



ASX ANNOUNCEMENT

6 December 2023

HMW PHASE 1 CONSTRUCTION ON SCHEDULE FOR INITIAL PRODUCTION IN H1 2025

Highlights:

- **Pond 1 construction progressing to schedule; advance rate now at 65% completion**
- **Liners on-site; installation scheduled to commence late December 2023**
- **Fill of pond 1 expected in Q1, 2024; evaporation process to commence this summer**
- **Preparation works for Ponds 2 and 3 underway, including topsoil removal**
- **New camp and infrastructure progressing well with all final modules materially in place**
- **Glencore technical due diligence has commenced**

Galan Lithium Limited (**ASX:GLN**) (**Galan** or the **Company**) is pleased to provide an update on the progress of construction activities at the 100% owned Hombre Muerto West (**HMW**) Phase 1 lithium brine project, with the aim of delivering lithium chloride production in H1, 2025.

As previously announced, the HMW project was separated into four production phases. The initial Phase 1 DFS focused on the production of 5.4ktpa LCE of a lithium chloride concentrate by H1, 2025, as governed by the approved production permits. The Phase 2 DFS targets 21ktpa LCE of a lithium chloride concentrate in 2026, followed by Phase 3 production of 40ktpa LCE by 2028 and finally a Phase 4 production target of 60ktpa LCE by 2030. Phase 4 will include lithium brine being sourced from HMW and Galan's other 100% owned project in Argentina, Candelas.

Galan's Managing Director, Juan Pablo (JP) Vargas de la Vega, commented:

"I arrived on site this week and am very pleased with the significant progress being made on site and most impressed with the dedicated personnel we have in place. Galan has assembled a cohesive team of highly competent people, with the necessary specialist experience and knowledge to build the ponds and infrastructure required to successfully deliver the first production phase of the HMW project. Pond 1 construction works have been progressing well and in accordance with expectations. We are sharply focused on our objective to commence brine evaporation this summer. We also remain enthusiastic and confident about development of Phase 1 HMW and achieving first production H1, 2025."

Below are a selection of recent photos evidencing the progress being made on site.

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Figure 1: Pond 1 construction progress and Ponds 2 & 3 preparation works underway

