



GALAN
LITHIUM LIMITED

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ASX ANNOUNCEMENT

10 September 2024

Up to ~A\$25 Million Capital Raise to Support Full Funding of HMW Phase 1

Highlights:

- Galan has received firm commitments to raise A\$12 million via a placement at A\$0.105 per share (Placement)
- Galan launches up to A\$13.3 million 1 for 4 non-renounceable entitlement offer (Entitlement Offer) at the same price as the Placement
- Offtake partner Chemphys to subscribe for US\$3 million (A\$4.5 million) under the Placement, subject to completion of definitive agreements
- Proceeds of the capital raising together with the planned Chemphys Offtake Prepayment are expected to fund Galan into production
- Funds will be used for further development of HMW, corporate overheads and working capital

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is pleased to announce the launch of a capital raising of up to A\$25 million. The Company has received firm commitments for a Placement of approximately A\$12 million (before costs) to institutional, sophisticated, professional investors and Chemphys at A\$0.105 per share.

In addition, the Company is pleased to announce a 1 for 4 non-renounceable entitlement offer to raise up to A\$13.3 million at the same price as the Placement (the **Placement** and the **Entitlement Offer** together being the **Offer**).

Galan's proposed offtake partner¹, Chengdu Chemphys Chemical Industry Co., Ltd (**Chemphys**) or designated affiliate, has agreed to subscribe for approximately A\$4.5 million under the Placement. The investment by Chemphys is subject to completion of definitive offtake agreements.

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."

¹ See ASX announcement date 27 August 2024.

We also welcome the participation of Chemphys in the Placement which further strengthens the relationship between our companies.

The Board has adopted a lower capital intensity Phase 1 development to an initial 4,000 tpa LCE rate in light of market conditions. Funds raised from the Offer and the planned Chemphys prepayment provide the means to complete this development and keep our planned start to production in the second half of 2025.

Amid challenging market conditions Galan is moving forward with the development of HMW. We remain confident about the project economics underpinning the HMW development and the future of the lithium market.”

Placement

The Company has received firm commitments for a Placement of approximately A\$12 million at A\$0.105 per share.

Under the Placement, excluding Chemphys participation, the Company will issue 69,533,340 fully paid ordinary shares in the Company at A\$0.105 per share (**New Shares**) (41,832,692 being issued under the Company’s ASX Listing Rule 7.1 capacity and 27,700,648 under its ASX Listing Rule 7.1A capacity).

New Shares under the Placement, excluding Chemphys participation, are expected to settle on 16 September 2024 and to be issued on or around 17 September 2024. Chemphys Placement participation is expected to settle within 10 business days after shareholder approval, as applicable, and completion of definitive offtake agreements. The Chemphys investment is subject to a sunset date of 31 December 2024, unless otherwise mutually agreed.

The issue price of A\$0.105 per New Share represents a 8.7% discount to the last closing price of A\$0.115 on 5 September 2024 and a 16.1% discount to the 5-day VWAP of A\$0.125 as at the same date.

The Placement is not underwritten.

Entitlement Offer

The Company is pleased to announce a 1 for 4 non-renounceable entitlement offer at A\$0.105 per New Share to raise up to approximately A\$13.3 million. The record date for the Entitlement Offer is 13 September 2024.

Indicative Timetable

Event	Date
Announcement of Placement and Entitlement Offer	10 September 2024
Entitlement Offer Record Date	13 September 2024
Settlement of New Shares under the Placement excluding Chemphys	16 September 2024
Allotment of New Shares under the Placement excluding Chemphys	17 September 2024
Entitlement Offer Open Date	18 September 2024
Entitlement Offer Close Date	3 October 2024
Entitlement Offer Shares issued	10 October 2024
Chemphys Placement Sunset Date	31 December 2024

*These dates are indicative only. The Company reserves the right to vary the dates without notice. Note the Company and Chemphys have the right to mutually agree an extension to the Sunset Date for settlement.

Petra Capital Pty Limited acted as Sole Bookrunner and Joint Lead Manager and Barclay Wells Limited acted as Joint Lead Manager to the Offer. Alpine Capital acted as Co-Manager to the Offer. Terry Gardiner is a Director of Galan and is also an Executive Director of Barclay Wells Limited.

