



ASX ANNOUNCEMENT

27 February 2023

Drilling to Commence at Greenbushes South Lithium Project

Highlights:

- **Program of Works (PoW) approved for maiden diamond drilling campaign at Greenbushes South Lithium Project in Western Australia.**
 - **Drill pads built and ready, with drilling scheduled to commence this week.**
 - **Key targets located only 4.5 km south of Greenbushes Mine open pit.**
 - **Initial campaign of 2,500 metres set to test the first of several key targets identified within the project area.**
 - **Further 550+ soil samples submitted to delineate new pegmatite targets within the project area.**
 - **New ground geophysics underway over high trace element soil anomalies.**
 - **Four large target areas identified over the Kirup Project to the north.**
-

Galan Lithium Limited (ASX: GLN) (**Galan** or the **Company**) is pleased to advise that the Program of Works (PoW) has been approved by the Department of Mines, Industry, Regulation and Safety (DMIRS) for the initial planned drilling activities at its 100%-owned Greenbushes South Lithium Project in Western Australia. Key Greenbushes South Project tenement, E70/4790, is located approximately 3 km south of the Greenbushes Lithium Mine (Figure 1).

The initial campaign (approximately 2,500 metres drilling planned) is set to test the first of several key targets identified within the highly prospective Greenbushes South. Construction of requisite drill pads is complete and drilling is scheduled to commence on 1 March 2023.

Ground geophysics also commenced earlier this month on previously identified targets within E70/4790. These targets were defined by high concentrations of lithium and other trace elements in soil samples. The new ground geophysical results are expected later this quarter.

Additionally, a further approximately 550 soil samples have been collected and submitted for analysis. These soil samples were collected around the multiple new pegmatite outcrops identified across recent months and are expected to assist in targeting and delineating mineralisation beneath the subsurface.

For personal use only

The Kirup Project (E70/4777, E70/5680, and E70/4690) (Figure 2), located to the north of Greenbushes South, has undergone extensive target generation based on the processing of Galan's aerial geophysics. Four (4) large target areas demonstrate strong prospectivity for blind lithium pegmatites. Field mapping and soil sampling are planned within these target areas.

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

"Well done to the Galan team in advancing us to this exciting point. We look forward to testing our hypothesis, via this maiden drilling campaign, that significant lithium mineralisation exists south of the Greenbushes Mine. We are extremely encouraged by all data collected to date that demonstrates the strong potential for this to be the case. This includes having multiple observations of minerals associated with pegmatites only one metre below the sub-surface in the area we are about to drill."

