



ASX ANNOUNCEMENT

12 July 2024

HMW PROJECT UPDATE

- In situ lithium mining inventory continues to build with over 2,800t LCE accumulating in ponds.
- Overall project completion is close to 40%.
- Project construction continues to advance at a pace commensurate with preserving cash. First production from HMW is now targeted for H2 2025.
- Average brine flow rate, well lithium grade and evaporation rates are in line with or better than those utilised in the Phase 1 Feasibility Study.
- Pond inventory management system in place to protect inventory and optimise evaporation process.
- Offtake partners shortlisted with Galan progressing towards a definitive sales agreement and associated funding package.



First 3 ponds completed, filled and evaporating

Galan Lithium Limited (**ASX:GLN**) (**Galan** or the **Company**) is pleased to provide a further update on the progress at its 100% owned Hombre Muerto West (**HMW**) Phase 1 lithium brine project. Lithium inventories continue to build in the HMW Phase 1 ponds, in line with Feasibility Study expectations, which will provide the feedstock for the HMW processing plant. Over the last month, Galan has re-worked its construction activities to preserve cash with a view to procuring both a definitive sales agreement and an associated funding package for the Project in the short term.

Overall completion of the HMW Phase 1 project now sits at approximately 40% with the ponds system at 60% capacity. The designed ponds system can allow an inventory, until H2 2025, of up to 10,000tpa LCE without the need for processing. Approximately 750,000 m² of evaporation area has now been built, currently housing 2,800t LCE contained inventory. This current evaporation area is sufficient to produce a lithium chloride volume of approximately 3.0 ktpa LCE. The key processing parameters, including brine well average flow rates, lithium grades and evaporation rates are all aligned with the Phase 1 DFS. Due to the slower pace of construction activities, first production from HMW is now expected to be within H2 2025.

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 H2 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 positive Phase 2 DFS results were announced on 3 October 2023 (<https://wcsecure.weblink.com.au/pdf/GLN/02720109.pdf>).



HMW Project looking south

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

"We are very proud of the solid progress made to date especially in light of current market conditions. During this time, the Board also made the prudent decision to strategically slow construction activities so as to preserve our cash.

Our current in situ inventory of 2,800t LCE has been the first step of our production pathway. Our inventory will continue to increase as we have a low energy cost operation that only requires brine pumps to operate. As a result, once Galan finalises sales and funding arrangements, which are progressing well, the Company will be in a strong position to produce a competitive low-cost lithium product.

It should also be noted that we have received strong international market interest in our HMW lithium concentrate. In our view, this evidence indicates that the current lithium pricing environment and market oversupply is not expected to be a long term trend."

The Galan Board has authorised this release.

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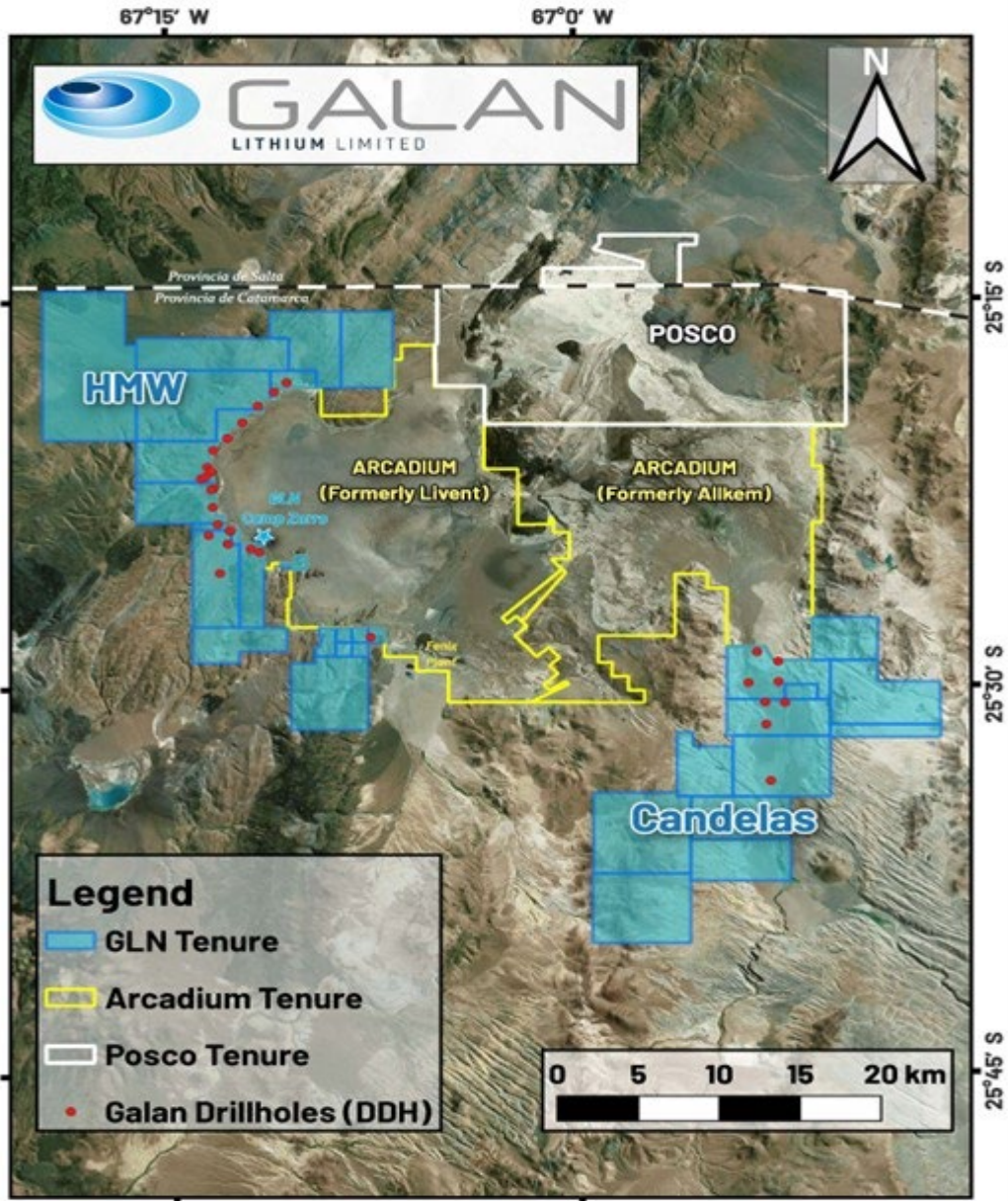
About Galan

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 (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 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.



Galan's HMW and Candelas project tenure in Argentina

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.