



GALAN
LITHIUM LIMITED

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ASX ANNOUNCEMENT

31 January 2024

A\$19.5 Million Equity Raising to Fund Ongoing Development of HMW Phase 1

Highlights:

- Galan has received firm commitments to raise A\$18 million at A\$0.46 per share
- Strong support received from offshore and domestic institutional and sophisticated investors, with the Placement oversubscribed
- Galan board and management to subscribe for A\$1.5 million subject to shareholder approval
- Funds will be used for ongoing HMW Phase 1 development costs, exploration and resource work, corporate overheads and working capital

Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) is very pleased to announce that it is undertaking an equity raising of A\$19.5¹ million having secured firm commitments of A\$18.0 million to institutional, sophisticated and professional investors (**Placement**) and intends to undertake a non-underwritten Share Purchase Plan (**SPP**) offer of A\$1.5 million to existing Galan shareholders.

The equity raising enhances Galan's balance sheet by providing additional working capital and financial flexibility during Hombre Muerto West (**HMW**) Phase 1 construction and provides sufficient working capital headroom whilst Galan finalizes negotiations of alternative funding solutions including debt and prepayment facilities that will enable completion of HMW Phase 1. Proceeds from the Placement will be applied to:

- Remaining HMW phase 1 developments costs;
- Exploration and resource work; and
- Corporate overheads, working capital and transaction costs

Canaccord Genuity (Australia) Limited and Jett Capital Advisors LLC acted as Joint Lead Managers and Bookrunners to the Placement.

Galan's Managing Director, Juan Pablo (**JP**) Vargas de la Vega, commented: *"We are very pleased with the outcome of the placement considering the tougher market conditions at the moment. The strong support from both new and existing institutional investors is a clear endorsement of Galan's timely path to low cost, Phase 1 production at its 100% owned Hombre Muerto West lithium brine project in Argentina."*

1. Assumes A\$1.5 million is raised under the SPP

Placement

Under the Placement, the Company will issue 35,869,565 fully paid ordinary shares in the Company at A\$0.46 per share (**New Shares**) plus 35,869,565 quoted options (exercisable at \$0.65 with a 5 year exercise period) (**New Options**), raising a total of A\$16.5 million (before costs), to institutional, sophisticated and professional investors. Additionally, Galan director's will be subscribing for 3,260,870 New Shares plus 3,260,870 New Options on the same terms raising a total of A\$1.5 million (before costs) ("**Director Placement**") in a second tranche that will be subject to shareholder approval at a forthcoming General Meeting (**GM**).

The issue price of A\$0.46 per share, represents a 14.8% discount to the last closing price of A\$0.54 on 25 January 2024 and a 23.5% discount to the 15-day VWAP of A\$0.60 as at the same date.

The New Shares and New Options will be issued under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. The Placement is not underwritten.

Indicative Placement Timetable

Event	Date
Trading halt	Monday 29 January 2024
Trading halt lifted and announcement of completion of Placement	Wednesday 31 January 2024
Settlement of New Shares	Monday 5 February 2024
Allotment and trading of New Shares	Tuesday 6 February 2024
GM to approve Director Placement	Mid-March 2024
Settlement of New Securities issued under the Director Placement	Mid-March 2024
Allotment and trading of New Securities issued under the Director Placement	Mid-March 2024

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

Share Purchase Plan (SPP)

In addition to the Placement, the Company will offer all eligible existing Australian and New Zealand shareholders (including retail shareholders) the opportunity to apply for new GLN shares, at the same issue price and same terms and conditions as the Placement. The issue price will be \$0.46 per share and will include one listed option (exercisable at \$0.65 with a 5 year exercise period) on a one for one basis, without brokerage fees.

Galan intends to raise up to A\$1.5 million and retains discretion over the allocation of shares per investor. The SPP will allow eligible shareholders to apply for the maximum allowed of \$30,000 of new fully paid ordinary shares, per shareholder.

The SPP is not underwritten. An SPP booklet containing further terms and conditions of the SPP is expected to be provided to eligible shareholders in the next week or so.

