

ASX ANNOUNCEMENT

6 September 2019

MULTIPLE BRINE HORIZONS INTERCEPTED AT PATA PILA

HOMBRE MUERTO LITHIUM BRINE PROJECT, ARGENTINA

Galan Lithium Limited (ASX:GLN) (**Galan** or **the Company**) is pleased to announce its maiden drill hole at Pata Pila, which forms part of its Western Basin projects located on the Hombre Muerto salar in Argentina, has intercepted several heavy brine bearing aquifers.

The Pata Pila licence covers a large alluvial fan adjacent to Livent Corporation’s (NYSE:LVHM) tenure covering the western margin of the Hombre Muerto salar. The drilling targeted a highly conductive CSAMT (Controlled Source Audio-frequency Magnetotellurics) anomaly recorded from surveys previously completed in September last year (Figure 1) which is believed to represent the extension of Livent’s brine producing aquifer for their Fenix operation.

Drill hole PP-19-01 is currently at a depth of 647 metres and intercepted three major brine horizons all containing heavy brines with specific gravity readings >1.20 and conductivities >200 mS/cm as shown on table 1.

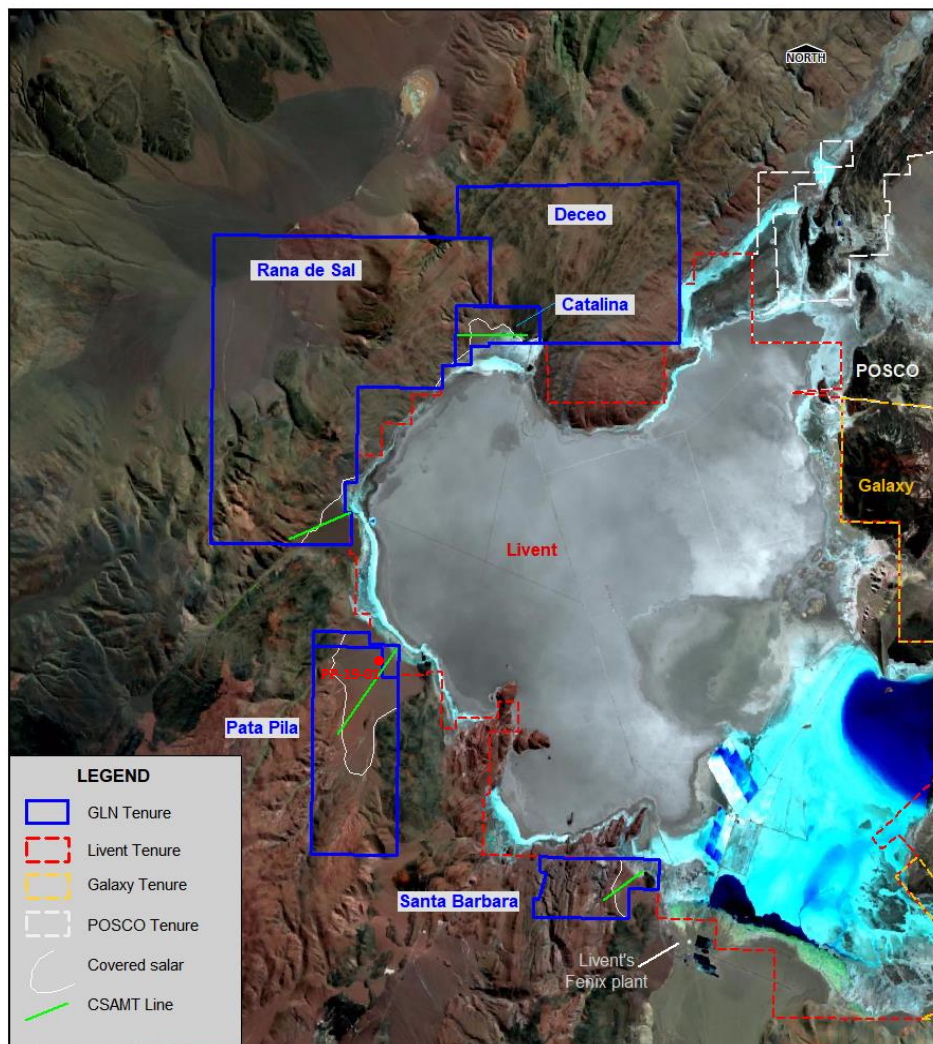


Figure 1: Galan Lithium Limited’s Western Basin Projects, Hombre Muerto salar, Argentina

