



GALAN
LITHIUM LIMITED

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ASX ANNOUNCEMENT

20 May 2024

A\$14 Million Capital Raise For Continued Ongoing Development of HMW Phase 1

- Galan has received firm commitments to raise A\$14 million at A\$0.23 per share
- Strong support received from offshore and domestic institutional and sophisticated investors, with the Placement oversubscribed
- Funds will be used for the further development of the Hombre Muerto West lithium brine project (HMW) in Argentina, corporate overheads and working capital

Galan Lithium Limited (ASX: GLN) (**Galan or the Company**) is pleased to announce that it has received firm commitments for an equity raising of A\$14 million to institutional, sophisticated and professional investors (**Placement**) at A\$0.23 per share.

The equity raising will provide working capital headroom and financial flexibility for the ongoing development of the Hombre Muerto West (**HMW**) Phase 1 construction whilst Galan finalises negotiations of alternative funding solutions including debt and prepayment facilities that will enable completion of HMW Phase 1. Proceeds from the Placement will be applied to:

- HMW phase 1 developments costs; and
- Corporate overheads, working capital and transaction costs

Canaccord Genuity (Australia) Limited and Petra Capital Pty Limited acted as Joint Lead Managers and Bookrunners to the Placement.

Galan's Managing Director, Juan Pablo (**JP**) Vargas de la Vega, commented: *"We are delighted with the support for the Placement and welcome a number of new investors to the register. In addition, on behalf of the Board of Directors, I would like to thank our shareholders for their ongoing support."*

Funds raised from the Placement will allow the Company to further progress negotiations to complete the already advanced development of its 100% owned Hombre Muerto West lithium brine project in Argentina. We look forward to putting investors funds to work."

Placement

The Company has received firm commitments for a Placement of A\$14 million at A\$0.23. Participants under the Placement will also receive one new unlisted option for every two shares subscribed (**New Options**). New Options will be issued subject to shareholder approval at a general meeting of the

Company to be held in early to mid-July 2024. New Options will have an exercise price of A\$0.35 and an expiry date two years from their issue.

Under the Placement, the Company will issue 56,521,740 fully paid ordinary shares in the Company at A\$0.23 per share (**New Shares**) (39,718,322 under ASX Listing Rule 7.1A and 16,803,418 under ASX Listing Rule 7.1) plus, subject to receipt of shareholder approval, 28,260,870 New Options, raising a total of A\$13 million (before costs), to institutional, sophisticated and professional investors. Additionally, Galan directors will be subscribing for up to 4,347,828 New Shares plus 2,173,914 New Options on the same terms raising a total of A\$1 million (before costs) ("**Director Placement**") in a second tranche that will be subject to shareholder approval at a forthcoming General Meeting (**GM**).

The issue price of A\$0.23 per share, represents a 20.7% discount to the last closing price of A\$0.29 on 15 May 2024 and a 23.8% discount to the 10-day VWAP of A\$0.3018 as at the same date.

The Placement is not underwritten.

Indicative Placement Timetable

Event	Date
Trading halt	Thursday 16 May 2024
Trading halt lifted and announcement of completion of Placement	Monday 20 May 2024
Settlement of New Shares under the Placement	Thursday 23 May 2024
Allotment of New Shares under the Placement	Friday 24 May 2024
GM to approve New Options issued under the Placement and the Director Placement New Shares and Options	Early to mid-July 2024
Settlement of New Shares and Options issued under the Director Placement	Early to mid-July 2024
Allotment of New Options issued under the Placement and the Director Placement New Shares and Options	Early to mid-July 2024

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

The Galan Board has authorised this release.

For further information contact:

