geological mapping activities ongoing; large new outcropping pegmatite discovered

Geological mapping continues within Exploration Licence E70/4790. Recent new field discoveries include a pegmatite in three main outcrops spanning an area approximately 500m x 400m (see Figure 1). There are also strong indications that this pegmatite remains open and continues along strike. This builds on the previous pegmatite discovery (200m x 40m) announced in June (see ASX release dated 15 June 2022, *First Pegmatite Lens Discovered at Greenbushes South*). Detailed mapping and geochemical sampling are ongoing.

Initial geochemical results; anomalous lithium concentrations up to 215 ppm

The Company has received the first batch (65 in total) of geochemical assays from the soil sampling grids traversing the initial pegmatite discovery. The results confirm anomalous concentrations of lithium up to 215 ppm (see Figure 2), as well as for pathfinder elements such as As and Cs (see Figures 3 and 4). A further 170 assays from this soil sampling program are pending, as well as the assays for 15 rock chip samples taken from the earlier mapped pegmatite outcrops (see Figure 2).

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The returned soil results were assayed using the UltraFine+ assay technique that delivers high fidelity multi-element analysis derived from the ultrafine (< 2 µm) fraction of soil samples. The UltraFine+ method is an analytical process flow developed by CSIRO and LabWest which often returns stronger signals well above instrumental detection limits, usefully increasing signal-to-background ratios. Galan has now submitted all historical soil samples from Greenbushes South to be re-assayed utilising this method.

Ground geophysical initiatives; HSVR and gravity results pending

A pilot study utilising ground-based geophysical techniques to explore blind (buried) pegmatite targets has been completed in the Greenbushes South project areas. The survey consists of passive seismic (HSVR) and gravity surveys conducted by Atlas Geophysics. Data processing is underway and results are expected to be available in the coming weeks. Additionally, a resistivity study is also planned to be completed by GBG in the next few weeks to further aid in defining the orientation of pegmatite at depth.

Figure 1: Outcrops of quartz, feldspar, mica and tourmaline pegmatite dykes.

Galan Managing Director, JP Vargas de la Vega, commented:

"Initial exploration outcomes at Greenbushes South have been excellent. The team is understandably excited about the fact that airborne geophysical targeting has successfully driven our field mapping and sampling focus, and already led to multiple new sizeable pegmatite outcrops being discovered. It is also important to note that the discovered pegmatites have similar macroscopic mineralogy to those pegmatites described at the Greenbushes Lithium Mine to the north.

Today's results take us a step further. We now have confirmation of anomalous lithium concentration levels in the soil samples that were taken over the initial pegmatite discovery at the GS11 target zone.

Geological mapping and geochemical sampling activities are ongoing. There are further soil and rock sample assays pending, including those to be submitted from our newest pegmatite discovery. We have also launched a pilot ground geophysics program to overlay our exploration targeting efforts at Greenbushes South. All of this work is driving us towards the key outcome of premium target locations for our initial drilling program."