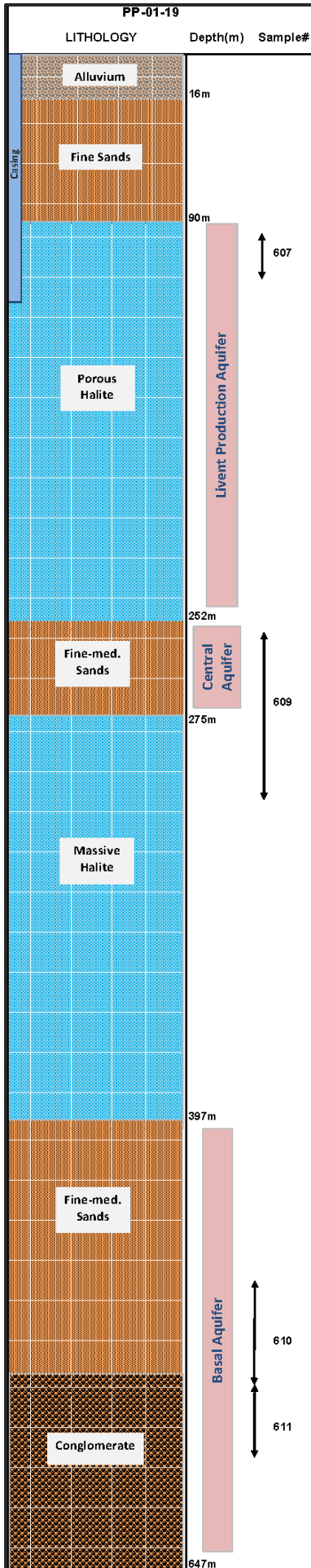


Figure 2: Drillhole PP-19-01 Drill Log

The first brine zone continues from 90m to 252m within a largely porous halite. This unit is interpreted to be the continuation of the production aquifer from the adjacent Livent operations and it is understood that this is the only stratigraphic unit from which Livent produces from. Due to issues with the compressor at site, only 21m at the top end of the zone were able to be initially sampled. Further testing of this zone and others including the overlying sand unit will be performed once the hole has been completed.

Given the Company's recent experience and the geological knowledge gained from drilling at Candelas, the Company decided to drill to greater depths testing for the presence of a postulated sand/conglomerate horizon overlying the basement which could potentially host further brine. This ultimately was shown to be successful with two further brine aquifers encountered.

The second aquifer, the *Central Aquifer*, lies from 253m to 275m hosted by fine to medium coarse sands with good porosity and heavy brine material. Below this, from 276m to 396m, a massive, compacted halite was encountered.

At depth the postulated sand/conglomerate was encountered. This third horizon, the *Basal Aquifer*, was identified from 397m to 647m hosted by units interpreted to lie above the basement as observed at Candelas. From 397m to 541m a section containing a sequence of fine to medium coarse sand with little halite was encountered whilst from 542m to 647m a section of conglomerate was encountered.

Minimal sampling has been undertaken to date and more systematic double packer testing and sampling will occur once the hole has been completed. The initial samples have been sent to the laboratory for analysis with results due shortly.

Table 1: Field test results, drill hole PP-19-01

Sampling method	Sample No.	From (m)	To (m)	SG (g/ml)	Cond. (mS/Cm2)
Bailer	607	99	121	1.220	>200.0
Bailer	608	Failed Test			
Packer	609	254	301.5	1.222	>200.0
Packer	610	493	541	1.219	>200.0
Packer	611	544	580	1.221	>200.0

Commenting on Pata Pila, Galan Lithium Managing Director, Juan Pablo Vargas de la Vega said:

"The discovery of heavy brines not only in the Livent production aquifer but also from two new previously unknown aquifers at Pata Pila is beyond our expectations. We are very excited by the potential of Pata Pila to host a significant lithium brine resource and are confident that Galan has the potential to increase its lithium resource inventory beyond the maiden Candelas resource estimate due this month."

