



ASX ANNOUNCEMENT

29 April 2024

HMW PROJECT ACHIEVES 1,000t LCE CONTAINED INVENTORY AS LITHIUM CHLORIDE PRODUCTION JOURNEY ON TRACK

HMW Project Update

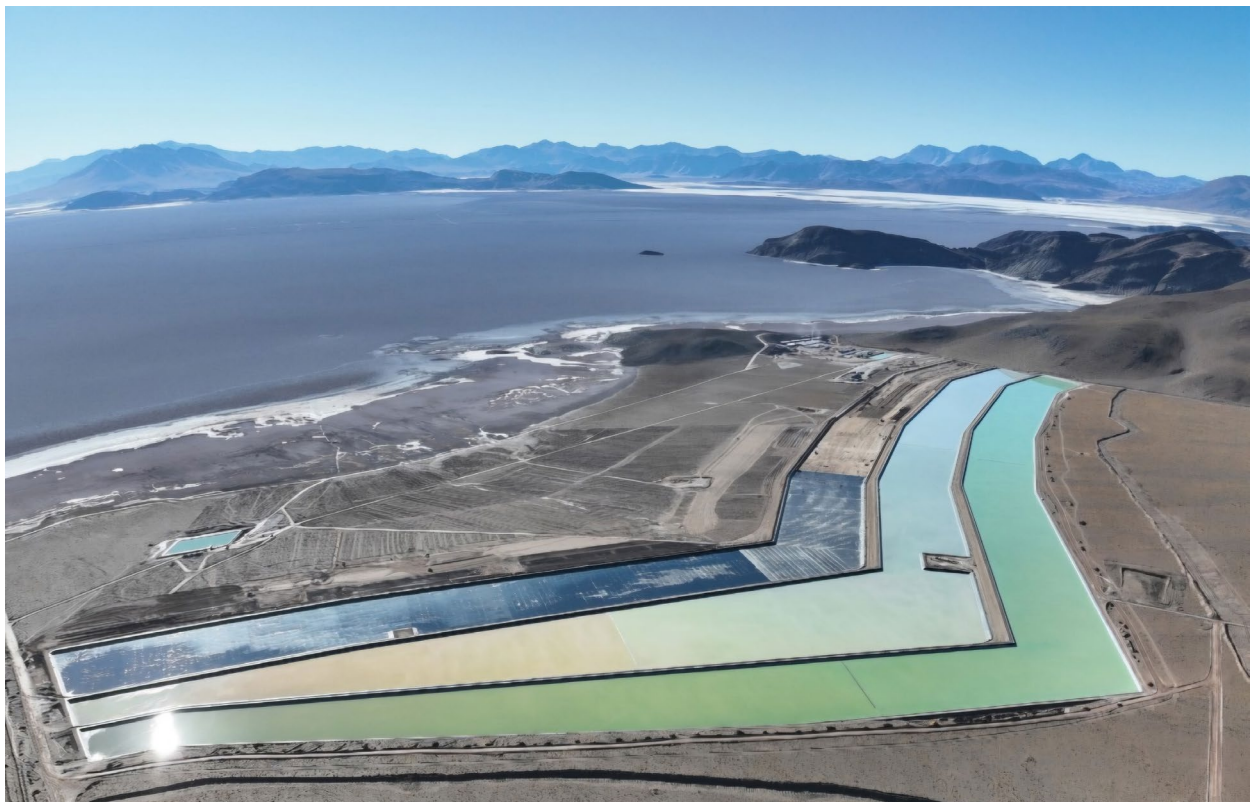
- Pond 1 and 2 evaporation continues; approx 1,000t LCE contained inventory
- Pond 3 earthworks almost complete, liner installation at 60% and filling of pond 3 commenced; Pond 4 earthworks have commenced
- Overall project completion now at 33%, with pond construction 45% complete; project execution is advancing as planned
- Aligning with the physical progress of the project, capital expenditure also sits at 33% of the Phase 1 budget
- Key processing parameters; average brine flow rate, average Li grade from wells and evaporation rates in line with the Feasibility Study. The project remains on track to commence production in H1 2025
- Opportunities to reduce the Capex and Opex for HMW Phase 1 identified; engineering and procurement teams working to quantify these opportunities within the next two months
- 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
- Following the recent agreement signed with the Catamarca government, offtake and funding discussions are advancing; Glencore due diligence process continues.

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.

