



GALAN LITHIUM LIMITED

ACN 149 349 646

NOTICE OF GENERAL MEETING

TIME: 11.00am (WST)
DATE: 11 September 2020
PLACE: Level 3
30 Richardson Street
WEST PERTH WA 6005

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6283.

CONTENTS PAGE

Notice of General Meeting (setting out the proposed Resolutions)	2
Explanatory Memorandum (explaining the proposed Resolutions)	11
Glossary	26
Proxy Form	

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of the Shareholders convened by this Notice of Meeting will be held at 11.00am (WST) on Friday 11 September 2020 at:

Level 3
30 Richardson Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your Shareholding and your vote is important.

ATTENDANCE AND VOTING ELIGIBILITY

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 5.00pm WST on 9 September 2020 will be taken, for the purposes of this General Meeting, to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote (if not excluded) at the Meeting.

VOTING IN PERSON

To vote in person, attend the General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed (and any power of attorney under which it is signed). The Proxy Form must be received at an address given below by 11.00am on 9 September 2020, being not later than 48 hours before the commencement of the Meeting. **Proxy Forms received after that time will not be valid for the scheduled meeting.**

- Online Proxy Appointment
www.advancedshare.com.au/investor-login
- By Mail
Advanced Share Registry Limited
110 Stirling Hwy Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909
- By Fax
+61 8 6370 4203
- By Email
admin@advancedshare.com.au
- In Person
Advanced Share Registry Limited
110 Stirling Hwy Nedlands WA 6009

All enquiries to Advanced Share Registry +61 8 9389 8033.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Galan Lithium Limited will be held at **Level 3, 30 Richardson Street, West Perth, Western Australia at 11.00am WST on Friday 11 September 2020.**

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum (including any Annexures) are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

AGENDA

RESOLUTION 1 – RATIFICATION OF THE ISSUE OF 372,555 SHARES TO A CONSULTANT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of a total of 372,555 Shares to a consultant in lieu of services provided, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by the consultant or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 – RATIFICATION OF THE ISSUE OF 2,777,691 PLACEMENT A OPTIONS UNDER A SECURITY PURCHASE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 2,777,691 Placement A Options under a Security Purchase Plan, to the persons and on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3 – RATIFICATION OF THE ISSUE OF 3,175,000 SHARES TO ACUITY CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 3,175,000 Shares to Acuity Capital, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by Acuity Capital or any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 – RATIFICATION OF THE ISSUE OF 2,141,428 PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 2,141,428 Placement Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – RATIFICATION OF THE ISSUE OF 2,141,428 PLACEMENT B OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 2,141,428 Placement B Options to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 6 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES AND PLACEMENT B OPTIONS TO A DIRECTOR, MR JUAN PABLO VARGAS DE LA VEGA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 357,143 Placement Shares and 357,143 Placement B Options, to Mr Juan Pablo Vargas de la Vega, a Director (and/or his nominee(s)) as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour on this Resolution by Mr Vargas de la Vega and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 7 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES AND PLACEMENT B OPTIONS TO A DIRECTOR, MR RICHARD HOMSANY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 357,143 Placement Shares and 357,143 Placement B Options, to Mr Richard Homsany, a Director (and/or his nominee(s)) as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour on this Resolution by Mr Homsany and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 8 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES AND PLACEMENT B OPTIONS TO A DIRECTOR, MR TERRY GARDINER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 357,143 Placement Shares and 357,143 Placement B Options, to Mr Terry Gardiner, a Director (and/or his nominee(s)) as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour on this Resolution by Mr Gardiner and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 9 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES AND PLACEMENT B OPTIONS TO A DIRECTOR, MR CHRIS CHALWELL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 357,143 Placement Shares and 357,143 Placement B Options, to Mr Chris Chalwell, a Director (and/or his nominee(s)) as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour on this Resolution by Mr Chalwell and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 10 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES AND PLACEMENT B OPTIONS TO A DIRECTOR, MR DANIEL JIMENEZ

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 357,143 Placement Shares and 357,143 Placement B Options, to Mr Daniel Jimenez, a Director (and/or his nominee(s)) as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour on this Resolution by Mr Jimenez and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 11 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES AND PLACEMENT B OPTIONS TO A DIRECTOR, MR RAYMOND LIU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 71,429 Placement Shares and 71,429 Placement B Options, to Mr Raymond Liu, a Director (and/or his nominee(s)) as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour on this Resolution by Mr Liu and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 12 – APPROVAL OF THE ISSUE OF ANNEXURE C OPTIONS TO CONSULTANTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 2,400,000 Annexure C Options to consultants (and/or their nominee(s)), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by the consultants and/or nominees or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 13 – APPROVAL OF ISSUE OF ANNEXURE C OPTIONS TO MR JUAN PABLO VARGAS DE LA VEGA

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approved the issue of up to 1,500,000 Annexure C Options to Mr Juan Pablo Vargas de la Vega, a Director (and/or his nominee(s)), as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr Vargas de la Vega and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report:
- or

- (b) a Closely Related Party of such a member

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

RESOLUTION 14 – APPROVAL OF ISSUE OF ANNEXURE C OPTIONS TO MR RICHARD HOMSANY

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approved the issue of up to 1,000,000 Annexure C Options to Mr Richard Homsany, a Director (and/or his nominee(s)), as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr Homsany and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

RESOLUTION 15 – APPROVAL OF ISSUE OF ANNEXURE C OPTIONS TO MR TERRY GARDINER

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approved the issue of up to 1,500,000 Annexure C Options to Mr Terry Gardiner, a Director (and/or his nominee(s)), as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr Gardiner and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

RESOLUTION 16 – APPROVAL OF ISSUE OF ANNEXURE C OPTIONS TO MR CHRIS CHALWELL

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approved the issue of up to 1,000,000 Annexure C Options to Mr Chris Chalwell, a Director (and/or his nominee(s)), as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr Chalwell and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report;
or
- (b) a Closely Related Party of such a member

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

RESOLUTION 17 – APPROVAL OF ISSUE OF ANNEXURE C OPTIONS TO MR DANIEL JIMENEZ

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approved the issue of up to 1,000,000 Annexure C Options to Mr Daniel Jimenez, a Director (and/or his nominee(s)), as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr Jimenez and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report;
or
- (b) a Closely Related Party of such a member

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

RESOLUTION 18 – APPROVAL OF ISSUE OF ANNEXURE C OPTIONS TO MR RAYMOND LIU

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approved the issue of up to 1,000,000 Annexure C Options to Mr Raymond Liu, a Director (and/or his nominee(s)), as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr Liu and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report: or
- (b) a Closely Related Party of such a member

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

RESOLUTION 19 – APPROVAL OF ISSUE OF ANNEXURE C OPTIONS TO MR NATHAN MCMAHON

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approved the issue of up to 750,000 Annexure C Options to Mr Nathan McMahon, a former Director (and/or his nominee(s)), as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by Mr McMahon and/or his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report:
or
- (b) a Closely Related Party of such a member

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

RESOLUTION 20 – APPROVAL OF THE DIRECTORS' FEE SACRIFICE EQUITY PLAN AND THE ISSUE OF PLAN SHARE RIGHTS AND SHARES ON THE EXERCISE OF PLAN SHARE RIGHTS UNDER THE DIRECTORS' FEE SACRIFICE EQUITY PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That pursuant to ASX Listing Rule 7.2 (exception 13), ASX Listing Rule 10.14 and for all purposes, approval is given for the Directors' Fee Sacrifice Equity Plan and for the grant of Plan Share Rights and the issue of Shares on the exercise of the Plan Share Rights to all current Directors, on the terms described in the Explanatory Statement accompanying this Notice of Meeting"

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in any employee incentive scheme of the Company or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
or

- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

For the purposes of Section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a Director or any of their Associates.

However, this prohibition will not apply if:

- (a) it is cast by a person as a proxy appointed in writing for a person who is entitled to vote and the Proxy Form specifies how the proxy is to vote on the Resolution; or
- (b) it is not cast on behalf of a Director or any of their Associates.

Further, in accordance with Section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, this prohibition will not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Please note: If the Chair is a person referred to in the Section 224 Corporations Act voting prohibition stated above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

RESOLUTION 21 – RATIFICATION OF ISSUE OF 9,191,430 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 9,191,430 Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 22 – RATIFICATION OF ISSUE OF 9,191,430 ANNEXURE E OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 9,191,430 Annexure E Options to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

OTHER BUSINESS

To deal with any business that may be lawfully brought forward.

PROXIES

A Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- a) appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- b) provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.

A Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions of votes will be disregarded.

In order to vote on behalf of a company that is a Shareholder, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged online at www.advancedshare.com.au/investor-login, posted or lodged at the registered office of the share registry (Advanced), at 110 Stirling Hwy, Nedlands WA 6009, or PO Box 1156 Nedlands WA 6909, by facsimile to (61 8) 6370 4203, or by email to admin@advancedshare.com.au not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

- a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
- b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
- c) shall be deemed to confer authority to demand or join in demanding a poll;
- d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act; and
- e) which appoints the Chair as proxy but does not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions (subject to the other provisions of these notes on proxies and any required voting exclusions including those in the Notice) as this is the Chair's voting intention.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to, the Company before the commencement of the Meeting.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Undirected and Directed Proxies

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on each Resolution.

The Company will not disregard any votes cast on a Resolution by a person if the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy.

If you intend to appoint the Chair as your proxy, you can direct him how to vote by marking the boxes for each resolution (for example, if you wish to vote "For", "Against" or "Abstain"), or you cannot mark any of the boxes and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of all Resolutions).

If you intend to appoint a Director (other than the Chair) or another member of the Key Management Personnel, or their Closely Related Parties as your proxy, you must specify how they should vote on Resolutions 13, 14, 15, 16, 17, 18, 19 and 20 by marking the appropriate box. If you don't, your proxy will not be able to exercise your vote for Resolutions 13, 14, 15, 16, 17, 18, 19 and 20. If the Chair is your proxy (or if they are appointed by default) but you do not direct them how to vote on a resolution (that is, you do not mark any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may then vote as they see fit on that resolution.

