



ASX ANNOUNCEMENT

19 December 2019

Geophysics Confirm Extensive Brine Potential at Western Basin Projects

HOMBRE MUERTO LITHIUM BRINE PROJECT, ARGENTINA

- Conductivity surveys completed at *Pata Pila* and *Rana del Sal*
- Results confirm the presence of highly conductive horizons consistent with extensive geological units saturated with brine
- Conductive units are also coincident with confirmed high Li grade/low impurity brines returned from recent drilling
- Results to assist company consultants, SRK (Australia), to estimate maiden resources for the Western Basin projects
- Targets lie in the Western Hombre Muerto basin adjacent to Livent Corporation's (formerly FMC) Fenix lithium brine operation
- Targets complement the recently defined resource at Candelas

Galan Lithium Limited (ASX:GLN) (**Galan** or **the Company**) is pleased to announce that geophysical CSAMT (Controlled Source Audio-frequency Magnetotellurics) surveys over the Pata Pila and Rana del Sal projects to assist in the estimation of potential lithium brine resources at the Western Basin of the Hombre Muerto salar in Argentina have now been completed.

The Rana de Sal and Pata Pila licenses cover large alluvial fan areas lying adjacent to Livent Corporation's (NYSE: LVHM) tenure, covering the western margin of the Hombre Muerto salar. Recent drilling returned significant intercepts of high grade/low impurity lithium bearing brines (ASX:GLN releases 11 September, 9 October 2019) from Pata Pila and from limited sampling at Rana del Sal. The results confirmed high grades with most samples returning lithium grades >900mg/l Li with low levels of Mg/Li (Table 1). Further entire aquifer sampling is also planned to be conducted.

Table 1: Previously reported laboratory and field test results, Pata Pila & Rana del Sal

Drillhole	Sample No.	From (m)	To (m)	S.G. (mg/l)	Cond. (mS/Cm2)	Li mg/l	Mg mg/l	Mg/Li
PP-01-19	607	99	121	1.220	>200	938	1,338	1.43
PP-01-19	609	254	301.5	1.222	>200	902	1,570	1.74
PP-01-19	610	493	541	1.219	>200	902	1,440	1.60
PP-01-19	611	544	580	1.221	>200	909	1,388	1.53
PP-01-19	612	582	647	1.200	>200	948	1,546	1.63
PP-01-19	613	651	718	1.200	>200	933	1,465	1.57
RS-01-19	614	32	80	1.100	>200	441	883	2.00
RS-01-19	615	83	122	1.210	>200	1,043	1,833	1.76

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Geophysics

Single lines of CSAMT (Controlled Source Audio-frequency Magnetotellurics) surveying were initially conducted prior to the drilling over several of the Western Basin projects as seen in Figure 1 (ASX:GLN 18 October 2018). Following the positive follow up drilling results the Company conducted follow up detailed CSAMT surveys at Pata Pila and Rana del Sal (figure 1). The surveys successfully mapped extensive zones of high conductivity which, given the coincidence with the lithium bearing brines encountered in the drilling, are interpreted to represent horizons consistent with geological units saturated with brine (see figure 2 example section).

The survey results will assist the estimate of a maiden resource for the Western Basin projects. The estimate will be conducted by the Company's resource consultants, SRK (Australia), utilising their Australian and Argentinian based teams, and who recently finalised a maiden resource over the *Candelas* project also located at Hombre Muerto (ASX: GLN 1 October 2019).