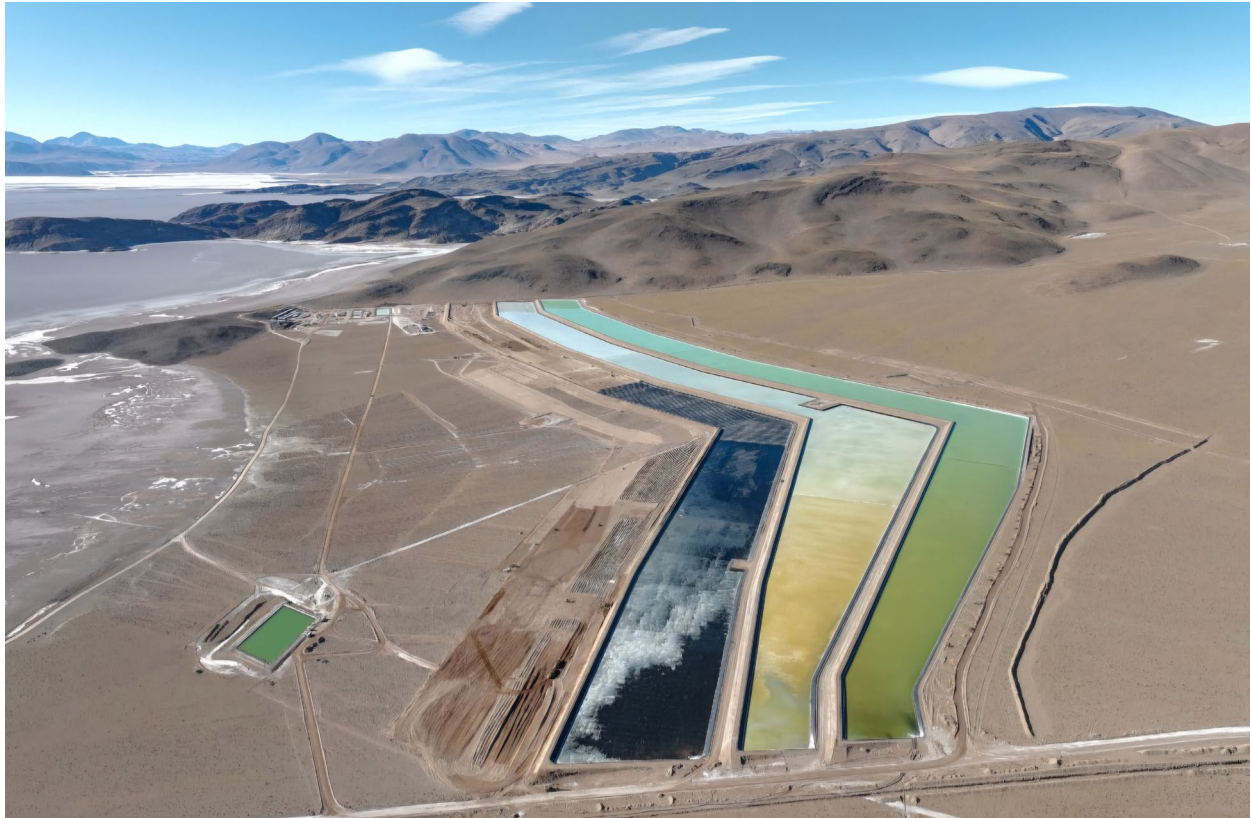
Overall completion of the HMW project now sits at 33% with the ponds system already at 45% completion. Approximately 600,000 m² of evaporation area has now been built, currently housing 1,000t LCE contained inventory. This evaporation area is sufficient to produce a lithium chloride volume of approximately 2.4 ktpa LCE. The key processing parameters, including raw brine well average flow rates, Li grades and evaporation rates are all aligned with the Phase 1 DFS. Based on the rate of construction and the results achieved to date, the HMW project remains on track to start production in H1 2025.

In addition, Galan's team are analysing options to reduce capital expenditure, these opportunities are focussed on selecting the minimum infrastructure required to commence production of Phase 1. Multiple trade-off exercises are being assessed such as the analysis of rental options for energy supply, reduction of the size for selected buildings, usage of independent smaller control systems, instead of a larger central control system for all facilities.

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>).



Ponds 1 and 2 completed with evaporation continuing



Pond 3 liner installation and Pond 4 earthworks

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. With more than one third of the project completion now achieved, Galan is well on its way towards its targeted commencement of production in H1 2025. Galan would like to acknowledge and sincerely thank the Government of the Catamarca Province in Argentina for their continued support, evidenced by the recent agreement signed to commercialise lithium chloride concentrate from HMW. We are excited about the opportunities this agreement now presents to Galan's future"

The Galan Board has authorised this release.