If you mark more than one box on an item your vote will be invalid on that item.

In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chair, who is required to vote proxies as directed.

It is the Chair's intention to vote all undirected proxies in favour of all Resolutions including Resolutions 13, 14, 15, 16, 17, 18, 19 and 20.

DATED: 10 AUGUST 2020

BY ORDER OF THE BOARD

**MIKE ROBBINS
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Galan Lithium Limited in connection with the business specified to be conducted in the Notice of General Meeting at the General Meeting of Shareholders to be held at **Level 3, 30 Richardson Street, West Perth, Western Australia 6005 at 11.00am WST on Friday 11 September 2020.**

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

The Notice of Meeting, Explanatory Memorandum and Proxy Form are all important documents. The Directors recommend that Shareholders read them carefully in their entirety before making a decision on how to vote at the General Meeting.

A Glossary of terms frequently used in this Notice of Meeting and Explanatory Memorandum can be found at the end of this Explanatory Memorandum.

1. RATIFICATION OF THE ISSUE OF 372,555 SHARES TO A CONSULTANT (RESOLUTION 1)

1.1 General

The Company entered into a consulting agreement for the provision of study advisory services with Mr Boris Caro. The provision of the services commenced on 1 July 2019.

Under the terms of the agreement, Mr Caro has an option to be paid in equity, on a monthly or quarterly basis, for the services that he provides to the Company.

If agreed by both parties, the Company may elect to pay the fee for the Mr Caro's services by issuing Shares in the Company.

Any conversion to Shares on a monthly submitted invoice is based on the total of the monthly submitted invoice divided by the five (5) day VWAP (*) of Shares traded on the ASX.

Any conversion to Shares on a quarterly submitted invoice is based on the total of the quarterly submitted invoice divided by the thirty (30) day VWAP (**) of Shares traded on the ASX.

(*) – VWAP = five (5) last trading days of the month in which the services were provided.

(**) – VWAP = thirty (30) last trading days of the quarter in which the services were provided.

On 30 October 2019, the Company issued 131,089 Shares to Mr Caro for his September 2019 quarterly services, 142,695 Shares to Mr Caro on 30 January 2020 for his December 2019 quarterly services and 98,771 Shares to Mr Caro on 9 June 2020 for his March 2020 quarterly services.

1.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, Equity Securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary securities may be obtained after the issue of Equity Securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

If Shareholders approve Resolution 1, the issue of 372,555 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1. If Shareholders do not approve Resolution 1, the issue of 372,555 Shares will remain in the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

The following information is provided for the purpose of ASX Listing Rule 7.5:

(a) *Number and class of securities issued*

- i) 131,089 Shares
- ii) 142,695 Shares
- iii) 98,771 Shares

(b) *The price or other consideration the entity has received or will receive for the issue*

The Shares were issued for no consideration in lieu of a cash payment for services provided to the Company. The deemed issue prices of the Shares were as follows:

- i) \$0.183
- ii) \$0.160
- iii) \$0.200

(c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

The Shares were issued fully paid and rank pari passu in all respects with the Company's other Shares on issue.

(d) *The name of the persons to whom Galan issued the securities or the basis on which those persons were identified or selected*

Caro and Navarro Limitada

(e) *The purpose of the issue, including the use (or intended use) of funds raised by the issue*

No funds were raised by the issue of the Shares as they were issued in lieu of a cash payment for services provided by Mr Caro to the Company.

(f) *The date or dates on which the securities were or will be issued*

- i) 30 October 2019
- ii) 30 January 2020
- iii) 9 June 2020

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1, as it ratifies the above issue of Shares to the consultant and retains the Company's flexibility to issue further securities representing up to 15% of the Company's Share capital during the next 12 months.

2. RATIFICATION OF THE ISSUE OF 2,777,691 PLACEMENT A OPTIONS UNDER A SECURITY PURCHASE PLAN (RESOLUTION 2)

2.1 Background

As announced on 5 August 2019, the Company undertook a capital raising of \$2 million through a combination of a private placement to sophisticated investors and a security purchase plan offer to existing Shareholders.

The Company received firm commitments from sophisticated investors to raise \$1 million through a share placement at \$0.18 per Share with one free unquoted option (exercisable on or before 31 August 2020 at \$0.25) on the terms and conditions set out in Annexure A (**Placement A Options**) also being issued on a one option for every two Shares subscribed for and issued basis.

Existing eligible Shareholders were also offered Shares, issued at the same price of \$0.18 per Share plus one free Placement A Option (on the same terms as sophisticated investors) under a Security Purchase Plan (**SPP**) to raise up to a further \$1 million.

The Shares and Placement A Options offered under the SPP were issued on 17 September 2019. The terms and conditions of the Placement A Options are set out in Annexure A.

2.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, Equity Securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary securities may be obtained after the issue of Equity Securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

If shareholders approve Resolution 2, the issue of 2,777,691 Placement A Options will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1. If Shareholders do not approve Resolution 2, the issue of 2,777,691 Placement A Options will remain in the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

The following information is provided for the purpose of ASX Listing Rule 7.5:

(a) *Number and class of securities issued*

2,777,691 Placement A Options

(b) *The price or other consideration the entity has received or will receive for the issue*

The Placement A Options were issued for nil consideration as they were issued as free attaching options under the terms of the SPP.

(c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

Placement A Options are exercisable at \$0.25 on or before 31 August 2020 on the terms and conditions set out in Annexure A. Shares issued upon exercise of the Placement A Options will be fully paid Shares, will rank *pari passu* in all respects with the Company's other Shares on issue and will be listed on the ASX.

(d) *The name of the persons to whom Galan issued the securities or the basis on which those persons were identified or selected*

The Placement A Options were issued to eligible Shareholders who subscribed for and were issued Shares under the SPP.

(e) *The purpose of the issue, including the use (or intended use) of funds raised*

No funds were raised in respect of the Placement A Options as they were issued for no consideration.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company greater flexibility to issue further Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

3. RATIFICATION OF THE ISSUE OF 3,175,000 SHARES TO ACUITY CAPITAL (RESOLUTION 3)

3.1 General

The Company has a Controlled Placement Deed (**CPD**) in place with Acuity Capital Investment Management Pty Ltd (**Acuity Capital**). The CPD provides Galan with standby equity capital of up to \$5,000,000 until December 2020. Galan retains full control of the placement process, including having sole discretion as to whether or not to utilise the CPD. Galan is under no obligation to raise capital under the CPD. If Galan does decide to utilise the CPD, it is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by the Company and a 10% discount to a VWAP over a period of Galan's sole choosing.

The Company was issued with two (2) notices of exercise of CPD options by Acuity Capital on 30 January 2020 and 17 March 2020, as per the terms of the CPD. The Company was required to issue Acuity Capital the following:

- 2,175,000 Shares at a deemed issue price of \$0.1954 per Share for total proceeds of \$425,000 (issued on 30 January 2020); and
- 1,000,000 Shares issued at a deemed issue price of \$0.25 per Shares for total proceeds of \$250,000 (issued on 17 March 2020).

Resolution 3 seeks ratification from Shareholders for the prior issue of a total of 3,175,000 Shares to Acuity Capital under the terms and conditions of the CPD.

3.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, Equity Securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary securities may be obtained after the issue of Equity Securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

If Shareholders approve Resolution 3, the issue of 3,175,000 Shares will be excluded from the calculations of the Company's 15% limit under ASX Listing Rule 7.1. If Shareholders do not approve Resolution 3, the issue of 3,175,000 Shares will remain in the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

The following information is provided for the purpose of ASX Listing Rule 7.5:

(a) *Number and class of securities issued*

- (i) 2,175,000 Shares
- (ii) 1,000,000 Shares

(b) *The price or other consideration the entity has received or will receive for the issue*

- (i) \$0.1954
- (ii) \$0.2500

(c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

Shares were issued fully paid and rank pari passu in all respects with the Company's other Shares on issue.

(d) *The name of the persons to whom Galan issued the securities or the basis on which those persons were identified or selected*

Acuity Capital Investment Management Pty Ltd

(e) *The purpose of the issue, including the use (or intended use) of funds raised*

Funds were used for further exploration and development work on Galan's projects, acquisition of tenements and for working capital purposes.

(f) *The date or dates on which the securities were or will be issued*

- i) 30 January 2020
- ii) 17 March 2020

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3, as allows the Company greater flexibility to issue further securities representing up to 15% of the total number of Shares on issue in any 12 month period without Shareholder approval of the Company's Share capital during the next 12 months under ASX Listing Rule 7.1.

4. RATIFICATION OF THE ISSUE OF 2,141,428 PLACEMENT SHARES (RESOLUTION 4) AND THE ISSUE OF 2,141,428 PLACEMENT B OPTIONS (RESOLUTION 5)

4.1 Background

On 3 April 2020 the Company announced a placement of Shares (**Placement Shares**), at an issue price of \$0.14 per Placement Share, to raise gross proceeds of \$550,000. One free attaching unquoted option (exercisable at \$0.25 on or before 31 March 2022) on the terms and conditions set out in Annexure B (**Placement B Options**) were also included on a one for one basis.

The announcement also stated that all Directors would participate in the placement. The issue of Placement Shares and/or Placement B Options to any of the Directors and/or their nominee(s) is dependent on the Company obtaining Shareholder approval, which Shareholder approval is the subject of Resolutions 6 to 11 inclusive.

2,141,428 Placement Shares and 2,141,428 Placement B Options were issued on 9 April 2020. The ratification of the issue of the Placement Shares and Placement B Options is sought under Resolutions 4 and 5 respectively in accordance with the requirements of ASX Listing Rule 7.4.

4.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, Equity Securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities.

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM ("10% share issue capacity"). The Company is an eligible company and sought and received Shareholder approval to the 10% share issue capacity at its AGM on 29 November 2019. The Shareholder approval is valid for 12 months from the date of the last AGM.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rules 7.1 and 7.1A will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently approve it and the issue did not breach Listing Rules 7.1 or 7.1A.