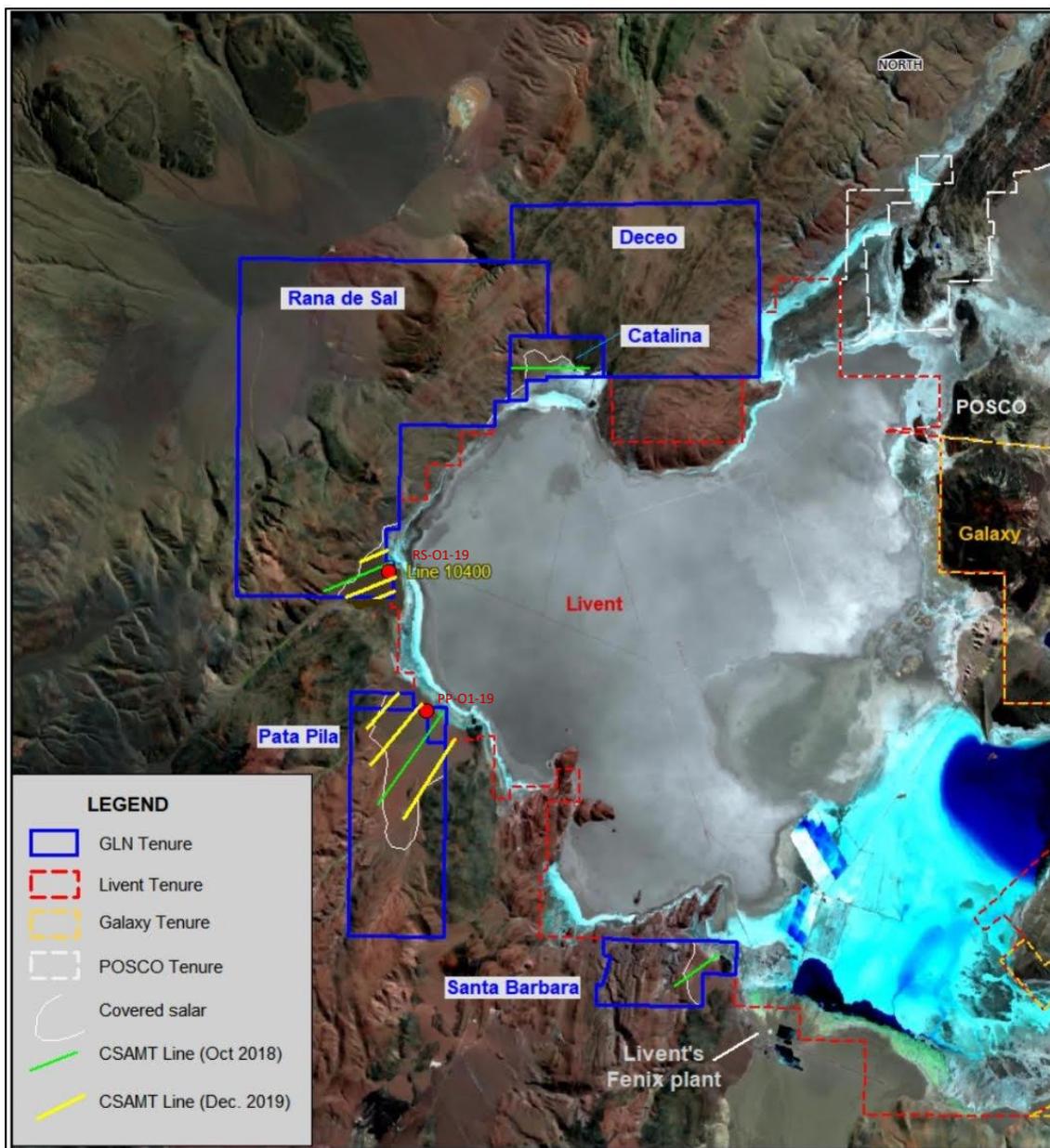


Figure 1: Galan Lithium Limited's Western Basin Projects, Hombre Muerto salar, Argentina

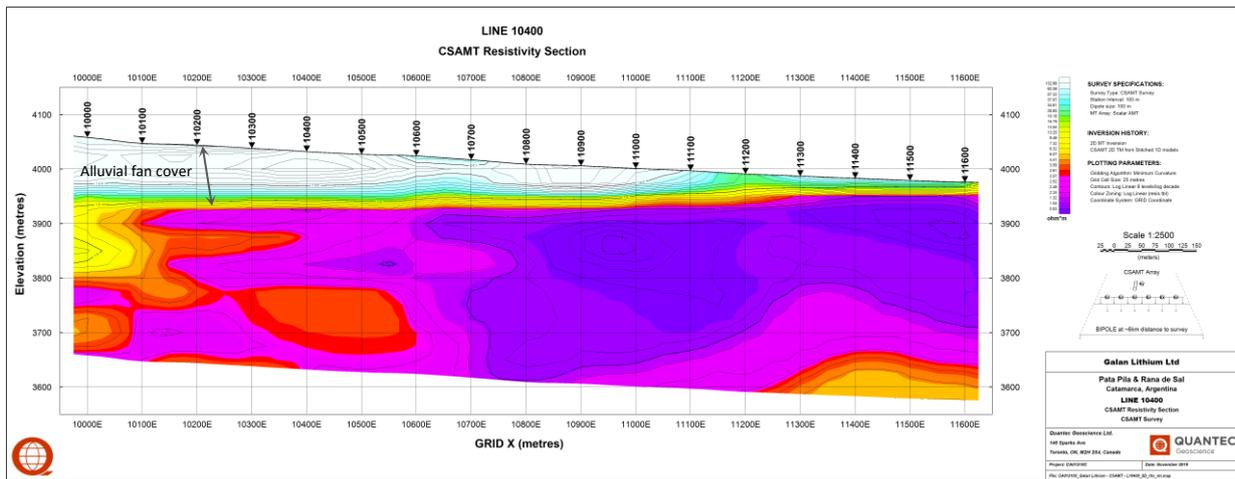


Figure 2: Example CSAMT Section, Line 10400, Rana del Sal, Hombre Muerto salar (Purple colours = highly conductive horizons)

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About Galan

Galan is an ASX listed company exploring for lithium brines within South America’s Lithium Triangle on the Hombre Muerto salar in Argentina. Hombre Muerto is proven to host the highest grade and lowest impurity levels within Argentina and is home to Livent Corporation’s El Fenix operation and Galaxy Resources and POSCO’s Sal de Vida projects. Galan’s primary target is the adjoining Candelas channel target, 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 estimate has recently been conducted.

