



GALAN
LITHIUM LIMITED

ASX ANNOUNCEMENT

27 January 2021

GALAN BACKS UP COMPELLING RESULTS OF HMW PROJECT PEA WITH SUCCESSFUL \$10 MILLION PLACEMENT

- Firm Commitments from institutional and sophisticated investors received for an over-subscribed private placement of \$10 million (before costs)
- Includes substantial, continued support and participation with a \$4 million contribution by Luxembourg green energy fund, Thematica Future Mobility
- Upon issue of shares, Thematica becomes a substantial shareholder
- Funds raised will accelerate and enhance studies for the HMW Project, including well drilling, piloting and resource work, to fund the initial exploration programme for Greenbushes South and working capital

Galan Lithium Limited (**ASX:GLN**) (**Galan** or the **Company**) is very pleased to announce it has successfully received firm commitments for an over-subscribed placement for 20 million shares at an issue price of A\$0.50 per share to raise \$10 million (before costs) (**Placement**). The Placement was very well supported, especially by Thematica Future Mobility, who will become a substantial shareholder of Galan once the shares are issued.

The proceeds of the Placement, together with the Company's existing cash resources (currently \$4.6m) will be applied towards the continued enhancement of the technical and economic capabilities of the Hombre Muerto West lithium brine project, including well drilling, piloting and resource work, the initial exploration programme at the Greenbushes South lithium project and for working capital purposes. Galan will be fully funded through its planned 2021 study costs, piloting and new exploration work.

Managing Director, Juan Pablo Vargas de le Vega, said, "On the back of the compelling PEA results, to have a green fund of the calibre and standing of Thematica to lead the way on this placement is truly transitional. They have been solid supporters of Galan and will now become a substantial shareholder which means they believe in Galan, the HMW Project and the Galan team, just as much as we do."

A Thematica representative said "We see great opportunities in Galan especially in the back of the positive results from the PEA, with high grade, low impurities and a considerable resource size. The recent acquisition of Greenbushes South further strengthens the project portfolio. We look forward continuing our journey together and support Galan on its way to become a low-cost producer of lithium with a low carbon footprint."

About Thematica

Thematica Future Mobility is a Luxembourg based UCITS fund, with exposure to companies that are focused or will substantially benefit from the transition to clean and sustainable transportation and energy storage solutions. The fund invests in companies globally and across all market caps. For more information please go to www.thematicafunds.com

Under the Placement, the Company will issue 20 million shares pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1. The Placement pricing represents a 3% discount to Galan's last close (21 January 2021) of \$0.51 per share and a 5.3% premium to the 15-day VWAP of \$0.47 per share.

Barclay Wells Limited was the Lead Manager for the Placement and will be paid a 6% fee on relevant proceeds received.

The Galan Board has authorised this release.

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About Galan

Galan is an ASX listed company developing lithium brine projects within South America's Lithium Triangle on the Hombre Muerto salar in Argentina. Hombre Muerto is proven to host the highest grade and lowest impurity levels within Argentina and is home to Livent Corporation's El Fenix operation and Galaxy Resources and POSCO's Sal de Vida projects.

Galan has three projects:

Candelas: a ~15km long by 3-5km wide valley filled channel which project geophysics and drilling have indicated the potential to host a substantial volume of brine and over which a maiden resource estimated 685kt LCE (Oct 2019). Furthermore, Candelas has the potential to provide a substantial amount of processing water by treating its low-grade brines with reverse osmosis, this is without using surface river water from Los Patos River.

Hombre Muerto West (HMW): a ~14km by 1-5km region on the west coast of Hombre Muerto salar neighbouring Livent Corp to the east. HMW is currently comprised of seven concessions – Pata Pila, Rana de Sal, Deceo III, Del Condor, Pucara, Catalina and Santa Barbara. Geophysics and drilling at HMW demonstrated a significant potential of a deep basin. In March 2020, a maiden resource estimate delivered 1.1Mt of LCE for two of the largest concessions (Pata Pila and Rana de Sal). That resource now sits at 2.3Mt of LCE with exploration upside remaining for the rest of the HMW concessions not included in the current indicated resource.

Greenbushes South Lithium Project: Galan has an Exploration Licence application (E70/4629) covering a total area of approximately 43 km². It is approximately 15kms to the south of the Greenbushes mine. In January 2021, Galan entered into a sale and joint venture with Lithium Australia NL in a JV for an 80% for the Greenbushes South Lithium project ('the Project'), which is located 200 km south of Perth, the capital of Western Australia. With an area of 353 km², the Project was originally acquired by Lithium Australia NL due to its proximity to the Greenbushes Lithium Mine ('Greenbushes'), given that the Project covers the southern strike projection of the geological structure that hosts Greenbushes. The project area commences only about 3km south of the current Greenbushes open pit mining operations.

