ASX ANNOUNCEMENT

19 March 2024

FILLING OF HMW POND 2 COMMENCES AS LITHIUM CHLORIDE PRODUCTION JOURNEY CONTINUES

- **Filling of pond 2 has commenced, evaporation process is underway**
- **Pond 2 earthworks and liner installation progressing well (65% complete)**
- **Pond 3 earthworks construction work well under way (40% complete)**
- **Pond 1 evaporation continuing, containing approximately 500t LCE already**
- **Ten (10) production wells completed; only six are required for Phase 1**
- **The HMW production process uses very little fresh water and considerably less water than subsequent conversion to lithium carbonate or hydroxide**
- **Water was never intended to be sourced from the Los Patos River; water for the HMW Project will be sourced directly from in situ dedicated water wells**
- **Strategic HMW lithium chloride production plan continues; phase 1 (permits granted) and phase 2 development plans are unaffected by the recent provincial court ruling**
- **Low all-in sustaining costs; HMW is expected to be in the 1st quartile of lithium industry's cost curve with an initial reserve estimate of 40 years**
- **Phase 2 Operating cost to LiCl concentrate of $US3,510/t LCE equates to a low Li2O equivalent operating cost of SC6 (Spodumene Concentrate) $US310/t-$US350/t; solid production margins at current spot prices**
- **Glencore due diligence process continues to advance, outcomes to be announced upon completion**

Galan Lithium Limited (**ASX:GLN**) (**Galan** or the **Company**) is pleased to provide a further update on the progress of construction activities at its 100% owned Hombre Muerto West (**HMW**) Phase 1 lithium brine project, with lithium chloride production expected in H1 2025. Galan continues its steady progress in advancing its low cost, high grade HMW project to production in a timely manner.

As previously announced, the HMW project was separated into four production phases. The initial Phase 1 Definitive Feasibility Study (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 sourced from both HMW and Galan's other 100% owned project in Argentina, Candelas. The very positive Phase 2 DFS results were announced on 3 October 2023 (https://wcsecure.weblink.com.au/pdf/GLN/02720109.pdf).

Pond 2 filling has commenced

Galan and its lithium chloride strategy

The HMW Project is a tier one project that will produce a premium high grade lithium chloride (LiCl) concentrate of 6% Li, comparable to 13% Li_2O or 32% Lithium Carbonate Equivalent (LCE) in H1 2025.

This LiCl product results in 85 times the concentration of contained Lithium compared to raw brines sourced from the Hombre Muerto Salar. Galan's 6% LiCl concentrate contains more than twice the Li content of Spodumene concentrates exported from Australia.

Galan is confident on the viability of its LiCl production strategy. There is an established market precedent for the sale of liquid LiCl concentrate in the industry, including over 10 years of exports to China by SQM in Chile. Domestically, the potential addition of the premium HMW high grade, low impurity LiCl product is likely to improve the performance of any lithium carbonate plant in northern Argentina. It is expected that there will be up to 10 downstream processing plants operating in Argentina within the next 5 years.

The HMW production process, to produce a high grade lithium chloride concentrate (6% Li or 32% LCE), uses very little fresh water and considerably less water than the subsequent conversion to lithium carbonate or hydroxide, underpinning the low environmental impact of Galan's chloride strategy. Furthermore, water for the HMW Project is to be sourced directly from in situ dedicated water wells.

Construction permits for Phase 1 (5.4ktpa) were granted in August 2023, whilst the EIA for Phase 2 (21ktpa LCE) was lodged with the Catamarca government in December 2023. Galan is confident that the Phase 2 permitting process is on track with continued strong support from local communities and government.

Past tenement acquisitions, outside the actual Hombre Muerto salar, have proven to be prudent with ground conditions suitable for pond construction.

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

"We are very proud of the solid progress being made by the HMW Phase 1 construction team and Galan is well on its way towards their long-term production journey for its low-cost, low-risk lithium chloride development strategy. We remain firm in progressing our lithium chloride strategy and are confident that our production approach, including key tenement acquisitions, permitting and offtake arrangements put Galan in a good place to becoming the next lithium producer in Argentina in H1 2025."

The Galan Board has authorised this release.