Competent Persons Statement

The information contained herein that relates to Exploration Results 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.



ANNEXURE 1
JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Quantec undertook a CSAMT (Controlled Source Audio – Magnetotelluric) survey consisting of a total of six lines in the western Basin Project. Three lines for each licence area was undertaken over the Rana de Sal and Pata Pila license areas. The survey lines covered 10.8 linear km, with dipoles of 100m • A current bipole for the signal source was located parallel to the survey lines • Survey data was scalar, CSAMT with measurements of Ex and Hy. Frequencies used were 2Hz to 8192 Hz. HACSAMT data (harmonic frequencies 3,5,7 and 9 of the fundamentals) was collected for improved data interpretability. • The following equipment was used: a BF-10 Magnetic field induction sensor manufacturer by Schlumberger, a Zonge GDP-32II receiver and a Zonge GGT-30 Transmitter.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • No drilling conducted
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • No drill samples collected
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • A CSAMT survey was conducted but no logging was undertaken
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> 	<ul style="list-style-type: none"> • No sampling or logging undertaken

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> No assays carried out for this survey Quantec Geoscience Ltd has significant experience in this type of exploration targeting lithium brine mineralization in the Andes. They have previously conducted work for Galan Lithium at the Candelas licence area. Additionally, Quantec have conducted geophysical surveys in the neighbouring Sal de Vida project.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Not applicable for CSAMT geophysical surveying Quantec Geoscience Ltd has significant experience in this type of exploration targeting lithium brine mineralization in the Andes. They have previously conducted work for Galan Lithium at the Candelas licence area. Additionally, Quantec have conducted geophysical surveys in the neighbouring Sal de Vida project.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> The survey locations were located using modern Garmin handheld GPS with an accuracy of +/- 5m. The grid System used by Quantec: POSGAR 94, Argentina Zone 3 Topographic control was obtained by handheld GPS, and the topography is mostly flat with very little relief.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The CSAMT survey undertaken between 16/11/2019 to 30/11/2019 consisted of three separate lines per licence area, traversing across the salar shoreline (including coverage of alluvial fans). This ensured the optimum representation and interpretation of the salar boundary and extent, including the subsurface brines.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> CSAMT survey lines and extensions were all conducted orthogonal to the long axis of the Candelas to best inform on the basin architecture.

Criteria	JORC Code explanation	Commentary
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Data was recorded, processed and provided by Quantec Geoscience Limited ensuring the data was not manipulated or altered.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> The initial CSAMT survey in the Candelas licence area undertaken in May, 2018 (reported: ASX:DMI 6 June 2018), was independently reviewed and verified by Southern Geoscience Consultants.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Hombre Muerto Lithium Project consists of numerous licences located in Catamarca Province, Argentina. The tenements are owned by Blue Sky Lithium Pty Ltd ('Blue Sky'). The Company and Blue Sky executed a Share Sale Agreement whereby Galan Lithium Limited purchased 100% of the issued share capital of Blue Sky.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> There has not been any historical exploration over the Candelas licence area
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Both the Pata Pila and Rana De Sal licence areas cover sections of alluvial fans located on the western shore of the Hombre Muerto salar proper. The structurally controlled salar hosts a world-renowned lithium brine deposit. The lithium is sourced locally from weathered and altered felsic ignimbrites and is concentrated in brines hosted within basin fill alluvial sediments and evaporites.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> No drilling conducted
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and 	<ul style="list-style-type: none"> No data aggregation from geophysical survey

Criteria	JORC Code explanation	Commentary
	<p>longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> No drilling conducted
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Provided, refer to maps, figures and diagrams in the document
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> No balanced reporting in relation to grades are applicable for CSAMT survey.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> All meaningful and material information is reported Quantec Geoscience Ltd has significant experience in this type of exploration targeting lithium brine mineralisation in the Andes. They have previously conducted work for Galan Lithium at the Rana de Sal and Pata Pila licence areas, as well as Catalina, Pata Pila, Santa Barbara and Candelas. Additionally, Quantec have conducted geophysical surveys in the neighbouring Sal de Vida project.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> SRK are undertaking a maiden resource estimate for the Western Basin project areas.