



ASX ANNOUNCEMENT

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Pilot Plant Ponds Under Construction, Drilling Campaign Accelerated & New Geophysics Commences - HMW Project Update

Highlights:

- **Construction of pilot plant ponds started - operational in Q1 2022**
- **New Hombre Muerto West camp to be operational early January**
- **Galan signs new contract to accelerate HMW drilling**
- **Rotary rig currently drilling at Rana de Sal with second rig due in early January**
- **Access to an available third rig, if required**
- **The HMW drilling campaign aims to deliver key data for expanding the resource base and develop the Feasibility Study**
- **A comprehensive geophysical survey, over all HMW tenements underway**
- **The geophysical data will complement previous geophysical surveys with an aim to generate new drill targets**
- **Feasibility Study contract award imminent**

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is pleased to provide a progress update report for its 100% owned Hombre Muerto West (**HMW**) Project (**the Project**) in Catamarca Province, Argentina. The Project has no third party royalty or offtake commitments.

As planned, ponds construction for the pilot plant has commenced and progressing well with the aim for the pilot ponds system to be operational in Q1 2022. The ponds will be filled with HMW's brine to continue with the tests of the evaporation process targeting high-grade lithium concentrations of 6% Li and low impurities.

The construction of the new temporary camp at HMW is well advanced and it should be operational early January. Once completed, Galan will have access to two fully functional camps (the other at Candelas) to support the ongoing activities associated with the HMW studies. A larger, permanent camp will be completed during 2022.

A new rotary rig, sourced under a new contract with a local Argentinian company, has commenced drilling at Rana de Sal with a second rig (diamond drilling) planned to arrive in early January 2022. If required, Galan has the option to bring in a third rig depending on the drilling progress made during January.

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Importantly, the drilling campaign continues to follow the hydrogeological planning and recommendations from our highly experienced lithium brine consultants from WSP in Chile and SRK in Australia and Argentina. The Company expects to complete the drilling campaign during H1 2022 and then have an updated HMW resource.

Galan has also recently engaged Quantec Geosciences to undertake a comprehensive geophysical survey technique known as transient electromagnetics (TEM) at all of the HMW tenements. The new data will complement Galan’s previous data sets with an aim to generate new drilling targets, as well as assisting the delineation of the brine extensions at the Project.

Along with this new line of work, Galan intends to follow up with a passive seismic campaign which is expected to begin during the summer of 2022. The seismic data would further assist with the hydrogeological study to delineate the extension of the lithium brines and the depth of basin at the Project. The combination of the drilling campaign and geophysics will give Galan more robust data which is central for HMW’s Feasibility Study is expected to formally commence soon.

Galan’s Managing Director Juan Pablo (JP) Vargas de la Vega said:

“We are very excited with the great progress we are making at HMW. Our efforts and vision are solely focused on getting the Project online and becoming a lithium producer as soon as technically possible. The Board and I are extremely proud of our teams’ accomplishments in both South America and Australia during the past 12 months. 2021 has been a year of strength, transformation and consolidation for Galan and we look forward to 2022 and providing our shareholders with further value by being part of this decisive time where the world is transitioning into a cleaner global economy driven by new electric vehicles powered by lithium batteries.”

Construction of evaporation ponds at HMW Project



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Temporary HMW Camp



Bore well at Rana de Sal



The Galan Board has authorised this release.

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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.