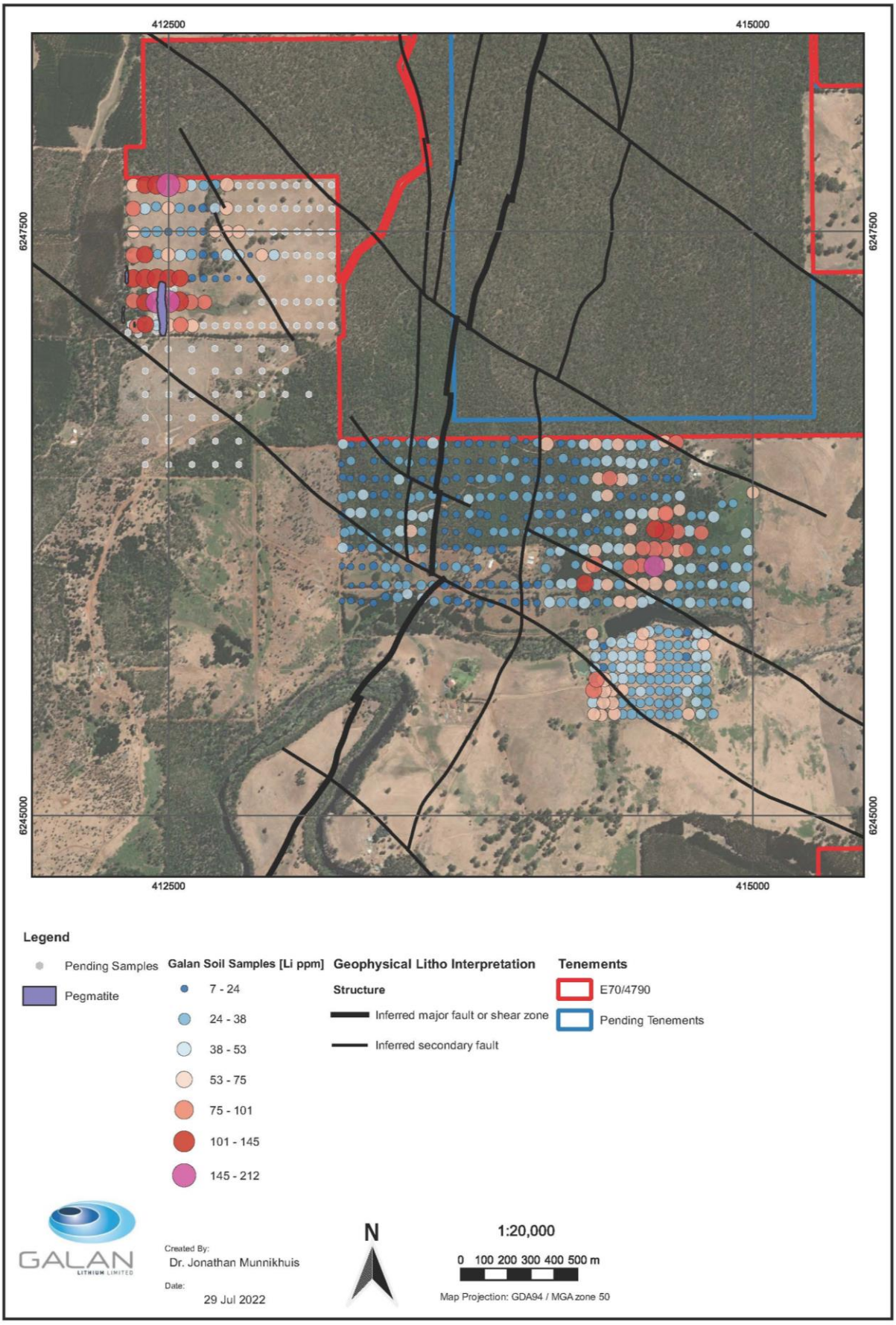

Figure 2: Li in soil assay results spatially associated with mapped pegmatite.