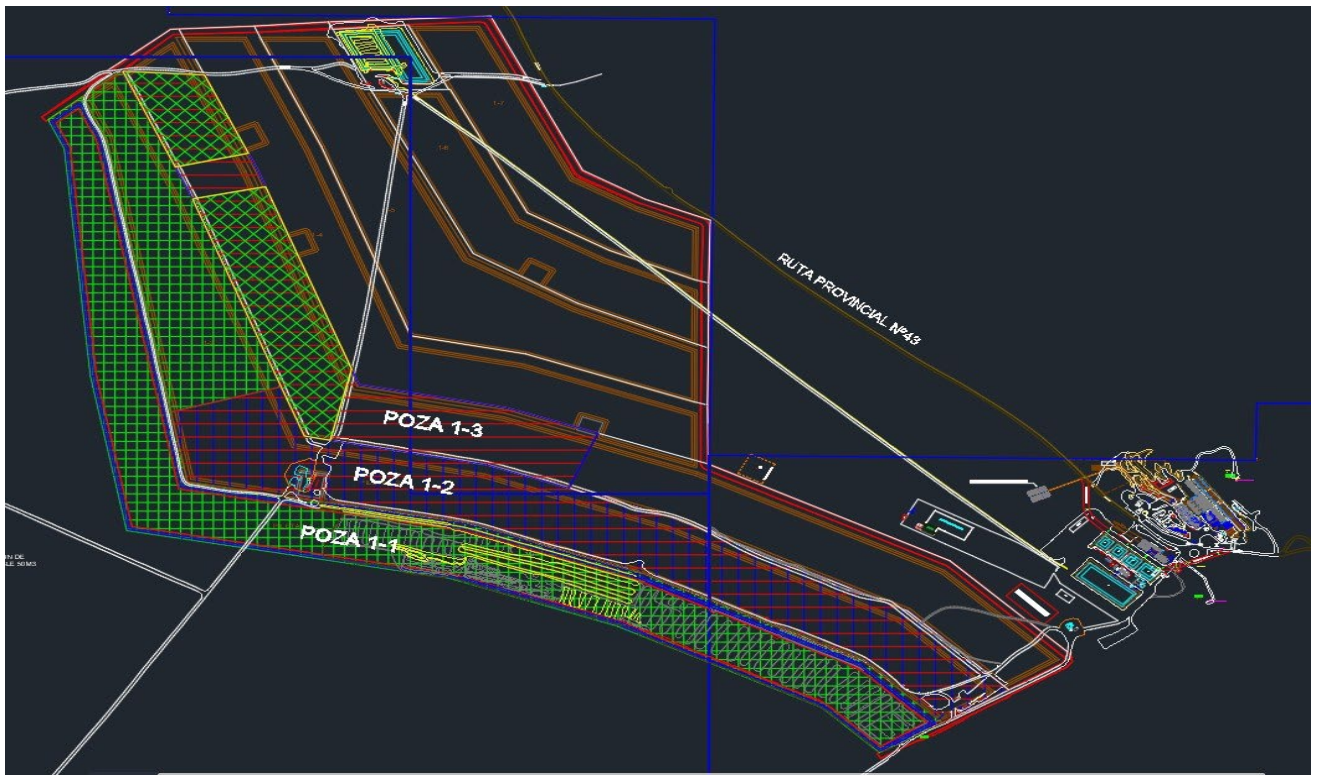


Figure 2: Pond design and location



Figure 3: Camp modules installed



Figure 4: Camp infrastructure and services being installed



Figure 5: New camp mess nearing completion



Figure 6: Liners on site ready for installation

The Galan Board has authorised this release.

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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 3 km south of the Tier 1 Greenbushes Lithium Mine.

Hombre Muerto West (HMW): A ~16 km by 1-5 km region on the west coast of Hombre Muerto Salar neighbouring Livent Corp. to the east. HMW is currently comprised of twenty one mining tenements. Geophysics and drilling at HMW demonstrated significant potential of a deep basin. In May 2023 an updated Mineral Resource estimate was delivered totalling 6.6 Mt of LCE. In November 2023, a binding offtake and financing agreement (pending due diligence) for Phase 1 production was signed with Glencore plc.

Candelas: A ~15 km long by 3-5 km 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 685 kt 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 to avoid using surface river water from Los Patos River.

Greenbushes South Lithium Project: Galan now owns 100% of the mining 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 mining tenements are located along the trace of the geological structure, the Donnybrook-Bridgetown Shear Zone that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes. Part of the mining tenure is only 3 km to the south of the Greenbushes mine.

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:

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

Forward-Looking Statements

Some of the statements appearing in this announcement may be forward-looking in nature. 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, neither 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.

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 in this report that relates to the Mineral Resources estimation approach at Candelas and Hombre Muerto West was compiled by Dr Michael Cunningham. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment 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.

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Competent Persons Statement 3

The information contained herein that relates to Project background, brine extraction method, recovery method and Project layout, have been directed by Mr. Marcelo Bravo. Mr. Bravo is Chemical Engineer and managing partner of Ad-Infinitem SpA. with over 25 years of working experience, he is a Member of the Chilean Mining Commission and has sufficient experience which is relevant 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'. Mr. Bravo 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 4

The information in this report that relates to the Ore Reserves estimation approach at Hombre Muerto West was compiled by Mr Rodrigo Riquelme. Mr Riquelme is a Principal Consultant of Geolnova and is assisting WSP Consulting (Chile). He has experience relevant to the assessment 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)". Mr Riquelme consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement 5

The information in this report that relates to the Project infrastructure, Capex, Opex and economic evaluation was reviewed by Ernest Burga, General Manager of Andeburg Consulting Services Inc. He has sufficient experience relevant to the activity which they are undertaking to qualify as a Competent Persons as defined by the "Australasian Code for Reporting for Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Mr Burga 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.