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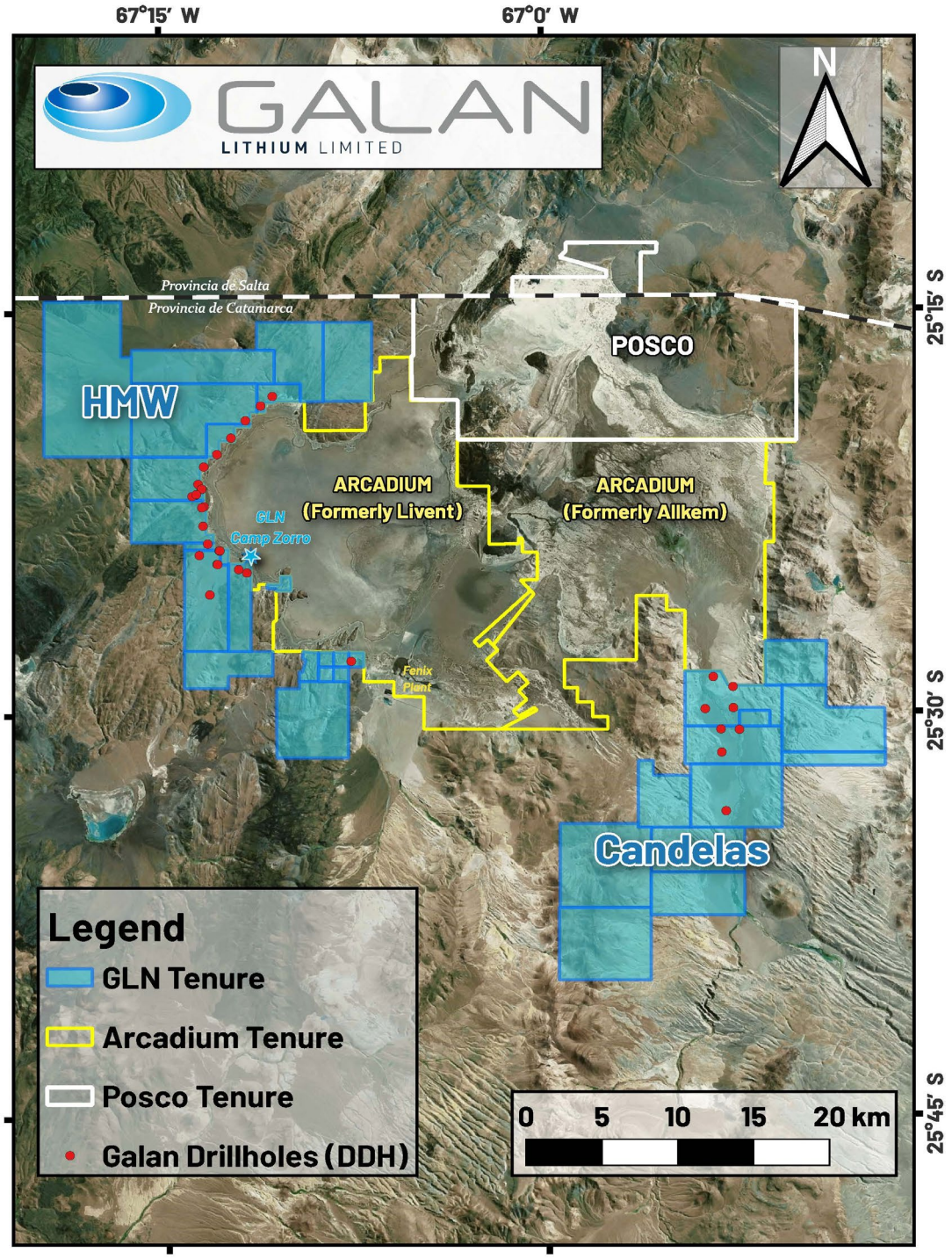

Galan's HMW and Candelas project tenure in Argentina

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 (Arcadium Lithium, formerly Livent Corporation), Sal de Vida (Arcadium Lithium, formerly 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 ~16 km by 1-5 km region on the west coast of Hombre Muerto Salar neighbouring Arcadium Lithium 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 km^2. 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.

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 contained herein that relates to the Mineral Resource 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.

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.