Accordingly, the Company is seeking Shareholder ratification for the issue of the Placement Shares and Placement B Options as follows:

- 2,141,428 Placement Shares issued under the Company's 10% capacity under Listing Rule 7.1A; and
- 2,141,428 Placement B Options issued under the Company's 15% capacity under Listing Rule 7.1.

If Shareholders approve Resolution 4, the issue of 2,141,428 Placement Shares will be excluded from the calculations of the Company's 10% limit under ASX Listing Rule 7.1A. If Shareholders do not approve Resolution 4, the issue of 2,141,428 Shares will remain in the calculations of the Company's 10% limit under ASX Listing Rule 7.1A.

If Shareholders approve Resolution 5, the issue of 2,141,428 Placement B Options will be excluded from the calculations of the Company's 15% limit under ASX Listing Rule 7.1. If Shareholders do not approve Resolution 5, the issue of 2,141,428 Placement B Options will remain in the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

4.3 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.5:

(a) *Number and class of securities issued*

- Placement Shares – 2,141,428
- Placement B Options (exercisable on or before 31 March 2022) – 2,141,428

(b) *The price or other consideration the entity has received or will receive for the issue*

- \$0.14 per Placement Share
- Placement B Options – Nil

(c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

The Placement Shares are fully paid ordinary shares and rank *pari passu* in all respects with the Company's other Shares on issue and are listed on the ASX.

The terms and conditions of the Placement B Options are set out in Annexure B. Shares issued upon exercise of the Placement B Options will be fully paid Shares, will rank *pari passu* in all respects with the Company's other Shares on issue and will be listed on the ASX.

(d) *The name of the persons to whom Galan issued the securities or the basis on which those persons were identified or selected*

The Placement Shares and Placement B Options were issued to various professional investors and to Galan staff and consultants. None of the persons to whom Placement Shares and Placement B Options the subject of Resolution 4 and Resolution 5 were issued were related parties of the Company or their associates. The issue of Placement Shares and Placement B Options to Directors is the subject of the Shareholder approval sought pursuant to Resolutions 6, 7, 8, 9, 10 and 11.

(e) *The purpose of the issue, including the use (or intended use) of funds raised*

The net funds raised will enable Galan to continue its scoping and PFS studies, continue further resource work and for working capital purposes.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 4 as if Shareholders approve Resolution 4, the issue of 2,141,428 Placement Shares will be excluded from the calculations of the Company's 10% limit under ASX Listing Rule 7.1A.

The Board recommends Shareholders vote in favour of Resolution 5 as it allows the Company greater flexibility to issue further Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

5. APPROVAL OF ISSUE OF PLACEMENT SHARES AND PLACEMENT B OPTIONS TO ALL GALAN DIRECTORS (RESOLUTIONS 6, 7, 8, 9, 10 AND 11)

5.1 Background

Please see Section 4.1 of this Explanatory Memorandum for the background to Resolutions 6 to 11 (inclusive), which seek Shareholder approval for the grant of a total of up to 1,857,144 Placement Shares and 1,857,144 Placement B Options to Directors and/or their nominee(s).

The number of Placement Shares and Placement B Options to be issued to the Directors and/or their nominee(s), subject to the receipt of Shareholder approval, for the purposes ASX Listing Rule 10.11, is as follows:

Resolution	Director	# of Placement Shares	# of Placement B Options
Resolution 6	Juan Pablo Vargas de la Vega	357,143	357,143
Resolution 7	Richard Homsany	357,143	357,143
Resolution 8	Terry Gardiner	357,143	357,143
Resolution 9	Chris Chalwell	357,143	357,143
Resolution 10	Daniel Jimenez	357,143	357,143
Resolution 11	Raymond Liu	71,429	71,429
Total		1,857,144	1,857,144

5.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that, subject to certain exemptions (none of which are relevant here), a company must not issue securities to a related party without shareholder approval.

Resolutions 6 to 11 seek this approval as Messrs Vargas del Vega, Homsany, Gardiner, Chalwell, Jimenez and Liu are all related parties of the Company, in their capacity as Directors.

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 pursuant to Resolutions 6 to 11 are set out below.

(a) *The name of the person*

- Resolution 6 – to be issued to Mr Vargas de la Vega (and/or his nominee(s)).
- Resolution 7 – to be issued to Mr Homsany (and/or his nominee(s)).
- Resolution 8 – to be issued to Mr Gardiner (and/or his nominee(s)).
- Resolution 9 – to be issued to Mr Chalwell (and/or his nominee(s)).
- Resolution 10 – to be issued to Mr Jimenez (and/or his nominee(s)).
- Resolution 11 – to be issued to Mr Liu (and/or his nominee(s)).

(b) *Which category in Listing Rules 10.11.1 – 10.11.5 the person falls within and why*

Each of Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez and Liu is a Director and is therefore a related party of the Company for the purposes of ASX Listing Rule 10.11.1.

(c) *The number and class of securities to be issued to the person*

- Mr Vargas de la Vega – 357,143 Placement Shares and 357,143 Placement B Options (Resolution 6)
- Mr Homsany – 357,143 Placement Shares and 357,143 Placement B Options (Resolution 7)
- Mr Gardiner – 357,143 Placement Shares and 357,143 Placement B Options (Resolution 8)
- Mr Chalwell – 357,143 Placement Shares and 357,143 Placement B Options (Resolution 9)
- Mr Jimenez – 357,143 Placement Shares and 357,143 Placement B Options (Resolution 10)
- Mr Liu – 71,429 Placement Shares and 71,429 Placement B Options (Resolution 11)

(d) *If the securities are not fully paid ordinary securities, a summary of the material terms of the Securities*

The Placement Shares are fully paid ordinary shares and will rank pari passu with existing issued Shares from the date of issue.

The terms and conditions of the Placement B Options are set out in Annexure B.

(e) *The date or dates by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting*

The Placement Shares and Placement B Options will be issued within one month after the date of this General Meeting (or such later date as may be permitted by any ASX waiver or modification of the ASX Listing Rules).

(f) *The price or other consideration the entity will receive for the issue*

Each Placement Share will be issued at a price of \$0.14 per Placement Share.

The Placement B Options will be issued for nil consideration as they are being issued as free attaching options to the Placement Shares on a one for one basis.

(g) *The purpose of the issue, including the use (or intended use) of funds raised.*

The net funds raised by the issue of the Placement Shares will enable Galan to continue its scoping and pre-feasibility studies on its projects, to commence further resource work and for working capital purposes.

5.3 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Approval pursuant to ASX Listing Rule 7.1 is not required (under Exception 14 to ASX Listing Rule 7.1) in order to issue the Placement Shares and Placement B Options to the Directors and/or their nominee(s) as approval is being obtained under ASX Listing Rule 10.11.

If Shareholders approve Resolutions 6 to 11 inclusive, the issue of a total of 1,857,144 Placement Shares and 1,857,144 Placement B Options to the Directors and/or their nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

5.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of Placement Shares and Placement B Options to the Directors under Resolutions 6 to 11 inclusive, constitutes the provision of a financial benefit to related parties.

It is the view of the Directors that the issue of Placement Shares and Placement B Options falls within the arm's length exception under section 210 of the Corporations Act. In forming this view, the Directors consider the issue of Placement Shares and Placement B Options:

- were negotiated at arm's length;
- are issued on the same terms and conditions as those for the other placement participants; and
- are reasonable in the circumstances at the time if the Company were dealing at arm's length.

Accordingly, the Directors have determined that Shareholder approval under section 208 of the Corporations Act is not required for the issue of Placement Shares and Placement B Options to the Directors pursuant to Resolutions 6 to 11 inclusive.

Other Information

All the Directors' relevant interests (direct and indirect) in Securities as at the date of this Notice of Meeting, and their total annual remuneration, are set out below:

Name	Shares	Performance Shares	Options	Annual Salary
Mr Vargas de la Vega	17,289,932	5,000,000 ⁽¹⁾	-	\$180,000
Mr Homsany	933,259	-	55,554 ⁽²⁾	\$60,000
Mr Gardiner	6,041,457	-	27,777 ⁽²⁾	\$36,000
Mr Chalwell	3,444,735	-	41,666 ⁽²⁾	\$36,000
Mr Jimenez	-	-	2,000,000 ⁽³⁾	\$US36,000
Mr Liu	17,983,004	-	-	\$36,000

(1) 5,000,000 Class B Performance Shares

(2) Unquoted options exercisable at \$0.25 on or before 31 August 2020

(3) Unquoted options exercisable at \$0.25 on or before 1 December 2021

The latest available price of Shares quoted on the ASX prior to the date of this Notice of Meeting on 7 August 2020 was \$0.16. The highest price for Shares trading on the ASX over the last 12 months was \$0.32 and the lowest price in that period was \$0.125.

In addition, the Directors believe that there are benefits to the Company in Directors holding Securities as this helps to incentivise the performance of those Directors and, in doing so, further aligns the interests of those Directors with those of Shareholders.

Directors' recommendation

Mr Vargas de la Vega declines to make a recommendation to Shareholders in relation to Resolution 6 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6.

Mr Homsany declines to make a recommendation to Shareholders in relation to Resolution 7 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7.

Mr Gardiner declines to make a recommendation to Shareholders in relation to Resolution 8 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 8, recommend that Shareholders vote in favour of Resolution 8.

Mr Chalwell declines to make a recommendation to Shareholders in relation to Resolution 9 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 9, recommend that Shareholders vote in favour of Resolution 9.

Mr Jimenez declines to make a recommendation to Shareholders in relation to Resolution 10 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 10 recommend that Shareholders vote in favour of Resolution 10.

Mr Liu declines to make a recommendation to Shareholders in relation to Resolution 11 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 11, recommend that Shareholders vote in favour of Resolution 11.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6 to 11 (inclusive).

6. APPROVAL OF THE ISSUE OF ANNEXURE C OPTIONS TO CONSULTANTS (RESOLUTION 12)

6.1 General

The Board has decided to reward the efforts of consultants for services previously rendered to the Company over the last 18 months or more. The Company is seeking Shareholder approval for the issue of up to 2,400,000 Annexure C Options to various employees and consultants of the Company.

