



ASX ANNOUNCEMENT

3 July 2019

Preliminary examination of Candelas processing technologies underway, results to feed into Pre-Feasibility Study

Highlights

- **Review underway into alternative processing technologies to feed into Pre-Feasibility Study (PFS) into the potential development of the Candelas project, Argentina**
- **Brine samples being sent to laboratories for preliminary investigation into ion exchange technologies, conventional processing route also under consideration**
- **Lead time for due diligence into ion exchange necessitates upfront investigation, occurring in parallel with other operational activities**
- **PFS to commence shortly after Candelas maiden resource estimate anticipated in Q3 2019**

Galan Lithium Limited (ASX: GLN) (“Galan” or “the Company”) is pleased to confirm it has commenced a preliminary investigation into ion exchange technologies for processing lithium brines from the Candelas lithium brine project located in Catamarca province, Argentina

The investigation follows a six-month technical review into alternative processing technologies, with the results of both to be fed into the Pre-Feasibility Study (“PFS”) for the project’s potential development.

Commenting on preliminary examinations, Galan Lithium Managing Director JP Vargas de la Vega said:

“The commencement of a preliminary examination into processing technologies is an important step prior to the commencement of a Pre-Feasibility Study.

“The heavy brines extracted from Candelas are exceptionally high purity and we believe that investigating lower-cost processing technologies can further leverage the unique nature of our deposit.

“Each of the technologies identified by the company have the potential to significantly reduce the costs of extracting lithium from brines.”

Due to the lead time associated with conducting due diligence into the suitability of ion exchange technologies the Company has chosen to conduct these activities in parallel to other exploration and operational activities currently underway and adding value to the Candelas project.

In addition to investigating ion exchange technologies, the Company will also investigate a more conventional processing route using evaporation, selective precipitation, purification and precipitation as Lithium Carbonate.

These tests will be conducted over the next few months the results of which will be utilised in the PFS. The PFS is planned to commence following the release of the maiden JORC compliant resource estimate for the northern portion of the Candelas project, expected in Q3 2019.

Galan has initiated discussions with technology providers capable of providing ion exchange recovery from lithium brines, with two providers selected to conduct bench top test work. Another provider will be receiving samples later due to logistical difficulties, whilst the Company is also in discussions with other technology providers.

The Company is also assessing precipitation technologies for the extraction of lithium salts for further processing which is to be tested through an Australian technology provider.

Ion exchange overview

Within the lithium brine industry, significant resources have been mobilised over the past few years to improve the recoveries and economics of lithium production from brines leading to the development of many alternative options. Galan has assessed many of these and has prioritised testwork based on a number of factors for potential implementation into the processing flow sheet.

Ion exchange has been chosen as the first technology to be assessed due to the lead time required to test the technology. Ion exchange is a low cost and high flow-rate processing step that is widely used in water treatment. Several technology providers have been able to demonstrate high recovery of lithium from brine into a clean and concentrated solution. Having a clean solution significantly reduces further processing costs and high recoveries are generated from a wide range of feed solution strengths.

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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. A maiden resource for the northern end of the Candelas channel is expected to be finalised in Q3 2019.