



ASX ANNOUNCEMENT

31 May 2022

Long Term Pumping Tests to Commence at HMW

- **Four (4) pumping wells to be tested at Pata Pila and Rana de Sal**
- **Hydraulic and chemical data to support ongoing HMW Definitive Feasibility Study (DFS)**
- **Pumping test program expected to be finished by end Q3 CY2022**
- **DFS on track for completion by end CY2022**

Galan Lithium Limited (ASX:GLN) (**Galan** or **the Company**) is pleased to announce the initiation of the long-term pumping test program at its 100%-owned Hombre Muerto West Lithium Project (**HMW Project**), located on the Western Basin of the Hombre Muerto salar in Catamarca Province, Argentina. These tests are an integral part of the current Definitive Feasibility Study (**DFS**) for the HMW Project.

The program consists of four (4) platforms. Two (2) are located at Pata Pila (PPB-01-21 (constructed) and PPB-02-22 (under construction)), with the other two located at Rana de Sal (RSB-01-22 (constructed) and RSB-02-22 (to be constructed)). The pump tests and subsequent analysis work is expected to be completed by the end of Q3 CY2022.

Each platform consists of one pumping well and 2 to 3 nearby monitoring wells. The construction of each monitoring well was specifically designed by WSP (Chile) to provide the optimal hydraulic information from the test and the expected evolution of the future production well field.

The pumping tests are comprised of two phases:

1. The first phase characterizes the hydraulic information and consists of an initial step-drawdown test, a recovery test and a constant rate test for a total of one week. Brine samples are also collected on each test.
2. The second phase is the execution of a long term (30 days) production pilot test. Several brine samples will be obtained during this phase.

The main objectives of these tests are to:

- Determine the hydraulic properties of the brine reservoir (permeability, vertical anisotropy and storage coefficient) for each aquifer unit;
- Verify the maximum sustainable pumping rate for each pumping well; and
- Register hydraulic parameters (flow rate and brine level), chemical and physical parameters evolution of the brine during each test.

These tests are set to provide the critical information required for the planned Reserve model, to be conducted by SRK (Australia), as part of the DFS. The Reserve model will provide the basis for the production capacity parameters of the HMW Project, and the expected brine feed for the life-of-mine.

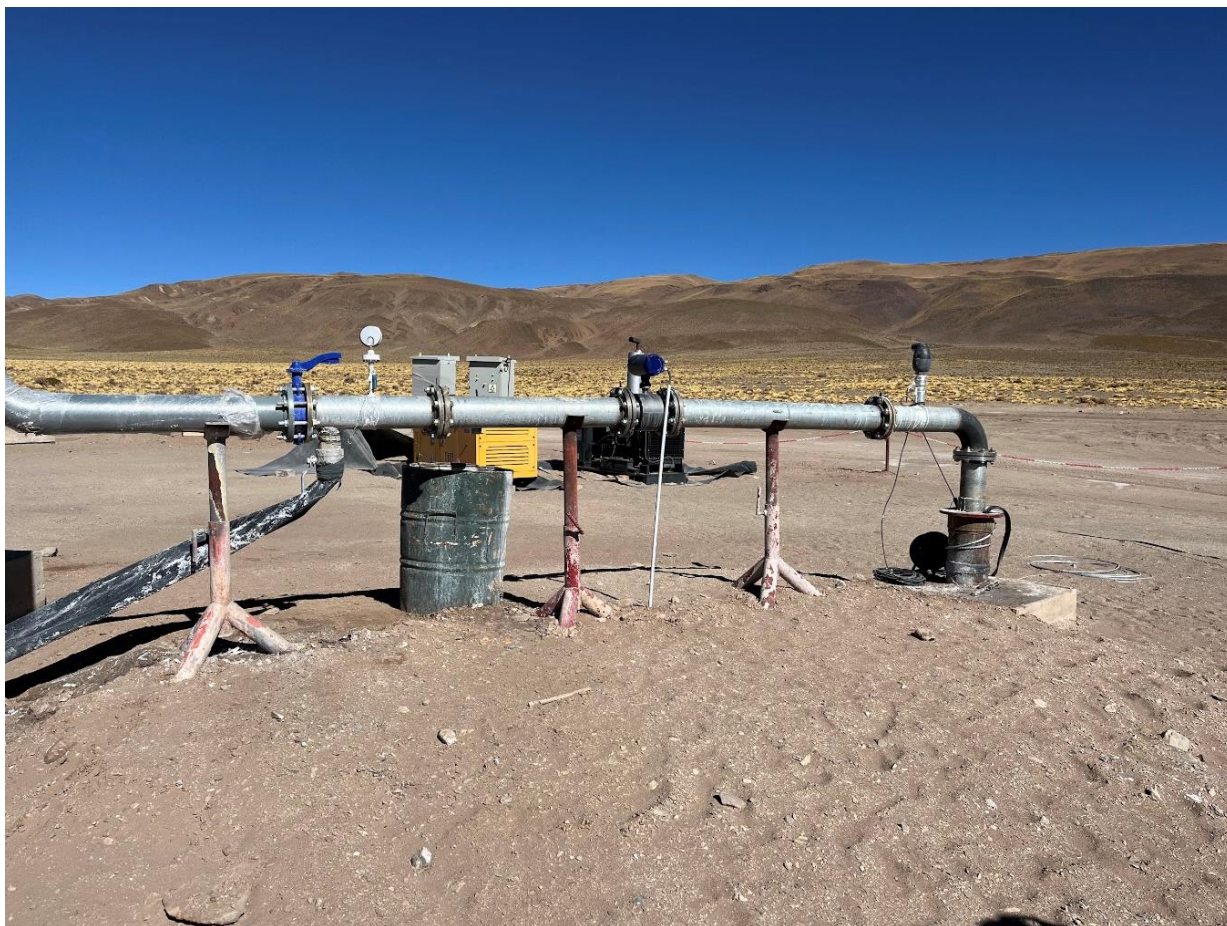


Figure 1 – Equipment installed and ready to start long term pumping test at Pata Pila PPB-01-19 well.

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 (Livent Corporation) and the Sal de Vida (Allkem) and Sal de Oro (POSCO) lithium projects. Galan is also exploring at Greenbushes South in Western Australia, approximately 15km south of the Tier 1 Greenbushes Lithium Mine.

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.

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.

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.



HMW Project looking north from Pata Pila