The Annexure C Options will have an expiry date on or before 5.00pm WST on the date that is thirty six months following the date of issue at an exercise price that is 150% of the volume weighted average price for Shares traded on the ASX over the five (5) Trading Days immediately preceding the day of the General Meeting.

6.2 ASX Listing Rule 7.3

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities.

The effect of Resolution 12 will be to allow the Company to issue up to 2,400,000 Annexure C Options within the period of three (3) months after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

If Shareholders approve Resolution 12, the issue of 2,400,000 Annexure C Options will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

The following information is provided for the purpose of ASX Listing Rule 7.3.

- (a) *Number and class of securities issued*
2,400,000 Annexure C Options.

(b) *The price or other consideration the entity has received or will receive for the issue*

Nil. The Annexure C Options were issued as consideration for technical, management and administration services previously rendered to the Company.

(c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

The Annexure C Options will have an expiry date on or before 5.00pm WST on the date that is thirty six months following the date of issue at an exercise price that is 150% of the volume weighted average price for Shares traded on the ASX over the five (5) Trading Days immediately preceding the day of the General Meeting.

The terms and conditions are set out in Annexure C.

(d) *The name of the persons to whom Galan issued the securities or the basis on which those persons were identified or selected*

Employees and consultants (and/or their nominee(s)), none of whom are related parties of the Company:

Clive Jones (or his nominee(s)) – 750,000 Annexure C Options
Mike Robbins (or his nominee(s)) – 500,000 Annexure C Options
Boris Caro (or his nominee(s)) – 500,000 Annexure C Options
Craig Bartle (or his nominee(s)) – 500,000 Annexure C Options
Diane Miocevich (or her nominee(s)) – 150,000 Annexure C Options

(e) *The purpose of the issue, including the use (or intended use) of funds raised*

As the Annexure C Options are being issued for no consideration, no funds will be raised by their issue. Any funds received by the Company upon exercise of the Annexure C Options will be used for general exploration and development work on Galan projects and for working capital purposes.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 12, as it approves the above issue of Consultant Options and retains the Company's flexibility to issue further securities representing up to 15% of the Company's Share capital during the next 12 months.

7. APPROVAL OF THE ISSUE OF A TOTAL OF 7,750,000 ANNEXURE C OPTIONS (RESOLUTIONS 13-19 INCLUSIVE)

7.1 Background

Resolutions 13 to 19 inclusive seek the approval of Shareholders for the issue of up to 7,750,000 Annexure C Options to Directors and/or their nominee(s) for the purposes ASX Listing Rule 10.11 as follows:

Resolution	Director	# of Annexure C Options (*)
Resolution 13	Juan Pablo Vargas de la Vega	1,500,000
Resolution 14	Richard Homsany	1,000,000
Resolution 15	Terry Gardiner	1,500,000
Resolution 16	Chris Chalwell	1,000,000
Resolution 17	Daniel Jimenez	1,000,000
Resolution 18	Raymond Liu	1,000,000
Resolution 19	Nathan McMahan	750,000
Total		7,750,000

(*) Expiry date on or before 5.00pm WST on the date that is thirty six months following the date of issue at an exercise price that is 150% of the volume weighted average price for Shares traded on the ASX over the five (5) Trading Days immediately preceding the day of the General Meeting.

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), a company must not issue or grant securities to a related party without shareholder approval.

The object of Resolutions 13 to 19 inclusive is to provide the Directors with a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company. The Directors believe that the success of the Company in the future will depend in part, largely, upon the skills of the people engaged to manage the Company's operations. Accordingly it is important that the Company is able to attract and retain people of the highest calibre. The Directors consider that the most appropriate means of achieving this is to provide directors with an opportunity to participate in the Company's future growth and an incentive to contribute to that growth.

The Directors believe that the grant of the Annexure C Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties. If Shareholders do not approve Resolutions 13 to 19, then Directors may need to be remunerated in cash or in some other form.

If Shareholder approval is obtained for Resolutions 13 to 19 inclusive, the Annexure C Options the subject of Resolutions 13 to 19 inclusive will be granted within one month of Shareholder approval.

7.2 Terms of Annexure C Options

Subject to Shareholder approval, the Annexure C Options will be granted on the terms and conditions set out in Annexure C to this Explanatory Memorandum.

7.3 Part 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of the Annexure C Options to Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez, Liu and McMahon under Resolutions 13, 14, 15, 16, 17, 18 and 19 respectively, constitutes the provision of a financial benefit to related parties.

It is the view of the Directors that the proposed grant of Annexure C Options pursuant to Resolutions 13 to 19 inclusive, falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the positions held by Messrs Vargas de la Vega, Chalwell, Gardiner, Homsany, Jimenez, Liu and McMahon. Accordingly, the Directors have determined not to seek Shareholder approval under section 208 of the Corporations Act for the grant of the Annexure C Options to Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez, Liu and McMahon pursuant to Resolutions 13, 14, 15, 16, 17, 18 and 19 respectively.

The Board's view concluded that the totality of Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez, Liu and McMahon's remuneration packages, including the equity component of 7,750,000 Annexure C Options now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of Galan given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez, Liu and McMahon's management experience and knowledge of the mineral exploration industry.

7.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that, subject to certain exemptions (none of which are relevant here), a company must not issue options to a related party without shareholder approval. Resolutions 13 to 19 inclusive seek this approval.

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 pursuant to Resolutions 13 to 19 inclusive is set out below:

(a) Name of the persons

Resolution 13 – to be issued to Mr Vargas de la Vega (and/or his nominee(s)).

Resolution 14 – to be issued to Mr Homsany (and/or his nominee(s)).

Resolution 15 – to be issued to Mr Gardiner (and/or his nominee(s)).

Resolution 16 – to be issued to Mr Chalwell (and/or his nominee(s)).

Resolution 17 – to be issued to Mr Jimenez (and/or his nominee(s)).

Resolution 18 – to be issued to Mr Liu (and/or his nominee(s)).

Resolution 19 – to be issued to Mr McMahon (and/or his nominee(s)).

(b) Which category in Listing Rules 10.11.1 – 10.11.5 the person falls within and why

Each of Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez and Liu is a Director and is therefore a related party of the Company for the purposes of ASX Listing Rule 10.11.1.

Mr McMahon is a former director of the Company and, having been a Director within the past six (6) months, is also a related party of the Company for the purposes of ASX Listing Rule 10.11.1.

(c) The number and class of securities to be issued to the person

Mr Vargas de la Vega (Resolution 13) – 1,500,000 Annexure C Options

Mr Homsany (Resolution 14) – 1,000,000 Annexure C Options

Mr Gardiner (Resolution 15) – 1,500,000 Annexure C Options

Mr Chalwell (Resolution 16) – 1,000,000 Annexure C Options
 Mr Jimenez (Resolution 17) – 1,000,000 Annexure C Options
 Mr Liu (Resolution 18) – 1,000,000 Annexure C Options
 Mr McMahon (Resolution 19) – 750,000 Annexure C Options

(d) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

The terms and conditions of the Annexure C Options are set out in Annexure C.

(e) *The date by which the entity will issue the securities, which must not be more than one month after the date of the meeting*

The Annexure C Options will be issued within one month of the date of the Meeting.

(f) *The price or other consideration the entity will receive for the issue*

No consideration is payable by Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez, Liu or McMahon on grant of the Annexure C Options.

(g) *The purpose of the issue, including the intended use of funds raised*

As the Annexure C Options are being issued for no consideration, no funds will be raised by their issue. Any funds received by the Company upon exercise of the Annexure C Options will be used for general exploration and development work on Galan projects and for working capital purposes.

7.5 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Approval pursuant to ASX Listing Rule 7.1 is not required (under Exception 14 to ASX Listing Rule 7.1) in order to issue the Annexure C Options to Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez, Liu and McMahon and/or their nominee(s) as approval is being obtained under ASX Listing Rule 10.11.

Shareholders should note that the issue of securities to Messrs Vargas de la Vega, Homsany, Gardiner, Chalwell, Jimenez, Liu and McMahon and/or their nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

Other Information

All the Director's relevant interests (direct and indirect) in Securities as at the date of this Notice of Meeting, and annual remuneration, are set out below:

Name	Shares	Performance Shares	Options	Annual Salary	Estimated Value of Director Options to Be Issued ⁽⁵⁾
Mr Vargas de la Vega	17,289,932	5,000,000 ⁽¹⁾	-	\$180,000	\$100,623
Mr Homsany	933,259	-	55,554 ⁽²⁾	\$60,000	\$67,082
Mr Gardiner	6,041,457	-	27,777 ⁽²⁾	\$36,000	\$100,623
Mr Chalwell	3,444,735	-	41,666 ⁽²⁾	\$36,000	\$67,082
Mr Jimenez	-	-	2,000,000 ⁽³⁾	\$US36,000	\$67,082
Mr Liu	17,983,004	-	-	\$36,000	\$67,082
Mr McMahon	8,036,911	-	-	\$36,000 ⁽⁴⁾	\$50,311

(1) 5,000,000 Class B Performance Shares

(2) Unquoted options exercisable at \$0.25 on or before 31 August 2020

(3) Unquoted options exercisable at \$0.25 on or before 1 December 2021

(4) Mr McMahon resigned as a director of the Company effective 5 February 2020 and so was entitled to receive the relevant pro rata portion (\$21,000) of this amount

(5) Refer to Annexure F of this Explanatory Memorandum

Directors' Recommendation

Mr Juan Pablo Vargas de la Vega declines to make a recommendation to Shareholders in relation to Resolution 13 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr Juan Pablo Vargas de la Vega) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 13.

Mr Richard Homsany declines to make a recommendation to Shareholders in relation to Resolution 14 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr Richard Homsany) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 14.

Mr Terry Gardiner declines to make a recommendation to Shareholders in relation to Resolution 15 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr Terry Gardiner) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 15.

