



GALAN
LITHIUM LIMITED

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ASX ANNOUNCEMENT

22 May 2023

Galan Completes Strongly Supported A\$31.5 million Institutional Placement to Accelerate Development of its Strategic Lithium Projects

Highlights:

- Firm commitments received to raise A\$31.5 million through an institutional placement priced at A\$1.05 per share
- Strong support received from domestic and offshore institutional and sophisticated investors
- Placement funds will be used to purchase long lead items for the LCE pilot plant and the Stage 2 DFS at Hombre Muerto West, whilst providing contingency funding for additional Greenbushes South work, further exploration and production well drilling.
- Galan to undertake Share Purchase Plan of up to approximately A\$5 million for existing eligible shareholders
- Galan well-funded with pro-forma cash position of approximately A\$50 million on completion of the Placement

Galan Lithium Limited (ASX: GLN) (**Galan or the Company**) is pleased to announce that it has received firm commitments to raise A\$31.5 million through an over-subscribed placement to institutional, sophisticated and professional investors (**Placement**).

The Placement provides the Company with significant flexibility with respect to its ongoing capital expenditure requirements at Hombre Muerto West (**HMW**), Candelas and Greenbushes South. In particular, proceeds from the Placement will be applied to accelerate:

- Purchase of long lead items in preparation for stage 1 (4ktpa LCE) including; liners, piping and lime plant;
- Prepayment for earthworks contractor;
- Workers camp expansion;
- Stage 2 DFS and production expansion studies;
- Further exploration and production well drilling;
- Contingency for extra work at Greenbushes; and
- General working capital.

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

"This is an exciting time to be involved in the Galan story. I wish to thank all the placement participants, old and new, who have strongly supported the Galan production plan that will take it from an initial smaller scale lithium producer to a big 60ktpa player. I also encourage all our loyal shareholders to get on board and participate in the entitlement issue which will get underway later this week."

Placement

Under the Placement, the Company will issue 30 million new fully paid ordinary shares in the Company at A\$1.05 per share (**New Shares**), raising a total of A\$31.5 million before costs, to institutional, sophisticated and professional investors.

The issue price of A\$1.05 per share, represents a 12.5% discount to the last closing price of A\$1.200 on 17 May 2023 and 9.8% discount to the 10 day VWAP of A\$1.163.

New Shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1 and are expected to be issued on Monday 29 of May 2023.

Canaccord Genuity (Australia) Limited acted as Sole Lead Manager and Bookrunner to the Placement.

Share Purchase Plan

In addition to the Placement, Galan intends to undertake a non-underwritten Share Purchase Plan (**SPP**) targeting to raise up to approximately A\$5 million, with the Company retaining the right to accept oversubscriptions at its discretion. Under the SPP, eligible existing shareholders who were on the register at the record date, will be offered the opportunity to subscribe for up to A\$30,000 of New Shares in the Company at an issue price of A\$1.05 per New Share (being the same price as the Placement).

Further information on the SPP including the terms and conditions of the SPP and the proposed timetable will be set out in a SPP Offer Booklet that will be released on ASX and provided to eligible shareholders in the coming days.

New Shares issued under the Placement and SPP will rank equally with the Company's existing fully paid ordinary shares.

Indicative Placement Timetable

Event	Date
Announcement of Placement	Monday, 22 May 2023
Settlement of Placement Shares	Friday, 26 May 2023
Expected date of ASX Quotation of Placement Shares	Monday, 29 May 2023

*These dates are indicative only. The Company reserves the right to vary the dates without notice.

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 3km south of the Tier 1 Greenbushes Lithium Mine.

Hombre Muerto West (HMW): A ~16km 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 significant potential of a deep basin. In May 2023 an updated Mineral Resource estimate was delivered totalling 6.6Mt of LCE. There still remains exploration upside for other areas of the HMW concessions that have not been included in the current resource estimate.

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 owns 100% of the 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 tenements are located along the trace of the geologic structure, the Donnybrook-Bridgetown Shear Zone, that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes. In March 2022 airborne geophysics was flown to develop pegmatite targets for all of Galan's tenements. Following on, in August 2022, a pegmatite associated with spodumene-bearing rocks was discovered at E70/4790. This tenement is approximately 3 km to the south of the Greenbushes mine. In early March 2023, drilling commenced within E70/4790.