Indicative SPP Timetable

Event	Date
Record date for eligibility to participate in SPP	4:00pm, Tuesday 30 January 2024
Despatch SPP Offer Documents and SPP offer open date	Wednesday, 7 February 2024
SPP closing date	Wednesday, 6 March 2024
Announcement of SPP results, and allotment of new shares	Thursday, 7 March 2024
Issue date of shares under SPP	Wednesday 13 March 2024
Quotation of shares issued under SPP on ASX	Wednesday, 13 March 2024

* The SPP timetable is indicative only and subject to variation. The Company reserves the right to alter the timetable at its discretion and without notice, subject to the ASX Listing Rules, the Corporations Act and other applicable law. All times reference to Perth, Australia time unless denoted otherwise.

The Galan Board has authorised this release.

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Placement Offer Restrictions

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

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About Galan

Galan Lithium Limited (ASX:GLN) is an ASX-listed lithium exploration and development business. Galan's flagship assets comprise two world-class lithium brine projects, HMW and Candelas, located on the Hombre Muerto Salar in Argentina, within South America's 'lithium triangle'. Hombre Muerto is proven to host lithium brine deposition of the highest grade and lowest impurity levels within Argentina. It is home to the established El Fenix lithium operation (Livent Corporation) and the Sal de Vida (Allkem) and Sal de Oro (POSCO) lithium projects. Galan is also exploring at Greenbushes South in Western Australia, approximately 3 km south of the Tier 1 Greenbushes Lithium Mine.

Hombre Muerto West (HMW): A ~16 km by 1-5 km region on the west coast of Hombre Muerto Salar neighbouring Livent Corp. to the east. HMW is currently comprised of twenty one mining tenements. Geophysics and drilling at HMW demonstrated significant potential of a deep basin. In May 2023 an updated Mineral Resource estimate was delivered totalling 6.6 Mt of LCE. In November 2023, a binding offtake and financing agreement (pending due diligence) for Phase 1 production was signed with Glencore plc.

Candelas: A ~15 km long by 3-5 km wide valley-filled channel which project geophysics and drilling have indicated the potential to host a substantial volume of brine and over which a maiden resource estimated 685 kt LCE (Oct 2019). Furthermore, Candelas has the potential to provide a substantial amount of processing water by treating its low-grade brines with reverse osmosis, this is to avoid using surface river water from Los Patos River.

Greenbushes South Lithium Project: Galan now owns 100% of the mining tenement package that makes up the Greenbushes South Project that covers a total area of approximately 315 km². The project is located ~250 km south of Perth in Western Australia. These mining tenements are located along the trace of the geological structure, the Donnybrook-Bridgetown Shear Zone that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes. Part of the mining tenure is only 3 km to the south of the Greenbushes mine.

Resources (May 2023)

Resource Category	Brine Vol. (Mm ³)	In situ Li (Kt)	Avg. Li (mg/l)	LCE (Kt)	Avg. K (mg/l)	In situ K (Kt)	KCl Equiv. (Kt)
Hombre Muerto West:							
Measured	1,020	890	873	4,737	7,638	7,782	14,841
Indicated	205	185	904	986	7,733	1,585	3,022
Inferred	182	161	887	859	7,644	1,391	2,653
HMW Total	1,407	1,237	880	6,582	7,653	10,758	20,516
Candelas North (*)							
Indicated	196	129	672	685	5,193	1,734	3,307
Galan's Total Resource Inventory							
Grand Total	1,603	1,366	852	7,267	7,793	12,492	23,823

Notes:

1. No cut-off grade applied to the updated Mineral Resource Estimate as minimum assays values are above expected economic concentrations (Li 620 mg/L).
2. Specific yield (SY) values used are as follows: Sand – 23.9%, Gravel – 21.7%, Breccia – 8%, Debris – 12%, Fractured rock – 6%, and Halite – 3%.
3. The conversion for LCE = Li x 5.3228, and KCl = K x 1.907.
4. There may be minor discrepancies in the above table due to rounding.
5. (*) The Candelas North Mineral Resource Statement was announced on 1 October 2019.
6. There may be minor discrepancies in the above table due to rounding.

Competent Persons Statement 1

The information contained herein that relates to exploration results and geology is based on information compiled or reviewed by Dr Luke Milan, who has consulted to the Company. Dr Milan is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Milan consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

Competent Persons Statement 2

The information contained herein that relates to the Mineral Resource estimation approach at Candelas and Hombre Muerto West was compiled by Dr Michael Cunningham. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined by the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)'. Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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

Forward-Looking Statements

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