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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 is currently being 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"> • Drill core was recovered in 1.5 m length core runs in core split tubes to minimize sample disturbance. Core recovery was carefully measured by comparing the measured core to the core runs. • Drill core was undertaken along the entire length of the holes to obtain representative samples of the stratigraphy and sediments that host brine. • Water/brine samples from target intervals were collected by either the Packer or Bailer tests. Bailer tests; purge isolated sections of the hole of all fluid a total of five times to minimize the possibility of contamination by drilling fluid (fresh water), although some contamination (5-15%) may occur. The hole is then allowed time to re-fill with ground water. On the fifth purge the sample for lab analysis is collected. The casing lining the hole ensures contamination with water from higher levels in the borehole is likely prevented. Packer tests utilise a straddle packer device which isolates a discrete interval and allows for sampling purely from this interval. Samples were taken from the relevant section based upon geological logging and conductivity testing of water. • Water/brine samples were collected from intervals 99-121m, 254-302m, 493 – 541m, and 544 – 580m. • Conductivity tests are taken on site with a field portable Hanna Ph/EC/DO multiparameter. • Density measurements were undertaken on site with a field portable Atmospheric Mud Balance, made by OFI testing equipment.
<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"> • Diamond drilling with internal (triple) tube was used for drilling. The drilling produced core with variable core recovery, associated with unconsolidated material. Recovery of the more friable sediments was difficult, however core recovery by industry standards was very good. • Fresh water is used as drilling fluid for lubrication during drilling.
<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"> • Diamond drill core was recovered in 1.5m length intervals in triple (split) tubes. Appropriate additives were used for hole stability to maximize core recovery. The core recoveries were measured from the core and compared to the length of each run to calculate the recovery. • Brine samples were collected over relevant sections based upon the geology encountered and ground water representation. • Brine quality is not directly related to core recovery and is largely independent of the quality of core samples. However, the porosity and permeability of the lithologies where samples are taken is related to the rate of brine inflow.
<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</i> 	<ul style="list-style-type: none"> • The core is logged by a senior geologist and contract geologists who are overseen by the senior geologist who also supervised the taking

	<p><i>Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> • <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> 	<p>of samples for laboratory analysis.</p> <ul style="list-style-type: none"> • Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies. Cores are split for sampling and are photographed. • All core was logged by a geologist
<p><i>Sub-sampling techniques and sample preparation</i></p>	<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> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Bailer sampling: Utilises a stainless steel hollow 3m-long tube with a check valve at the bottom. The hole was first purged by extracting a calculated volume of liquid (brine and drilling mud) to ensure that sampled brine corresponds to the sampled depth. Once the calculated volume was extracted and brine was clear, samples were collected in plastic bottles and delivered to the laboratories. The lower part of the sampling hole section was temporarily sealed during purging and sampling. • Double packer sampling: Water/brine samples were collected by purging isolated sections of the hole of all fluid in the hole, to minimize the possibility of contamination by drilling fluid, then allowing the hole to re-fill with ground waters. Samples were then taken from the relevant section. • Duplicate sampling is undertaken for quality control purposes.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The Alex Stewart laboratory located in Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected. • The Alex Stewart laboratory is ISO 9001 and ISO 14001 certified and is specialised in the chemical analysis of brines and inorganic salts, with considerable experience in this field. • The SGS laboratory was used for secondary check analyses and is also certified for ISO 9001 and ISO 14001 • Core samples will also be sent to a laboratory for porosity test work.
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Field duplicates, standards and blanks are used to monitor potential contamination of samples and the repeatability of analyses. • Sub-sample duplicates are also being transported to a second reputable industry standard laboratory in country for check analysis
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<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.
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Water/brine samples were collected within isolated sections of the hole based upon the

	<ul style="list-style-type: none"> • 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. 	results of geological logging.
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"> • The brine concentrations being explored for generally occur as sub-horizontal layers and lenses hosted by conglomerate, gravel, sand, salt, silt and/or clay. Vertical diamond drilling is ideal for understanding this horizontal stratigraphy and the nature of the sub-surface brine bearing aquifers
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Data was recorded and processed by trusted employees, consultants and contractors to the Company and overseen by senior management ensuring the data was not manipulated or altered. • Samples are transported from the drill site to secure storage at the camp on a daily basis.
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"> • No audits or reviews have been conducted to date. The drilling is at a very early stage however the Company's independent consultant and CP have approved the procedures to date.

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"> • No historical exploration has been undertaken on this licence area. PP-19-01 is west the adjacent licence area by Livent Corporations (NYSE:LVHM).
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • The Pata Pila licence area covers a section of an alluvial fan located on the western shore of the Hombre Muerto salar proper. The 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 	<ul style="list-style-type: none"> • Drillhole ID: PP-19-01 • Easting: 679776.5005 E (WGS84 Zone 19) • Northing: 7189763.574 N (WGS84 Zone 19) • Vertical hole • Hole Depth: drilling still underway

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ 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. 	
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 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Assay results are pending, field results are provided.
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"> • It is fairly assumed that the brine layers lie sub-horizontal and, given that the drillhole is vertical, that any intercepted thicknesses of brine layers would be of true thickness.
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 tables 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"> • These assay results are pending, all preliminary field results are provided.
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
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"> • Future work will be guided by the pending assay results of PP-19-01