



GALAN
LITHIUM LIMITED

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ASX ANNOUNCEMENT

13 August 2021

Galan Completes A\$50 million Institutional Placement to Accelerate Development of its Strategic Lithium Projects

Highlights:

- Galan has received firm commitments to raise A\$50.0 million through a two-tranche institutional placement priced at A\$1.15 per share
- Placement funds will be used to accelerate Galan's existing Hombre Muerto West, Candelas and Greenbushes South Projects
- Tranche One of the placement will raise A\$29.8 million and was well supported by high-quality domestic and offshore institutions
- Tranche Two of the placement, which is subject to Galan shareholder approval, will raise A\$20.2 million and was subscribed for by two institutional investors with a track record of successful investment in the natural resources sector

Upon settlement of both tranches of the placement, Galan will have a cash balance of approximately A\$65.1 million (before costs)

Galan Lithium Limited (ASX: GLN) (**Galan or the Company**) is pleased to announce that it has received firm commitments to raise A\$50.0 million through a two-tranche placement to institutional, sophisticated and professional investors (**Placement**).

The Placement provides the Company with significant flexibility with respect to its ongoing capital expenditure requirements at Hombre Muerto West (**HMW**), Candelas and Greenbushes South. In particular, proceeds from the Placement will be applied to accelerate:

- Drilling activities at HMW to establish well fields for production and convert existing Resources to Reserves;
- Drilling activities at Candelas to convert existing Resources to Reserves;
- Ongoing exploration activities at Galan's projects at HMW, Candelas and Greenbushes South;
- Completion of feasibility studies at HWM and Candelas; and
- General working capital

Canaccord Genuity (Australia) Limited acted as Lead Manager and Bookrunner to the Placement.

Galan's Managing Director, Juan Pablo (JP) Vargas de la Vega, commented:

"We are delighted to announce the completion of the Placement which has enabled us to introduce a number of high quality institutions to Galan's register. This represents a significant milestone in the history of the Company and the recognition from these leading investors provides significant external validation for Galan's extensive portfolio of strategic lithium projects."

"I would like to thank all new and existing shareholders for their ongoing support and look forward to accelerating the development of Galan's projects at a particularly exciting time for the industry"

Havelock Mining Investments Ltd (**Havelock**) remains a supportive and substantial shareholder of Galan. Havelock extends its congratulations on a successful capital raising.

Tranche One Placement

Under Tranche One of the Placement, the Company will issue approximately 25.9 million new fully paid ordinary shares in the Company at A\$1.15 per share (**New Shares**), raising a total of A\$29.8 million before costs, to institutional, sophisticated and professional investors (**Tranche One Placement**).

The issue price of A\$1.15 per share, represents a:

- 10.2% discount to the last closing price of A\$1.28 on 11 August 2021;
- 8.4% discount to the 5 day VWAP of A\$1.255;
- 3.5% discount to the 10 day VWAP of A\$1.192; and
- 1.0% discount to the 15 day VWAP of A\$1.162

The New Shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1 for 24,326,574 shares and ASX Listing Rule 7.1A for 1,546,020 shares. The New Shares under the Tranche One Placement are expected to be issued on Friday, 20 August 2021.

Tranche Two Placement

As a result of significant demand received in the Placement, Galan is also seeking to issue a further 17.6 million new fully paid ordinary shares in a second tranche, also at a price of A\$1.15 per share, to raise a further A\$20.2 million (**Tranche Two Placement**). Completion of the Tranche Two Placement is subject to Galan Shareholder approval, to be sought at an Extraordinary General Meeting in late September 2021.

In particular, Galan notes the strong support from two institutional investors with a track record of successful investment in the natural resources sector, who will be allocated shares in the second tranche of the Placement.

Indicative Timetable

Event	Date
Announcement of Placement	Friday, 6 August 2021
Settlement of Tranche 1 Placement Shares	Thursday, 19 August 2021
Expected date of ASX Quotation of Tranche 1 Placement Shares	Friday, 20 August 2021
Shareholder Meeting to Approve Tranche 2 Placement Shares	Late September 2021
Settlement and ASX Quotation of Tranche 2 Placement Shares	Late September 2021

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

The Galan Board has authorised this release.

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About Galan

Galan is an ASX listed company exploring for lithium brines 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 for an 80% interest in the Greenbushes South Lithium 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 about 3km south of the current Greenbushes open pit mining operations.

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