The Galan Board has authorised this release.

For further information contact:

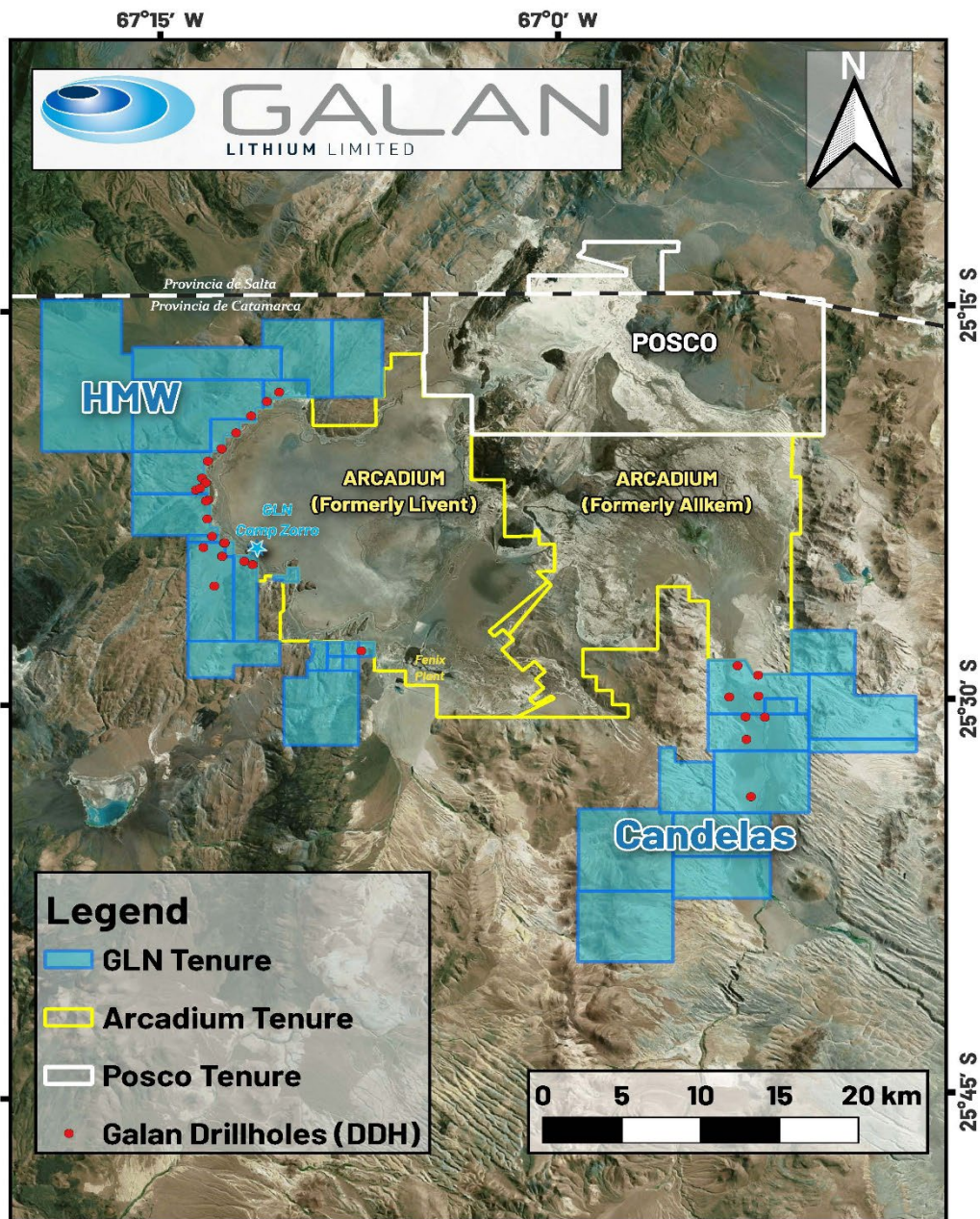
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Placement Offer Restrictions

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 wholly owned 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. 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 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.