Mr Chris Chalwell declines to make a recommendation to Shareholders in relation to Resolution 16 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr Chris Chalwell) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 16.

Mr Daniel Jimenez declines to make a recommendation to Shareholders in relation to Resolution 17 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr Daniel Jimenez) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 17.

Mr Raymond Liu declines to make a recommendation to Shareholders in relation to Resolution 18 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr Raymond Liu) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 18.

The Directors recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 19.

8. APPROVAL OF THE DIRECTORS' FEE SACRIFICE EQUITY PLAN AND THE ISSUE OF PLAN SHARE RIGHTS AND SHARES ON THE EXERCISE OF PLAN SHARE RIGHTS UNDER THE DIRECTORS' FEE SACRIFICE EQUITY PLAN (RESOLUTION 20)

8.1 Background

The Board proposes to implement an equity-based Plan for Directors to receive rights under the Plan (either directly or through a nominee) in the Company by electing to salary sacrifice a proportion or all of annual cash remuneration on a voluntary basis. The rights to be issued under the **(Plan Share Rights)** are rights to be issued Shares in the Company which Shares will have restrictions on their disposal. No consideration is payable for the grant of Plan Share Rights under the Plan, or on exercise of the Plan Share Rights under the Plan as participation in the Plan to acquire Plan Share Rights requires a Director to salary sacrifice a percentage of existing remuneration to which the Director is otherwise entitled

If approved by Shareholders at this Meeting, the rules for this Plan will govern the operation and administration of the Plan **(Rules)**. The Rules will be an 'employee incentive scheme' for the purposes of the ASX Listing Rules and are summarised below and summarised in **Annexure D**.

The Plan gives greater flexibility to the Company's remuneration framework and to ensure that the Company can continue to attract, retain and reward Directors and to ensure that the interests of the Directors and the Shareholders are aligned.

8.2 Corporations Act Requirements

The Directors have considered the application of Chapter 2E of the Corporations Act to the grant of Share Rights to the Directors. As the Directors may elect to forego a percentage of the cash payment of fees and those fees are within the shareholder approved aggregate pool of directors' fees, it has been determined that the financial benefit given by offering Directors the opportunity to salary sacrifice to acquire Plan Share Rights, at no greater cost to the Company, constitutes reasonable remuneration to the Directors given:

- (a) the circumstances of the Company; and
- (b) the Directors' roles and responsibilities at the Company.

Given the above, the Company will rely on the exception contained in section 211(1) of the Corporations Act and is not seeking Shareholder approval pursuant to section 208 of the Corporations Act in addition to the approval being sought under the ASX Listing Rules. Furthermore, the Company will also rely on the exception contained in section 210 of the Corporations Act that shareholder approval is not required as it has been determined that the financial benefit given by offering Directors the opportunity to salary sacrifice to acquire Plan Share Rights, at no greater cost to the Company is on terms that are reasonable on the circumstances if the Company and each Director were dealing at arm's length.

8.3 Listing Rule 10.14

Approval is also sought under Listing Rule 10.14 which provides that an entity must not permit a director of an entity, or his or her associate, to acquire equity securities under an employee incentive scheme (such as the Plan) without the approval of Shareholders.

In order for a Director to acquire Plan Share Rights (and hence Restricted Shares on the exercise of such rights), the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.14.

ASX Listing Rule 10.16(c) provides that ASX Listing Rule 10.14 does not apply to an issue of equity securities in satisfaction of a right to acquire such securities granted to directors under an employee incentive plan unless the right was issued with the approval of Shareholders under ASX Listing Rule 10.14. If Resolution 20 is passed at the Meeting, the issue of Shares upon the exercise of Plan Share Rights issued under the Plan will not therefore require further Shareholder approval.

Approval under Listing Rule 7.1 is not required in order to issue the Plan Share Rights to Directors or their nominees under the Plan as approval is being obtained under Listing Rule 10.14 (Listing Rule 7.1 Exception 14).

Listing Rule 10.15 sets out the disclosure requirements for seeking Shareholder approval under ASX Listing Rule 10.14

A summary of the Plan is set out in **Annexure D**.

8.4 Listing Rule 7.2 (Exception 13) and Listing Rule 10.15 Disclosure Requirements

The following information is provided in relation to Resolution 20 for the purposes of Listing Rule 7.2 (Exception 13) and Listing Rule 10.15:

- (a) The current Directors to whom this Plan would apply are Messrs Richard Homsany, Juan Pablo Vargas de la Vega, Daniel Jimenez, Christopher Chalwell, Terry Gardiner and Raymond Liu. As Directors, ASX Listing Rule 10.14.1 applies to Messrs Homsany, Vargas de la Vega, Jimenez, Chalwell, Gardiner and Liu. As at the date of this Notice of Meeting, no other persons referred to in ASX Listing Rule 10.14, apart from these Directors, will be entitled to elect to participate in the Plan to acquire Plan Share Rights on the terms set out in the Explanatory Statement. Directors who are appointed or elected after Resolution 20 is approved will become entitled to elect to participate in the Plan but will not be permitted to do so until after any Shareholder approval required under ASX Listing Rule 10.14 (or otherwise under chapter 10 of the ASX Listing Rules) is obtained, or ASX grants a waiver from this requirement. There is no guarantee that a waiver will be applied for or, if sought, granted.
- (b) If approved, the maximum number of Plan Share Rights (and hence Restricted Shares) that may be issued under the Plan on an annual basis will not exceed the value of annual fees payable to each of the Directors as set out below, which are the total remuneration packages of Messrs Homsany, Vargas de la Vega, Jimenez, Chalwell, Gardiner and Liu as follows:
- (i) Richard Homsany (Non-Executive Chairman) - \$60,000;
 - (ii) Juan Pablo Vargas de la Vega (Managing Director) - \$180,000;
 - (iii) Daniel Jimenez (Non-Executive Director) - \$US36,000;
 - (iv) Christopher Chalwell (Non-Executive Director) - \$36,000;
 - (v) Terry Gardiner (Non-Executive Director) - \$36,000;
 - (vi) Raymond Liu - \$36,000.

A Plan Share Right granted to a Director entitles the Director to be issued one (1) Restricted Share on exercise of a vested Plan Share Right. The Plan Share Rights will be issued under the terms of the Plan. Plan Share Rights under the Plan will accrue monthly and will be issued quarterly in arrears.

The exact number of Shares that will be issued under the Plan cannot be precisely calculated at this time, as it depends on the proportion of the annual Director fee that is settled in Plan Share Rights under the Plan.

In addition, the number of Plan Share Rights issued will depend on the value represented by an amount equal to the VWAP of Shares calculated for the last 5 trading days of the month in respect of which the Director's Annual Remuneration accrued (or if there are no Share trades, the last traded Share price). If each Director elected to receive the maximum number of Plan Shares (being the full amount of their annual fees excluding superannuation), and based on the 5 day VWAP as at the date of this Notice of \$0.15, the maximum number of Plan Share Rights that would be issued under the Plan would be 2,558,748 Plan Share Rights, however the Plan provides that the maximum number of Plan Share Rights that can be issued under the Plan following Shareholder approval is 20,000,000. Further Shareholder approval is required to be obtained before this maximum number can be changed.

- (c) Participation in the Plan and the percentage of the Director's Annual Remuneration that the Director wishes to receive (either directly or through his Nominee) in Plan Share Rights depends on whether the offer and level of participation offered by the Company is accepted by the Director in the form of a Participation Agreement. The period for which the sacrifice applies is a minimum of 3 months and a maximum of 12 months. An entitlement to Plan Share Rights will accrue to Participants on a monthly basis.
- As such, neither the precise number nor the maximum number of Plan Share Rights (and Shares on their exercise) to be issued under the Plan can be ascertained in advance.
- However, the number of Plan Share Rights to be issued to a Participant will be calculated monthly in arrears after the Director's Annual Remuneration being sacrificed has accrued and will equal, for each Participant, the number calculated after dividing the dollar value of the Director's Annual Remuneration sacrificed by that Participant by the Plan Share Price, which in relation to a month in which Annual Remuneration is accrued, an amount equal to the VWAP of Shares calculated for the last 5 trading days of the month in which the Annual Remuneration accrued or, if there are no Share trades, the last traded Share price.
- (d) The Company intends to commence operation of the Plan with effect from the date of the Meeting in the event of Shareholder approval of Resolution 20.
- (e) No consideration is payable for the grant of Plan Share Rights under the Plan, or on exercise of the Plan Share Rights under the Plan as participation in the Plan to acquire Plan Share Rights requires a Director to salary sacrifice a percentage of existing remuneration to which the Director is otherwise entitled.
- (f) As at the date of the Meeting no Plan Share Rights (nor therefore any Restricted Shares on their exercise) will have been issued to any of Messrs Homsany, Vargas de la Vega, Jimenez, Chalwell, Gardiner and Liu, or to any other person, under the Plan.
- (g) Details of any Plan Share Rights issued under the Plan will be published in each annual report of the Company relating to the period in which they have been issued together with a statement that approval for the issue of the Plan Share Rights was obtained under Listing Rule 10.14.
- (h) No loans have or will be made by the Company in connection with the grant of Plan Share Rights to any Director.
- (i) The Board will use reasonable endeavours to issue Plan Share Rights within 10 Business Days of the end of each calendar quarter in the event a Participation Agreement is entered into with a Director and in any case, no later than three years after the date of the Meeting.
- (j) The value the Company attributes to each Plan Share Right is the ASX closing price of the Shares on the date the Plan Share Rights are issued multiplied by the number of Plan Share Rights issued.
- (k) In addition to the purposes of the Plan (refer to **Annexure D**), Plan Share Rights are proposed to be issued to Directors who, upon invitation of the Board, agree to participate in the Plan to allow the Directors to salary sacrifice their fees and defer the taxing point of any Plan Share Rights issued to them.
- (l) Subject to the passage of Resolution 20, any Plan Share Rights granted on the terms set out in the Explanatory Statement (or Shares issued on the vesting and exercise of such Plan Share Rights) will not count towards calculating the Company's 15% capacity to issue shares under ASX Listing Rule 7.1.