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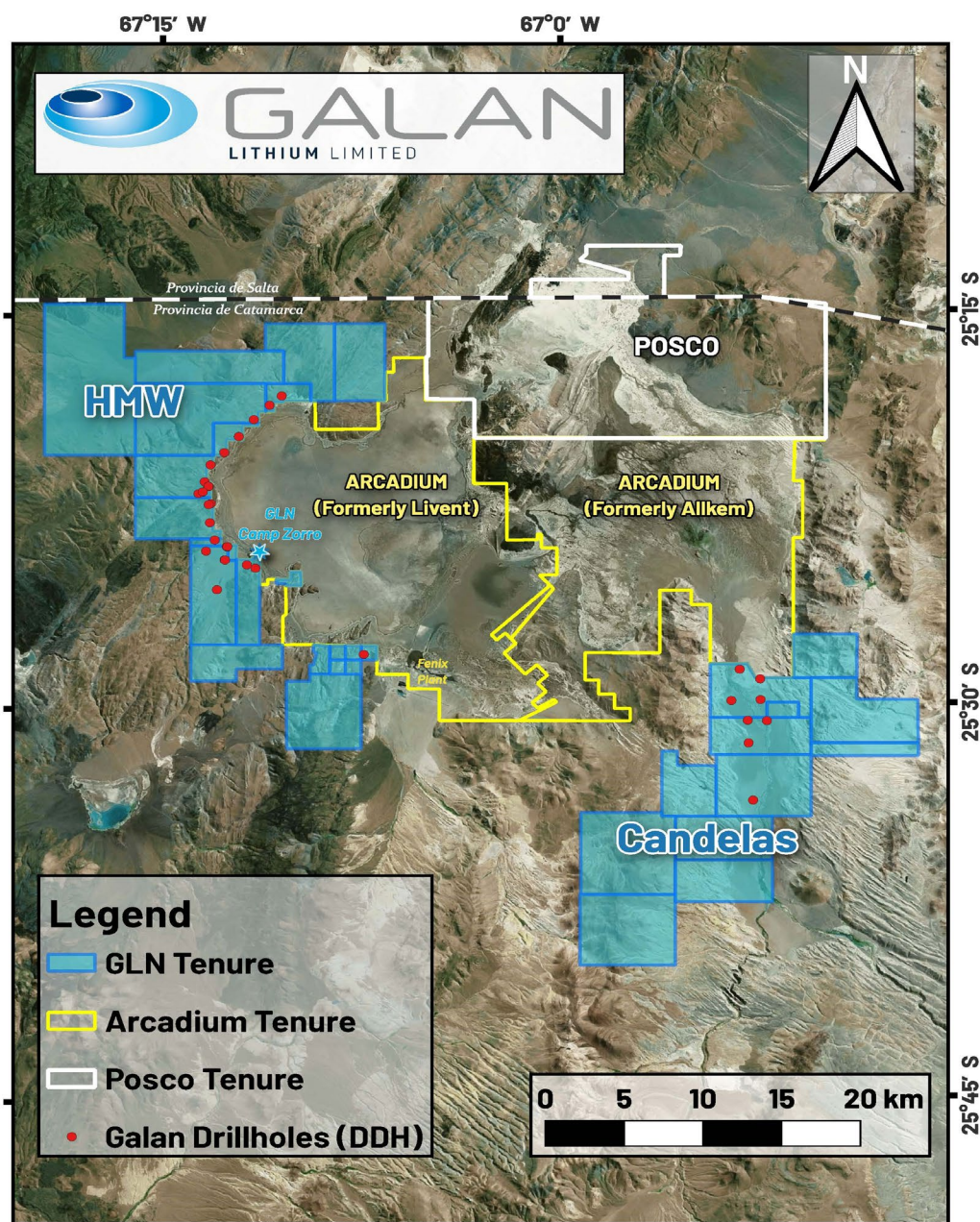
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Galan's HMW and Candelas project tenure in Argentina

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. A binding offtake and financing agreement (pending due diligence) for Phase 1 production has been signed with Glencore plc. In March 2024 an updated Mineral Resource estimate was delivered totalling 7.9Mt of LCE @ 883mg/l Li.

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.

Resources (March 2024)

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	1,028	890	866	4,738	7,505	7,714	14,711
Indicated	347	310	894	1,649	7,837	2,717	5,181
Inferred	300	278	926	1,480	8,210	2,464	4,700
HMW Total	1,675	1,478	883	7,867	7,700	12,895	24,591
Candelas North (*)							
Indicated	196	129	672	685	5,193	1,734	3,307
Galan's Total Resource Inventory							
Grand Total	1,871	1,607	859	8,552	7,819	14,629	27,895

Notes:

1. No cut-off grade applied to the updated Mineral Resource Estimate
2. The conversion for LCE = Li x 5.3228, and KCl = K x 1.907.
3. There may be minor discrepancies in the above table due to rounding.
4. (*) The Candelas North Mineral Resource Statement was announced on 1 October 2019.

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 reflect views held only as at the date of this announcement.

Competent Persons Statements

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 Resources estimation approach at Candelas and Hombre Muerto West was compiled by Mr Carlos Eduardo Descourvieres. Mr Descourvieres is an employee of WSP (Chile) and a Member of the Australian Institute of Mining and Metallurgy. 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)'. Mr Descourvieres consents to the inclusion of his name in 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.