



ASX ANNOUNCEMENT

12 July 2021

99.88% LCE -HMW Project's Proof of Concept Lab Test Achieves Battery Grade Quality

Highlights:

- **Proof of concept laboratory test of HMW Project's Lithium Carbonate Equivalent (LCE) achieves 99.88% of purity (minimum requirement of Battery Grade Quality of >99.5% LCE)**
- **The test feedstock was the high quality brine concentrate, with lithium contents >6%, obtained through the evaporation test done at Antofagasta**
- **The test also delivered great results for the removal of SO₄, B, Ca and Mg, which can be difficult contaminants to remove**
- **The test was overseen by specialist consultants Ad-infinitum who also identified cost saving opportunities for further improving the results with a higher LCE purity**

Galan Lithium Limited (ASX: GLN) (**Galan or the Company**) is very pleased to announce these exciting proof of concept test work results for the precipitation of battery grade lithium carbonate product at its flagship Hombre Muerto West (HMW) project located in the South American Lithium Triangle in Catamarca, Argentina.

Galan's Managing Director Juan Pablo (**JP**) Vargas de la Vega said "Once again, this is a fantastic result and team effort. While this is early days, we are excited to demonstrate this first step as a proof of concept of high purity lithium carbonate while we still have room for improvement >99.88% LCE. Importantly, from our studies, Galan's high grade and low impurities brine has demonstrated that we can produce high purity lithium carbonate at a low cost. The Company continues to add flexibility on the road to production with different added value routes as lithium concentrate and now battery grade lithium carbonate. We keep learning with every test we do and will continue to do so in the future."

Summary of the Test Work Results

The first laboratory test work for producing lithium carbonate was conducted in Antofagasta under the supervision of specialised consultancy firm, Ad-Infinitum. The test used as a feedstock the high quality brine concentrate with >6% of Li contents obtained through the evaporation test work also undertaken in Antofagasta.

The test procedure and test work activities were developed and supervised by Ad-Infinitem. They initially optimised the concentration stage, producing a purer product thus reducing reagent consumption and opex costs. Importantly at the next stage, further reagent cost reductions were identified, as a cleaner concentrate requires less reagents and volume impurities to be removed for the precipitation of lithium carbonate. As a result, the battery grade was obtained with no requirement to do undertake an additional purification step using dissolution with CO₂.

The assay of the lithium carbonate sample was completed at an external laboratory located in Santiago. The delivered result achieved 99.88% of lithium carbonate contents exceeding the minimum quality of 99.5% for battery grade products.

On the back of the developing test procedures, Ad-Infinitem also identified other opportunities for further improving results. These opportunities will be adopted in the future test work activities at both laboratory and pilot plant levels with the possibility to further improve the quality of the battery grade lithium carbonate product.

This proof of concept milestone adds more flexibility to the adoption of a preferable processing design for the HMW Project. The study team is working on different alternatives to optimise the combined outcome for the pond design and lithium carbonate plant design.

The Galan Board has authorised this release.

For further information contact:

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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 has three projects:

Candelas: 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 estimated 685kt 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 without using surface river water from Los Patos River.

Hombre Muerto West (HMW): a ~14km by 1-5km region on the west coast of Hombre Muerto salar neighbouring Livent Corp to the east. HMW is currently comprised of seven concessions – Pata Pila, Rana de Sal, Deceo III, Del Condor, Pucara, Catalina and Santa Barbara. Geophysics and drilling at HMW demonstrated a significant potential of a deep basin. In March 2020, a maiden resource estimate delivered 1.1Mt of LCE for two of the largest concessions (Pata Pila and Rana de Sal). That resource now sits at 2.3Mt of LCE with exploration upside remaining for the rest of the HMW concessions not included in the current indicated resource.

Greenbushes South Lithium Project: Galan has an Exploration Licence application (E70/4629) covering a total area of approximately 43 km². It is approximately 15kms to the south of the Greenbushes mine. In January 2021, Galan entered into a sale and joint venture with Lithium Australia NL for an 80% interest in the Greenbushes South Lithium project, which is located 200 km south of Perth, the capital of Western Australia. With an area of 353 km², the project was originally acquired by Lithium Australia NL due to its proximity to the Greenbushes Lithium Mine (‘Greenbushes’), given that the project covers the southern strike projection of the geological structure that hosts Greenbushes. The project area commences about 3km south of the current Greenbushes open pit mining operations.

Competent Persons Statement

The information contained herein that relates to the progress of the laboratory test work and study development related activities have been directed by Mr. Marcelo Bravo. Mr. Bravo is Chemical Engineer and managing partner of Ad-Infinitum Spa. with over 25 years of working experience and he is a Member of the Chilean Mining Commission and has sufficient experience which is relevant 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'. Mr. Bravo consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.