Directors' Recommendation

As each Director has an interest in the subject of this Resolution, the Directors have abstained from making a recommendation to Shareholders in relation to this Resolution.

9. RATIFICATION OF THE ISSUE OF 9,191,430 SHARES (RESOLUTION 21) AND THE ISSUE OF 9,191,430 ANNEXURE E OPTIONS (RESOLUTION 22)

9.1 Background

As announced on 22 June 2020, the Company undertook a capital raising of approximately \$1.25 million through a private placement to sophisticated investors.

The Company received firm commitments from sophisticated investors through a share placement at \$0.14 per Share with one free unquoted option (exercisable on or before 31 March 2022 at \$0.25) on the terms and conditions set out in Annexure E (**Annexure E Options**) also being issued on a one option for every Share subscribed for and issued basis.

5,170,716 Shares and 5,170,716 Annexure E Options were issued on 29 June 2020. On 1 July 2020, a further 1,765,000 Shares and 1,765,000 Annexure E Options were issued.

The balance of 1,992,856 Shares and 1,992,856 Annexure E Options were issued on 24 July 2020 along with an extra 262,858 Shares and 262,858 Annexure E Options.

The ratification of the total issue of the 9,191,430 Shares and 9,191,430 Annexure E Options is sought under Resolutions 21 and 22 respectively in accordance with the requirements of ASX Listing Rule 7.4.

9.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, Equity Securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities.

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM ("10% share issue capacity"). The Company is an eligible company and sought and received Shareholder approval to the 10% share issue capacity at its AGM on 29 November 2019. The Shareholder approval is valid for 12 months from the date of the last AGM.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rules 7.1 and 7.1A will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently approve it and the issue did not breach Listing Rules 7.1 or 7.1A.

Accordingly, the Company is seeking Shareholder ratification for the issue of the Shares and Annexure E Options pursuant to Resolutions 21 and 22 as follows:

- 9,191,430 Shares issued under the Company's 10% capacity under Listing Rule 7.1A; and
- 9,191,430 Annexure E Options issued under the Company's 15% capacity under Listing Rule 7.1.

If Shareholders approve Resolution 21, the issue of 9,191,430 Shares will be excluded from the calculations of the Company's 10% limit under ASX Listing Rule 7.1A. If Shareholders do not approve Resolution 21, the issue of 9,191,430 Shares will remain in the calculations of the Company's 10% limit under ASX Listing Rule 7.1A.

If Shareholders approve Resolution 22, the issue of 9,191,430 Annexure E Options will be excluded from the calculations of the Company's 15% limit under ASX Listing Rule 7.1. If Shareholders do not approve Resolution 22, the issue of 9,191,430 Annexure E Options will remain in the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

9.3 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.5:

(a) *Number and class of securities issued*

- Shares – 9,191,430
- Annexure E Options – 9,191,430

(b) *The price or other consideration the entity has received or will receive for the issue*

- \$0.14 per Share
- Annexure E Options – Nil

(c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

The Shares that are the subject of Resolution 21 are fully paid ordinary shares and rank pari passu in all respects with the Company's other Shares on issue and are listed on the ASX.

The terms and conditions of the Annexure E Options are set out in Annexure E. Shares issued upon exercise of the Annexure E Options will be fully paid Shares, will rank pari passu in all respects with the Company's other Shares on issue and will be listed on the ASX.

(d) *The name of the persons to whom Galan issued the securities or the basis on which those persons were identified or selected*

The Shares and Annexure E Options the subject of Resolutions 21 and 22 respectively were issued to sophisticated investors who subscribed for them under the private placement. None of the persons to whom Shares and Annexure E Options the subject of Resolutions 21 and 22 were issued were related parties of the Company or their associates.

(e) *Use (or intended use) of funds raised*

The net funds raised will enable Galan to continue its scoping and PFS studies, to complete tenement acquisitions and for working capital purposes.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 21 as if Shareholders approve Resolution 21, the issue of 9,191,430 Shares will be excluded from the calculations of the Company's 10% limit under ASX Listing Rule 7.1A.

The Board recommends Shareholders vote in favour of Resolution 22 as it allows the Company greater flexibility to issue further Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

GLOSSARY

In the Notice of Meeting (including the Annexures thereto) and the Proxy Form, the following terms have the following meanings unless they are otherwise defined or the context otherwise requires:

\$ means Australian dollars.

2019 Financial Report means the Company's financial report for the financial year ended 30 June 2019, which can be downloaded from the Company's website at www.galanlithium.com.au.

Annexure means an annexure to this Explanatory Memorandum.

Annexure C Option means an Option on the terms and conditions set out in Annexure C.

Annexure E Option means an Option on the terms and conditions set out in Annexure E.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chairperson of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) that may be made for this purpose.

Company or **Galan** means Galan Lithium Limited ACN 149 349 646.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) and the regulations promulgated under it, each as amended from time to time.

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying and forming part of the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of General Meeting including the Explanatory Memorandum and the Proxy Form.

Option means an option to acquire a Share.

Placement A Options is defined in Section 2.1 of the Explanatory Memorandum.

Placement B Options is defined in Section 4.1 of the Explanatory Memorandum.

Placement Shares is defined in Section 4.1 of the Explanatory Memorandum.

Plan Share Rights is defined in Section 8.1 of the Explanatory Memorandum.

Proxy Form means the proxy form accompanying and forming part of the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the 2019 Financial Report.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Rules is defined in Section 8.1 of the Explanatory Memorandum.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

SPP is defined in Section 2.1 of the Explanatory Memorandum.

Trading Day means a day determined by ASX to be a trading day and notified to market participants being:

- (a) a day other than:
 - (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
 - (ii) any other day which ASX declares and publishes is not a trading day; and
- (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

ANNEXURE A – TERMS AND CONDITIONS OF PLACEMENT A OPTIONS

Each Placement A Option entitles the holder to subscribe for a Share on the following terms and conditions:

- 1. Entitlement**

Each Placement A Option entitles the holder to subscribe for one Share upon exercise of each Placement A Option.
- 2. Exercise Price**

The exercise price of each Placement A Option will be \$0.25.
- 3. Expiry Date**

Each Placement A Option has an expiry date of 31 August 2020.
- 4. Exercise Period**

Each Placement A Option is exercisable at any time on or before 31 August 2020.
- 5. Notice of Exercise**

Each Placement A Option may be exercised by notice in writing to the Company. Any notice of exercise of Placement A Options received by the Company will be deemed to be a notice of the exercise of the Placement A Option as at the date of receipt.
- 6. Timing of issue of Shares**

After a Placement A Option is validly exercised, the Company must as soon as possible:

 - (i) issue and allot the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Placement A Option.
- 7. Shares issued on exercise**

Shares issued on exercise of the Placement A Options rank equally with the then shares of the Company.
- 8. Quotation of Shares on exercise**

Application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Placement A Options. No application will be made to ASX for Official Quotation of the Placement A Options.
- 9. Participation in new issues**

There are no participation rights or entitlements inherent in the Placement A Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement A Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least three business days after the issue is announced. This will give holders of Placement A Options the opportunity to exercise their Placement Options prior to the date for determining entitlements to participate in any such issue.
- 10. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

 - (i) the number of Shares which must be issued on the exercise of a Placement A Option will be increased by the number of Shares which the Placement A Option holder would have received if the Placement A Option holder had exercised the Placement A Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- 11. Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Placement A Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Placement A Option.
E = the number of underlying Shares into which one Placement A Option is exercisable.

- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

12. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Placement A Option holders will be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

For bank transfers, please remit funds to:

Galan Lithium Limited
National Australia Bank
BSB 086-492
Acc 19-328-0482
Swift Code NATAAU33

The application for shares on exercise of Options with the appropriate remittance should be lodged with the Company Secretary, at the Company's registered office.

ANNEXURE B – TERMS AND CONDITIONS OF PLACEMENT B OPTIONS

Each Placement B Option entitles the holder to subscribe for a Share on the following terms and conditions:

- 1. Entitlement**
Each Placement B Option entitles the holder to subscribe for one Share upon exercise of each Placement B Option.
- 2. Exercise Price**
The exercise price of each Placement B Option will be \$0.25.
- 3. Expiry Date**
Each Placement B Option has an expiry date of 31 March 2022.
- 4. Exercise Period**
Each Placement B Option is exercisable at any time on or before 31 March 2022.
- 5. Notice of Exercise**
Each Placement B Option may be exercised by notice in writing to the Company. Any notice of exercise of Placement B Options received by the Company will be deemed to be a notice of the exercise of the Placement B Option as at the date of receipt.
- 6. Timing of issue of Shares**
After a Placement B Option is validly exercised, the Company must as soon as possible:
 - (i) issue and allot the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Placement B Option.
- 7. Shares issued on exercise**
Shares issued on exercise of the Placement B Options rank equally with the then shares of the Company.
- 8. Quotation of Shares on exercise**
Application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Placement B Options. No application will be made to ASX for Official Quotation of the Placement B Options.
- 9. Participation in new issues**
There are no participation rights or entitlements inherent in the Placement B Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement B Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least three business days after the issue is announced. This will give holders of Placement B Options the opportunity to exercise their Placement Options prior to the date for determining entitlements to participate in any such issue.
- 10. Adjustment for bonus issues of Shares**
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of a Placement B Option will be increased by the number of Shares which the Placement B Option holder would have received if the Placement B Option holder had exercised the Placement B Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- 11. Adjustment for rights issue**
If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Placement B Option will be reduced according to the following formula:
$$\text{New exercise price} = O - \frac{E[P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Placement B Option.
E = the number of underlying Shares into which one Placement B Option is exercisable.

- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

12. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Placement B Option holders will be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

For bank transfers, please remit funds to:

Galan Lithium Limited
National Australia Bank
BSB 086-492
Acc 19-328-0482
Swift Code NATAAU33

The application for shares on exercise of the Options with the appropriate remittance should be lodged with the Company Secretary, at the Company's registered office.