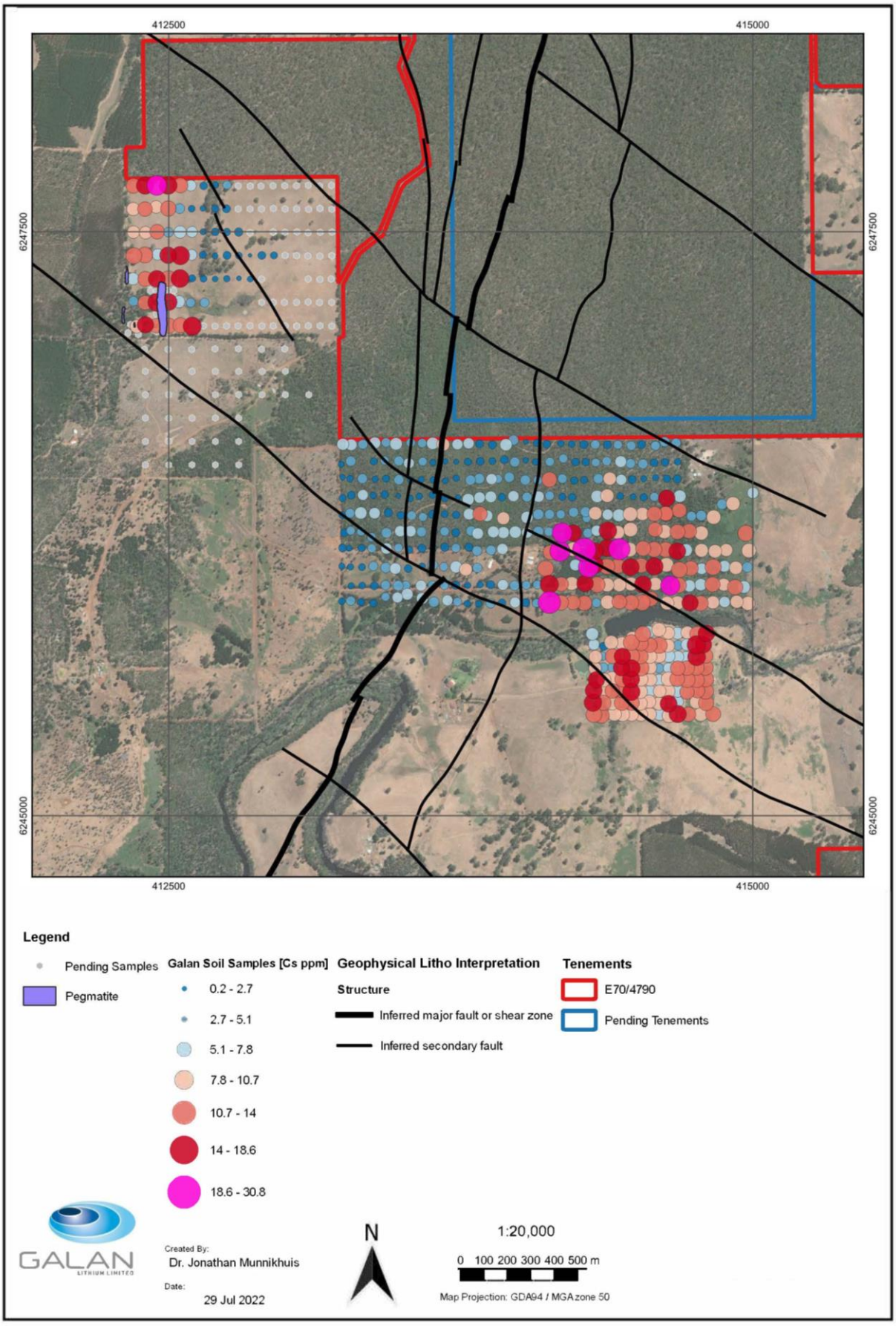

Figure 3: Cs in soil assay results spatially associated with mapped pegmatite.