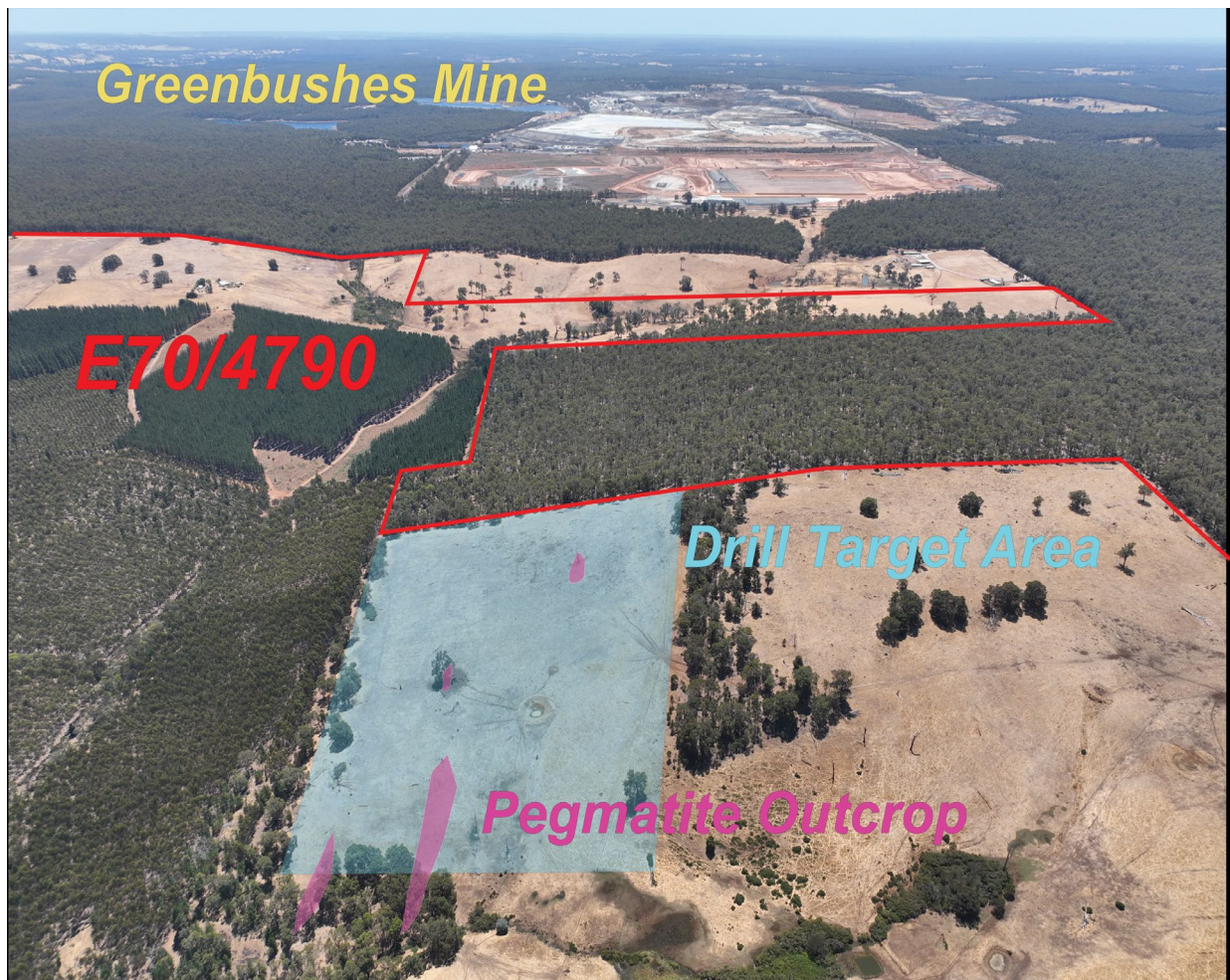


Figure 1: Drone photo over the drill target area

For personal use only

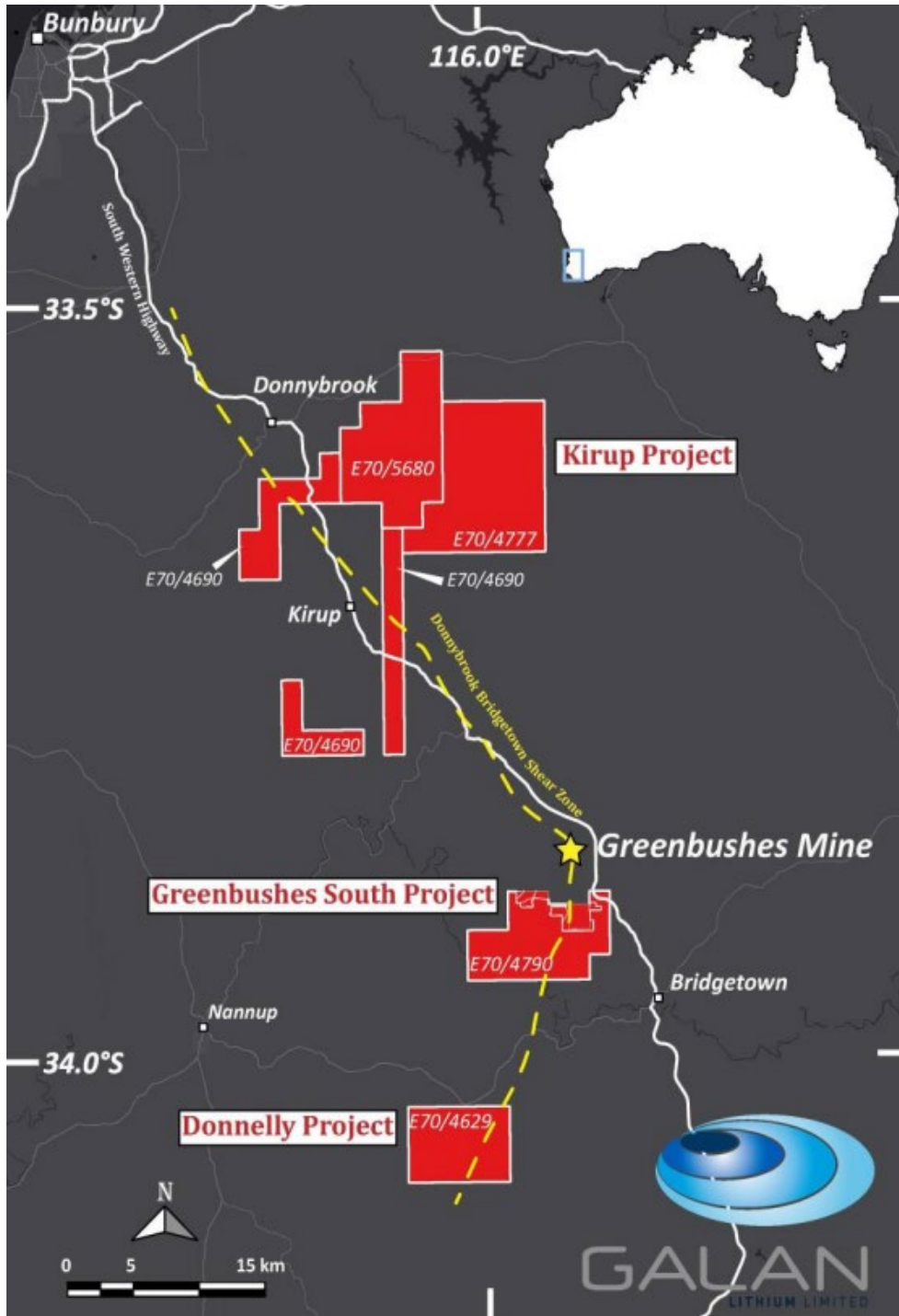


Figure 2: Galan's Greenbushes South tenure

The Galan Board has authorised this release.

For further information contact:

Juan Pablo ("JP") Vargas de la Vega
Managing Director
Email: jp@galanlithium.com.au
Tel: +61 8 9322 6283

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

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, 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 October 2022, an updated Mineral Resource estimate was delivered totalling 5.8Mt of LCE for the largest concessions (including Pata Pila, Casa del Inca and Rana de Sal). Exploration upside remains for the rest of the HMW concessions 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 that 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. Further geological mapping, soil sampling and geophysical investigations are being used to determine drill targets within E70/4790. These ground-based methods are also being applied to Galan's other granted tenements in the region.