ANNEXURE C – TERMS AND CONDITIONS OF ANNEXURE C OPTIONS

Each Annexure C Option entitles the holder to subscribe for Shares on the following terms and conditions:

- 1. Entitlement**

Each Annexure C Option entitles the holder to subscribe for one Share upon exercise of each Annexure C Option.
- 2. Exercise Price**

The exercise price of each Annexure C Option will be at a price that is 150% of the volume weighted average price for Shares traded on the ASX over the five (5) Trading Days immediately preceding the day of the General Meeting.
- 3. Expiry Date**

Each Annexure C Option has an expiry date being thirty-six (36) months from the date of issue.
- 4. Exercise Period**

Each Annexure C Option is exercisable at any time on or before the date being thirty-six (36) months from the date of issue.
- 5. Notice of Exercise**

Each Annexure C Option may be exercised by notice in writing to the Company. Any notice of exercise of Annexure C Options received by the Company will be deemed to be a notice of the exercise of the Annexure C Option as at the date of receipt.
- 6. Timing of issue of Shares**

After a Annexure C Option is validly exercised, the Company must as soon as possible:

 - (i) issue and allot the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Annexure C Option.
- 7. Shares issued on exercise**

Shares issued on exercise of the Annexure C Options rank equally with the then shares of the Company.
- 8. Quotation of Shares on exercise**

Application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Annexure C Options. No application will be made to ASX for Official Quotation of the Annexure C Options.
- 9. Participation in new issues**

There are no participation rights or entitlements inherent in the Annexure C Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Annexure C Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least three business days after the issue is announced. This will give holders of Annexure C Options the opportunity to exercise their Annexure C Options prior to the date for determining entitlements to participate in any such issue.
- 10. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

 - (i) the number of Shares which must be issued on the exercise of a Annexure C Option will be increased by the number of Shares which the Annexure C Option holder would have received if the Annexure C Option holder had exercised the Annexure C Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

- 11. Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Annexure C Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P - (S + D)]}{N + 1}$$

- O = the old Exercise Price of the Annexure C Option.
- E = the number of underlying Shares into which one Annexure C Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

12. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Annexure C Option holders will be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

For bank transfers, please remit funds to:

Galan Lithium Limited
National Australia Bank
BSB 086-492
Acc 19-328-0482
Swift Code NATAAU33

The application for shares on exercise of the Annexure C Options with the appropriate remittance should be lodged with the Company Secretary, at the Company's registered office.

ANNEXURE D – SUMMARY OF THE RULES OF THE DIRECTORS' FEE SACRIFICE EQUITY PLAN

- (1) **Purpose** The objective of this Plan is to preserve the Company's cash reserves, facilitate the acquisition of Plan Share Rights that can be exercised into Shares by Directors serving on the Board in a manner that will align their interests with shareholders and provide Directors with the flexibility to choose to receive part or whole of their annual remuneration in the form of Plan Share Rights which can be exercised into Shares. Its purpose is also to ensure that the Company can continue to attract, retain and motivate skilled and experienced Directors.
- (2) **Eligibility** All of the Company's existing Directors and their nominees (**Nominees**) are eligible to participate in the Plan. Any additional people who become Directors, and are therefore eligible to participate in the Plan, will not be able to participate until either (i) Shareholder approval to the additional Director is obtained under Listing Rule 10.14 or (ii) ASX grants a waiver of this Listing Rule. There is no guarantee such a waiver will be granted or applied for.
- (3) **Entitlement** The Board may make an invitation to a Director under the Plan to receive (either directly or through a Nominee) part or all his or her total annual remuneration excluding Superannuation Guarantee contributions (**Annual Remuneration**) in the form of Plan Share Rights. Each individual Director may receive no more than 100% of their remuneration in Plan Share Rights.
- (4) **Plan Share Rights** One Plan Share Right can be exercised into one Share.
- (5) **Grant of Plan Share Rights** The rights to be issued to a Director, based on the amount of Board fees to be sacrificed on a pre-tax basis, will be in the form of Plan Share Rights (which are fully vested immediately on the date of grant), which the Board will use reasonable endeavours to issue within 10 Business Days of the end of each calendar quarter in the event a Participation Agreement under the Plan is entered into and in any case, no later than three years after the date of the Meeting.
- (6) **Participation Agreement** The Board must give to each Director it invites to participate under the Plan a participation agreement (**Participation Agreement**) to complete, sign and return to the Company, which will contain:
 - (a) the percentage of the Director's Annual Remuneration that may be sacrificed for Plan Share Rights (as applicable), that can be no more than as permitted under the Plan and the Listing Rules (**Nominated Percentage**);
 - (b) the period for which the sacrifice applies (which is a minimum of 3 months and a maximum of 12 months), including proposed commencement date; and
 - (c) provisions to allow the Director to nominate a Nominee through which to participate in the Plan and to provide any such Nominee's name and address.

By completing, signing and returning to the Company the Participation Agreement given to a Director, the Director and any Nominee offers to participate under the Plan and, on acceptance by the Board of the offer, a contract is formed between the Company, the Participant and the Director. The Board may, in its absolute discretion, accept or reject this offer and is under no obligation to provide a Director with any reason for doing so. The Board must provide written notification to the Director of its decision to accept or reject the offer within 5 Business Days after the receipt of the offer.
- (7) **Participant** Upon acceptance of the Participation Agreement by the Board, the Director (and his or her Nominee) becomes a participant in the Plan (Participant) and agrees to be bound by the Rules and, from the time of issue of any Shares under the Plan, to be bound by the constitution of the Company.
- (8) **Termination of participation** The participation of a Participant in the Plan will terminate upon: (i) the Participant (or in the case of a Nominee, the appointing Director) ceasing to be a director; (ii) the Board terminating the participation of the Participant; or (iii) the Director providing a notice in writing to this effect to the Company.
- (9) **Resignation as Director** In the event that a Participant, or the Director for whom the Participant is a Nominee, resigns as a director, the Company must issue to the Participant (in respect of the quarter in which he resigns), the pro rata number of Plan Share Rights for the period of the quarter (as applicable under the Participation Agreement) prior to the resignation.
- (10) **Accrual of Plan Share Rights** An entitlement to Plan Share Rights will accrue to Participants on a monthly basis.
- (11) **Timing of issue** The Company will issue and allot Plan Share Rights to the Participants under the Plan on a quarterly basis, within 10 Business Days of the end of each calendar quarter, in respect of a relevant Participation Agreement.

- (12) **Number of Plan Share Rights to be granted** The number of Plan Share Rights to be issued to a Participant will be calculated monthly in arrears after the Director's Annual Remuneration being sacrificed has accrued and will equal, for each Participant, the number calculated after dividing the dollar value of the Director's Annual Remuneration sacrificed by that Participant by the Plan Share Price.
- (13) **Plan Share Price** in relation to a month in which Annual Remuneration is accrued, an amount equal to the volume weighted average price per Share traded on the ASX over the last five (5) trading days of the month in which the Annual Remuneration accrued, or, if there were no such trades in that period of time, an amount equal to the last traded price per Share.
- (14) **Board's discretion in relation to the issue** If at any time the Board determines that the allocation of Plan Share Rights to a Director under the Plan would result in the Company contravening the Corporations Act, the Listing Rules, the Constitution, or any applicable local laws, or is otherwise inappropriate in the circumstances, the Board must not issue the Plan Share Rights. The Board may defer the allocation of Plan Share Rights for a maximum of 6 months, pay to the Director in cash the corresponding amount of his or her annual Director fee, or terminate the Director's participation in the Plan.
- (15) **Plan Share Rights may not be disposed of or transferred or encumbered** Plan Share Rights may not be disposed of or transferred or otherwise dealt with and lapse immediately on any purported disposal, transfer or dealing unless the transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.
- (16) **Vesting of Rights** Plan Share Rights granted under these Rules will be fully vested on the date of grant.
- (17) **Exercise of Rights** Unvested Plan Share Rights may not be exercised. To exercise a vested Plan Share Right, the Participant must deliver a signed Notice of Exercise at any time on or prior to the Expiry Date. A holding of Plan Share Rights can be exercised in whole or in part at any time up to and including the Expiry Date on exercise of a Plan Share Right, the Board will issue one Share for each Plan Share Right to Participants. The Shares that result from the exercise of Plan Share Rights are Plan Shares.
- (18) **Expiry Date** means, in relation to a Plan Share Right, the date on which the first to occurs of the following:
- (a) a Participant (or where applicable, the Related Director) resigns as a Director.
 - (b) the end of the 15 year period commencing when the Participant was issued the Plan Share Right.
- (19) **Restrictions on issue of Plan Shares** If, as a result of any applicable law or the Company's Share Trading Policy, a Plan Share cannot be issued, the Plan Share will then be issued as soon as such an issue can be made in compliance with all applicable laws and the Share Trading Policy. If the issue of Plan Shares is postponed following their due date for issue, the number of Plan Shares to be issued will not change despite the fact that the prevailing Share price may rise or fall during the postponed period.
- (20) **Disposal restrictions attached to Shares** All Plan Shares acquired by Participants as a consequence of the exercise of Plan Share Rights may not be sold or disposed of in any way until such time as their disposal would not breach either the Company's Share Trading Policy, or Division 3 of Part 7.10 of the Corporations Act. The Company may impose a CHES holding lock on Plan Shares to ensure the Participant does not sell them earlier than permitted under the Rules.
- (21) **No hedging** A Participant must not enter an arrangement with anyone if that arrangement would have the effect of limiting the Participant's exposure to risk in relation to Plan Share Rights or Plan Shares.
- (22) **Plan Share entitlements** Plan Share Rights do not carry any voting rights in the Company, do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company and do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (23) **Bonus issues, rights issues and capital reorganisation** Participants holding Plan Share Rights will be treated in a manner that does not advantage or disadvantage them compared with other Shareholders in the event of a bonus issue, rights issue and/or capital reorganisation.
- (24) **Cessation of office of Director** If a Participant, or the Director for whom the Participant is a Nominee, ceases to be a Director any unexercised Plan Share Rights held by that Participant will be exercised automatically the day following cessation, and the Board will act to remove any CHES holding lock applied by the Company to Plan Shares held by or on behalf of the Participant, unless otherwise determined by the Board and notified to the Participant in order to comply with all applicable laws and the Company's Share Trading Policy.
- (25) **Rights attaching to Plan Shares** The Plan Shares issued on the exercise of Plan Share Rights will rank equally, in relation to dividends, voting and all other rights, with all other existing Shares.