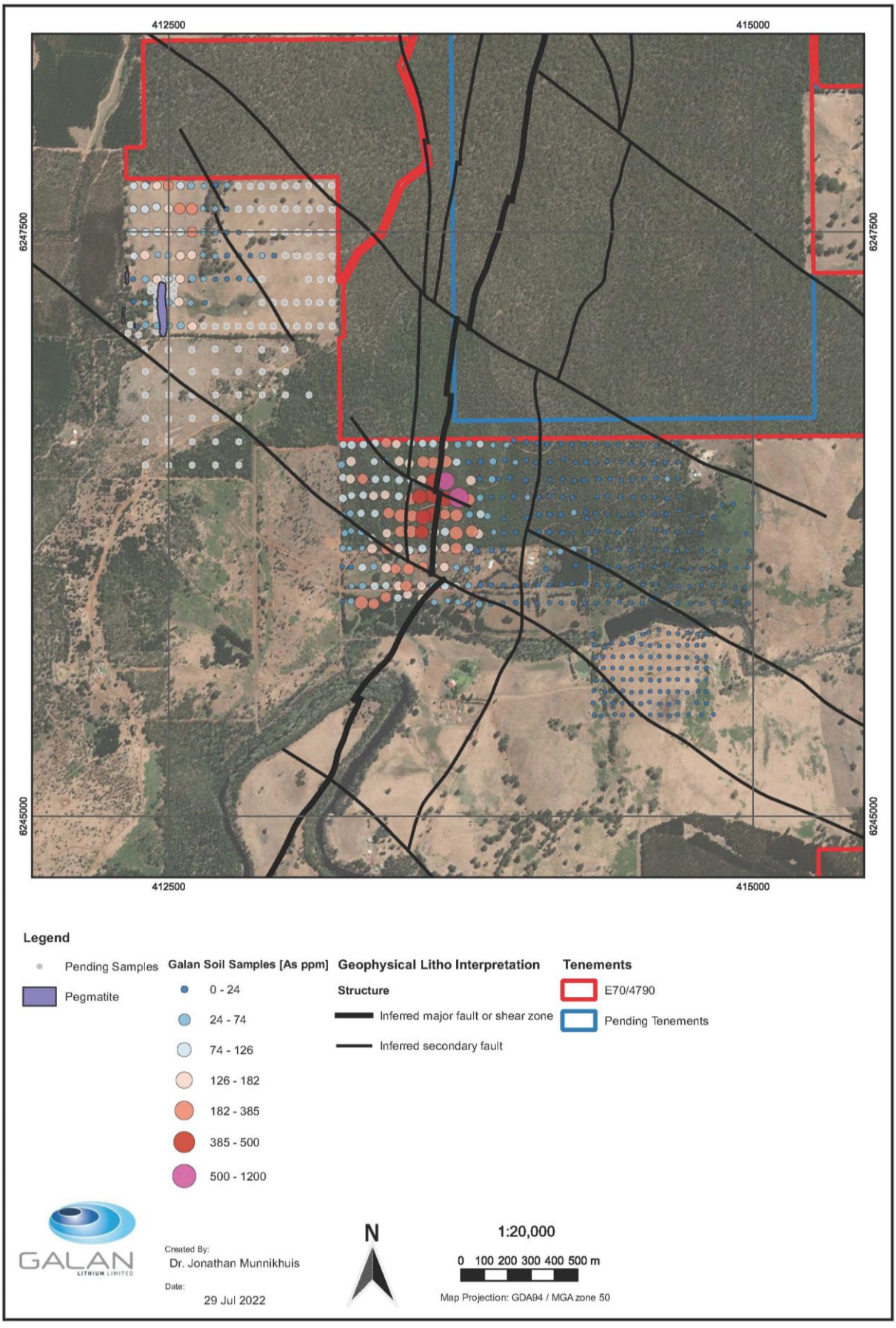

Figure 4: As in soil assay results spatially associated with mapped pegmatite.

The Galan Board has authorised this release.

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Competent Persons Statement

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.

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'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 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, 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 Ltd 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.

ANNEXURE 1
JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

Criteria	• JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Rock chip sampling- 15 representative samples weighing 2 – 3 kg were selected from pegmatitic material in the hosted amphibolite. Care was taken to ensure the least weathered samples were collected. Pictures were taken of outcropped, and sampling locations were recorded with GPS. • Reanalyses: Pulps of previously sampled soils were directly given to secondary lab for measurement of ultrafine fraction: Details for these samples are listed in Galan's 24/03/2022 ASX Announcement. "Positive Anomalous Soil Assays Delineate Donnybrook-Bridgetown Shear Zone • Soil Sampling: 170 soil samples weighing 200-300 g were collected. All soil samples were taken from 'B horizon' soils. Typically, depths ranged from 10 – 20 cm. Some area's depths were > 50 cm. Along soil sampling, transects samples were spaced 25 - 100 m apart. Pictures were taken of each soil profile, and sampling locations were recorded with handheld GPS.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• N/A
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• N/A
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• N/A

