



ASX ANNOUNCEMENT

21 August 2023

HMW FULL PHASE 1 CONSTRUCTION COMMENCES – LITHIUM PRODUCTION EXPECTED BY H1 2025

Highlights:

- **HMW full Phase 1 construction commenced; first fleet mobilised and working on site with more equipment scheduled to arrive next week**
- **Expected delivery of first evaporation ready pond by Q1 2024; commencing a favourable evaporation path to production during the summer months**
- **HWM Phase 1 production expected to during H1 2025; a premium concentrate (6% Li) product targeting 5.4ktpa of lithium carbonate equivalent (LCE)**
- **Other construction activities underway to upgrade site services, camp, diesel storage, water supply, etc.**
- **HMW is the highest grade lithium brine deposit in Argentina; current JORC resource of 6.6Mt LCE @ 880mg/l Li**
- **Third party off-take and other strategic discussions ongoing**
- **Phase 2 DFS progressing well; results on track for September 2023**

Galan Lithium Limited (**ASX:GLN**) (**Galan** or the **Company**) is pleased to announce that full Phase 1 pond construction has commenced for 5.4ktpa LCE production at the Hombre Muerto West (**HMW**) lithium brine project in Catamarca Province, Argentina. This construction milestone aims to deliver lithium chloride production in H1 2025.

The first batch of earthmoving equipment for the construction of the ponds has mobilised and is working on site, with further equipment scheduled to arrive in the next week for scaling up the material movement capacity. Other construction activities are also underway for upgrading essential services such as camp, diesel storage, water supply, etc.

The first milestone of the construction of the ponds for HMW Project is to build, line and fill with brine the first pond of the system by Q1 2024. This pond has an evaporation area of 205,000 m², its completion is a major objective triggering the start of the evaporation path to production at the most favourable time.

As previously announced, the HMW DFS was separated into two phases. This initial Phase 1 of the DFS focuses on the production of a lithium chloride concentrate, as governed by the production permits just approved. The optimisation work is completed and will culminate in the release of a Phase 2 DFS in September 2023, addressing a full 20ktpa LCE production rate.

Galan's Managing Director, Juan Pablo (JP) Vargas de la Vega, commented: "This is the beginning of our construction journey to production. I would like to congratulate the global Galan team for their continued support to make this happen. This is also testimony to our desire to work locally with the community and contractors whilst receiving full support from the provincial government of Catamarca, Argentina.

We have come a long way since our early days, considering Galan only obtained the original Hombre Muerto assets just over 5 years ago, and with all the delays experienced during Covid-19. This feels more real than ever for everyone at Galan. We will continue to give our best focused efforts to become a new lithium producer by H1 2025."



Phase 1 construction fleet and crew mobilised and on site

The Galan Board has authorised this release.

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Competent Persons Statement 1

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.

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 exploration upside for the recently consolidated tenure at Catalina that has not previously been included in the resource estimate. The Catalina tenure overlaps 5,954 hectares of existing HMW tenements in Catamarca and is adjacent to the existing HMW Resource. Galan is formulating an exploration target⁽¹⁾ in the area hoping to add to the HMW Resource base.

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. In early March 2023, drilling commenced within E70/4790.

(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.

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:

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