- (26) **Quotation of Plan Shares on ASX** If Plan Shares are in the same class as Shares which are listed on the ASX, the Company will apply for quotation of the Plan Shares issued within the time required by the Listing Rules after the date of issue.
- (27) **Employee Share Scheme taxing provisions to apply** Subdivision 83A-C of the *Income Tax Assessment Act 1997 (Cth)* applies to all Plan Share Rights and Plan Shares under this Plan.
- (28) **Registration** Plan Share Rights issued under the Plan (and Plan Shares issued on their exercise) must be registered in the name of the Participant. As soon as practicable after the issue of any Plan Share Rights or Plan Shares, the Company must issue a holding statement in the name of the Participant that specifies the number of Plan Share Rights or Plan Shares issued to that Participant.
- (29) **Suspension and termination of the Plan** The Plan may be suspended at any time by the Board. The period of suspension is at the discretion of the Board. The Board may terminate the operation of the Plan at any time by resolution of the Board. The suspension or termination of the Plan will not prejudice the existing rights of Participants (and where applicable, the Related Directors).
- (30) **Administration** The Plan will be administered by the Board, (or the Board may appoint another party to administer the Plan on its behalf) and the Board is authorised to establish such guidelines for the administration of the Plan as it deems appropriate in its sole discretion, with the Board's decisions being final and binding on all participants.
- (31) **Board's discretion and final decision** Except as otherwise expressly provided in the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in accordance with the Plan and in the exercise of any power or discretion under the Plan. A decision of the Board as to the interpretation, effect or application of the Rules will be final and conclusive, and binding on all Participants
- (32) **Maximum number of Plan Share Rights that can be issued** The maximum number of Plan Share Rights that can be issued under this Plan with Shareholder approval (which Shareholder approval is in addition to the Shareholder approval to originally approve the Plan) is 20,000,000.
- (33) **Limitation under *Income Tax Assessment Act 1997 (Cth)*** Despite any other provision of these Rules, no Participant is entitled to be issued Plan Share Rights under this Plan if, before or immediately after that person is issued with the Plan Share Rights the person and their associates holds a beneficial interest in more than 10% of the total Shares on issue or that would be on issue if all Plan Share Rights issued under the Plan were exercised, and the person and their associates are in a position to cast, or to control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Company if all Plan Share Rights issued under the Plan were exercised.
- (34) **Board determinations and amendments to the Plan** The Board may at any time by written instrument or by resolution amend all or any of the provisions of the Rules. However no amendment may reduce a Participant's existing rights in respect of any invitation that had commenced prior to the date of the amendment other than:
- with the Participant's consent;
 - for the purpose of complying with law, or regulation, or Listing Rules;
 - to correct a manifest error or mistake;
 - to address possible adverse tax consequences for the Company or Participants generally.
- (35) **Not exclusive method of remuneration** This Plan is not the exclusive method of providing remuneration to Directors and does not preclude it from authorising or approving other forms of remuneration.
- (36) **No right to retain Office** Neither the establishment of the Plan nor the entry into of a Participation Agreement nor the payment of an award nor the vesting of Plan Share Rights or any other action under the Plan shall be held to confer upon any Participant, or the Director for whom the Participant is a Nominee, the right to continue to hold office as Director or affect any rights the Company may have to remove the Participant, or the Director for whom the Participant is a Nominee, from the office of Director.
- (37) **Relationship to other plans** Participation in this Plan does not affect participation in or payment under any other plan of the Company, except as otherwise determined by the Board.
- (38) **Governing law** the Rules are governed by the laws of Western Australia and the Commonwealth of Australia.

ANNEXURE E – TERMS AND CONDITIONS OF ANNEXURE E OPTIONS

Each Annexure E Option entitles the holder to subscribe for Shares on the following terms and conditions:

- 1. Entitlement**

Each Annexure E Option entitles the holder to subscribe for one Share upon exercise of each Annexure E Option.
- 2. Exercise Price**

The exercise price of each Annexure E Option will be \$0.25.
- 3. Expiry Date**

Each Annexure E Option has an expiry date of 31 March 2022.
- 4. Exercise Period**

Each Annexure E Option is exercisable at any time on or before the expiry date.
- 5. Notice of Exercise**

Each Annexure E Option may be exercised by notice in writing to the Company. Any notice of exercise of Annexure E Options received by the Company will be deemed to be a notice of the exercise of the Annexure E Option as at the date of receipt.
- 6. Timing of issue of Shares**

After an Annexure E Option is validly exercised, the Company must as soon as possible:

 - (i) issue and allot the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Annexure E Option.
- 7. Shares issued on exercise**

Shares issued on exercise of the Annexure E Options rank equally with the then shares of the Company.
- 8. Quotation of Shares on exercise**

Application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Annexure E Options. No application will be made to ASX for Official Quotation of the Annexure E Options.
- 9. Participation in new issues**

There are no participation rights or entitlements inherent in the Annexure E Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Annexure E Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least three business days after the issue is announced. This will give holders of Annexure E Options the opportunity to exercise their Annexure E Options prior to the date for determining entitlements to participate in any such issue.
- 10. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

 - (i) the number of Shares which must be issued on the exercise of a Annexure E Option will be increased by the number of Shares which the Annexure E Option holder would have received if the Annexure E Option holder had exercised the Annexure E Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- 11. Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Annexure E Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Annexure E Option.
E = the number of underlying Shares into which one Annexure E Option is exercisable.

- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

12. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Annexure e Option holders will be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

For bank transfers, please remit funds to:

Galan Lithium Limited
National Australia Bank
BSB 086-492
Acc 19-328-0482
Swift Code NATAAU33

The application for shares on exercise of the Annexure E Options with the appropriate remittance should be lodged with the Company Secretary, at the Company's registered office.

ANNEXURE F**Estimated Value of Annexure C Options proposed to be issued to Directors (Resolutions 13 to 19 inclusive)**

Using the Black & Scholes option model and based on the assumptions set out below, the Annexure C Options proposed to be issued pursuant to Resolutions 13 to 19 inclusive were ascribed the following values:

Assumptions:	JP Vargas de la Vega	R Homsany	T Gardiner	C Chalwell
Number of Director Options	1,500,000	1,000,000	1,500,000	1,000,000
Valuation date	7 August 2020	7 August 2020	7 August 2020	7 August 2020
Market price of Shares	\$0.16	\$0.16	\$0.16	\$0.16
Exercise price (150% of market price)	\$0.24	\$0.24	\$0.24	\$0.24
Expiry date (length of time from issue)	3 years	3 years	3 years	3 years
Risk free interest rate	1.0%	1.0%	1.0%	1.0%
Volatility (discount)	80%	80%	80%	80%
Indicative value per Option	\$0.06708	\$0.06708	\$0.06708	\$0.06708
Total Value of Related Party Options	\$100,623	\$67,082	\$100,623	\$67,082

Assumptions:	D Jimenez	R Liu	N McMahon
Number of Director Options	1,000,000	1,000,000	750,000
Valuation date	7 August 2020	7 August 2020	7 August 2020
Market price of Shares	\$0.16	\$0.16	\$0.16
Exercise price	\$0.24	\$0.24	\$0.24
Expiry date (length of time from issue)	3 years	3 years	3 years
Risk free interest rate	1.0%	1.0%	1.0%
Volatility (discount)	80%	80%	80%
Indicative value per Option	\$0.06708	\$0.06708	\$0.06708
Total Value of Related Party Options	\$67,082	\$67,082	\$50,311

Note: The valuation noted above is not necessarily the market price that the Annexure C Options could be traded at and is not automatically the market price for taxation purposes.



LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2020 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Galan Lithium Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held **at Level 3, 30 Richardson Street, West Perth WA 6005 on 11 September 2020 at 11.00am (WST)** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 13, 14, 15, 16, 17, 18, 19 and 20 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution of Business.

VOTING DIRECTIONS

Resolutions

Resolutions	For	Against	Abstain*
1 Ratification of the Issue of 372,555 Shares to a Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of the Issue of 2,777,691 Placement A Options under a Security Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of the Issue of 3,175,000 Shares to Acuity Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of the Issue of 2,141,428 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of the Issue of 2,141,428 Placement B Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of the Issue of Placement Shares and Placement B Options to a Director, Mr Juan Pablo Vargas de la Vega	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of the Issue of Placement Shares and Placement B Options to a Director, Mr Richard Homsany	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of the Issue of Placement Shares and Placement B Options to a Director, Mr Terry Gardiner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of the Issue of Placement Shares and Placement B Options to a Director, Mr Chris Chalwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval of the Issue of Placement Shares and Placement B Options to a Director, Mr Daniel Jimenez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval of the Issue of Placement Shares and Placement B Options to a Director, Mr Raymond Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Approval of the Issue of Annexure C Options to Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Approval of Issue of Annexure C Options to Mr Juan Pablo Vargas de la Vega	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Approval of Issue of Annexure C Options to Mr Richard Homsany	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Approval of Issue of Annexure C Options to Mr Terry Gardiner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Approval of Issue of Annexure C Options to Mr Chris Chalwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Approval of Issue of Annexure C Options to Mr Daniel Jimenez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Approval of Issue of Annexure C Options to Mr Raymond Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Approval of Issue of Annexure C Options to Mr Nathan McMahon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20 Approval of the Directors' Fee Sacrifice Equity Plan and the Issue of Plan Share Rights and Shares on the Exercise of Plan Share Rights under the Directors' Fee Sacrifice Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Ratification of Issue of 9,191,430 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22 Ratification of Issue of 9,191,430 Annexure E Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 13, 14, 15, 16, 17, 18, 19 and 20, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 13, 14, 15, 16, 17, 18, 19 and 20.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but you do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00am (WST) on 9 September 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033