	• *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• N/A
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• LabWest Perth was used as the primary laboratory to conduct the assays of the soil and rock chip samples collected. • LabWest is an accredited lab. • The technique delivers multielement analysis, mineralogy and several related parameters derived from the soil samples' ultrafine (< 2 µm) fraction. • Concentration of gold and related metals in the ultrafine fraction gives stronger signals, generally well above instrumental detection limits, and increased signal-to-background ratios. • Standard QA/QC sampling was run concurrently with unknown samples. Each subset of 40 samples (or less) is analysed with 1 Blank, 2 duplicate analyses, and 2 CRMs. Unsupported anomalous results may be retested to ensure veracity.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Reanalyses of previously reported soil samples contained QA/QC secondary method with each rack of 40 samples will be analysed with: 1 x Reagent blank, 2 x In-rack duplicate analysis, 2 x Certified Reference Materials • New Ultrafine samples contain duplicate samples every 10th sample taken. One matrix matched CRM was added per 30 soil samples, and two were provided for every 10 hard rock samples.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The survey locations were located using modern Garmin handheld GPS with an accuracy of +/- 1.8 m. • The grid system used was GDA 94/ MGA zone 50 (EPSG:28350)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate*	• Preliminary soil sampling was conducted in 50 x 100 m spacing or at 100 x 100 m spacing. Other soil samples and rock chip samples were taken during mapping.

	for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	• 25 x 25 m spacing of soil samples was taken around pegmatite outcrop. • The density and sampling distribution are insufficient to establish a degree of grade for Mineral Reserve. • Care was taken during rock chip sampling to ensure they were taken from representative examples to provide an accurate preliminary data set of the geochemical character of the pegmatite
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Soil sampling was taken in a 25 x 25 to 100 x 100 m grid distances depending on nature of exposed rock and geologic certainty. • Rock chip samples were collected where suitable representative in-situ outcrop could be found.
Sample security	• *The measures taken to ensure sample security.*	• Data was recorded and processed by trusted employees, consultants and contractors to the Company and overseen by senior management ensuring the data was not manipulated or altered. • Samples were transported from site to secure storage daily.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• See ASX:GLN -15 April, 2021 for historical data reviews. The exploration is at a very early stage however the Company's independent consultant and CP have approved the procedures to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• E40/4790 (covered under an unincorporated joint venture between Galan Lithium Ltd (80%) and Lithium Australia Ltd (20%))
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Alluvial tin was discovered in the area in the late 1800s, and tin production was maintained until the early 1960s. After nearly 70 years of mining, the alluvial deposits had declined and attention turned to mining the host pegmatite for tin and tantalum. An extensive drilling program between 1977 and 1980 indicated that a significant lithium orebody was present at Greenbushes. • GreenEx, the exploration arm of Greenbushes Tin Ltd, determined that the Greenbushes pegmatites extended south onto the tenement in 1987.

Criteria	JORC Code explanation	Commentary
		• Sons of Gwalia relinquished the tenement in 1987. Published data indicates that work entailed broad-based stream sediment sampling. This work revealed encouraging tantalum, tin and lithium surface anomalies to the south of Greenbushes. • From 2004 – 2005 Moly Mines conducted mapping, surface sampling, ground magnetic surveys. Moly Mines also conducted nearly 1000 m of RAB and AC drilling on target from soil samples. From 2006 – 2007 Moly Mines continued exploration by VTEM (Allen 2008). • In 2016 Lithium Australia worked on the Project area as well as other tenements to the northwest with an extensive collection, collation and reprocessing of all available geophysical data – aeromagnetics, radiometrics, ASTER, LandSat and gravity – carried out by Southern Geoscience Consultants (SGC) of Perth.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Greenbushes deposit to the north of the licence area is a structurally controlled zoned LCT pegmatite of Archean age.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• N/A

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• N/A
Relationship between mineralisation widths and	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The mineralisation occurs in pegmatites hosted within a significant shear zone. This structure was followed along strike where possible and samples were taken across the strike. • Pegmatite samples were taken when

Criteria	JORC Code explanation	Commentary
intercept lengths	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	appropriate
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to map in the announcement
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• These preliminary results are from the early stages of exploration
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All meaningful and material information is reported
Further work	• *The nature and scale of planned further work (eg; tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration on targets previously identified by airborne geophysics still underway • Further follow up soil and rock chip sampling of identified targets along the major structure that hosts the mineralisation is being planned • The results of this will help guide the geophysical survey to test for blind pegmatites. • Geophysical survey and data processing underway