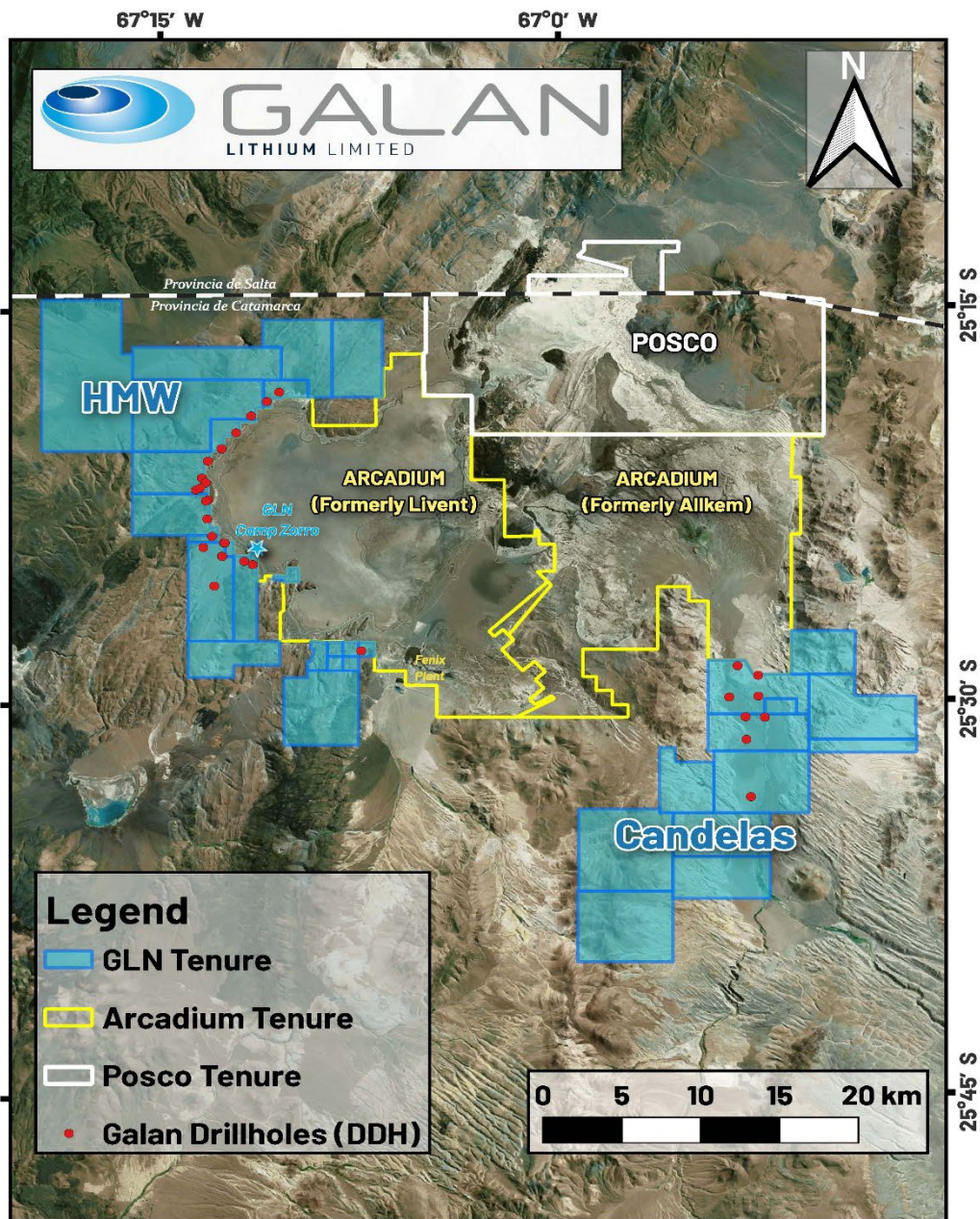
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Placement Offer Restrictions

Only for institutional and professional investors in Australia, New Zealand, European Union, Hong Kong, Singapore, European Union, Switzerland, the United Kingdom, Canada, and only for institutional accredited investors in the United States.

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Galan's HMW and Candelas project tenure in Argentina

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

Hombre Muerto West (HMW): A ~16 km by 1-5 km region on the west coast of Hombre Muerto Salar neighbouring Arcadium Lithium to the east. HMW is currently comprised of twenty one mining tenements. Geophysics and drilling at HMW demonstrated significant potential of a deep basin. A binding offtake and financing agreement (pending due diligence) for Phase 1 production has been signed with Glencore plc. In March 2024 an updated Mineral Resource estimate was delivered totalling 7.9Mt of LCE @ 883mg/l Li.

Candelas: A ~15 km long by 3-5 km 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 685 kt 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 to avoid using surface river water from Los Patos River.

Greenbushes South Lithium Project: Galan now owns 100% of the mining 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 mining tenements are located along the trace of the geological structure, the Donnybrook-Bridgetown Shear Zone that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes.

Resources (March 2024)

Resource Category	Brine Vol. (Mm ³)	In situ Li (Kt)	Avg. Li (mg/l)	LCE (Kt)	Avg. K (mg/l)	In situ K (Kt)	KCl Equiv. (Kt)
Hombre Muerto West							
Measured	1,028	890	866	4,738	7,505	7,714	14,711
Indicated	347	310	894	1,649	7,837	2,717	5,181
Inferred	300	278	926	1,480	8,210	2,464	4,700
HMW Total	1,675	1,478	883	7,867	7,700	12,895	24,591
Candelas North (*)							
Indicated	196	129	672	685	5,193	1,734	3,307
Galan's Total Resource Inventory							
Grand Total	1,871	1,607	859	8,552	7,819	14,629	27,895

Notes:

1. No cut-off grade applied to the updated Mineral Resource Estimate
2. The conversion for LCE = Li x 5.3228, and KCl = K x 1.907.
3. There may be minor discrepancies in the above table due to rounding.
4. (*) The Candelas North Mineral Resource Statement was announced on 1 October 2019.

Forward-Looking Statements

Some of the statements appearing in this announcement may be forward-looking in nature. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Galan Lithium Limited operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside Galan Lithium Limited's control. Galan Lithium Limited does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, neither Galan Lithium Limited, its directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements reflect views held only as at the date of this announcement.

Competent Persons Statements

Competent Persons Statement 1

The information contained herein that relates to exploration results and geology is based on information compiled or reviewed by Dr Luke Milan, who has consulted to the Company. Dr Milan is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and 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'. Dr Milan consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

Competent Persons Statement 2

The information contained herein that relates to the Mineral Resources estimation approach at Candelas and Hombre Muerto West was compiled by Mr Carlos Eduardo Descourvieres. Mr Descourvieres is an employee of WSP (Chile) and a Member of the Australian Institute of Mining and Metallurgy. He has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined by the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)'. Mr Descourvieres consents to the inclusion of his name in the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.