



11 October 2024

Dear Shareholder

Notice of Annual General Meeting

The Annual General Meeting of shareholders of Galan Lithium Limited (**Galan or the Company**) is scheduled to be held at Hall Chadwick, 283 Rokeby Road, Subiaco WA 6008 on Friday 15 November 2024 at 10.30am (WST) (**Meeting**).

In accordance with the *Corporations Amendment (Meetings & Documents) Act 2022* (Cth), the Company will not dispatch physical copies of the Notice of Annual General Meeting (**Notice**). Instead a copy of the Notice is available to be viewed and/or downloaded on the ASX market announcements platform at <https://www.asx.com.au/markets/trade-our-cash-market/announcements.gln> or on the Company's website at <https://galanlithium.com.au/announcements>.

The Company strongly encourages Shareholders to lodge a directed proxy form (copy attached) prior to the Meeting. Your proxy voting instructions must be received by 10.30am (WST) on 13 November 2024, being not less than 48 hours before the commencement of the Meeting. Any proxies received after that time will not be valid for the Meeting.

Any relevant questions can also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the meeting, by preparing answers in advance to any Shareholder questions. However, votes and questions may also be submitted during the Meeting. In compliance with section 10 of Guidance Note 35, all resolutions presented at the Meeting will be decided by a poll.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the important Meeting documents.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at www.automicgroup.com.au and Register as a member with your unique shareholder identification number and postcode (or country for overseas residents), which you can find on your enclosed personalised proxy form.

If you are unable to access any of the important Meeting documents online please contact Automic on 1300 288 664 or +61 2 9698 5414 (or via email meetings@automicgroup.com.au) or the Company Secretary, Mike Robbins, on +61 8 9214 2150 (or via email mrobbins@galanlithium.com.au).

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

For and on behalf of the Galan Board

Yours faithfully
Mike Robbins
Company Secretary

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GALAN LITHIUM LIMITED

ACN 149 349 646

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.30am (WST)
DATE: 15 November 2024
PLACE: Hall Chadwick
283 Rokeby Rd
SUBIACO WA 6008

This Notice of Annual General Meeting and Explanatory Statement 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 Annual General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9214 2150.

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CONTENTS PAGE

Notice of Annual General Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	10
Glossary	29
Proxy Form	

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders convened by this Notice of Meeting will be held at 10.30am (WST) on Friday 15 November 2024 at:

Hall Chadwick
283 Rokeby Rd
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

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

IMPORTANT INFORMATION FOR SHAREHOLDERS

In accordance with the *Corporations Amendment (Meetings & Documents) Act 2022* (Cth), the Company will not dispatch physical copies of the Notice of General Meeting (**Notice**). Instead a copy of the Notice is available to be viewed and/or downloaded on the ASX market announcements platform at <https://www.asx.com.au/markets/trade-our-cash-market/announcements.gln> or on the Company's website at <https://galanlithium.com.au/announcements/>

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 13 November 2024 will be taken, for the purposes of this Annual 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 Annual 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 10.30am (WST) on 13 November 2024, being not later than 48 hours before the commencement of the Meeting. All enquiries should be directed to the Company's share registry, Automic on 1300 288 664 (within Australia) or +61 2 96985414 (outside of Australia). Proxy Forms received after that time will not be valid for the scheduled Meeting.

Online at	https://investor.automic.com.au/#/loginsah
By mobile	follow the instructions outlined on your proxy form attached
By fax	+61 2 8583 3040
By email	meetings@automicgroup.com.au
By mail	Automic GPO Box 5193 Sydney NSW 2001

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Galan Lithium Limited will be held at **Hall Chadwick, 283 Rokeby Road, Subiaco, Western Australia at 10.30am (WST) on Friday 15 November 2024.**

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

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

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the 2024 Annual Report together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, under and for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report.”

Note: the vote on this Resolution is advisory only and does not bind the Board or the Company.

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 described above (the “voter”) 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 appointed by writing that specifies the way the proxy is to vote on the Resolution; and
- (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 though this 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 2 – RE-ELECTION OF DIRECTOR – MR TERRY GARDINER

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

“That Mr Terry Gardiner, a Non-Executive Director, who retires by rotation in accordance with the Constitution, and being willing and eligible for re-election, is re-elected as a Director.”

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR DANIEL JIMENEZ

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

“That Mr Daniel Jimenez, a Non-Executive Director, who retires by rotation in accordance with the Constitution, and being willing and eligible for re-election, is re-elected as a Director.”

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, under and for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution, if at the time the approval is sought the Company is proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A.2, by any person who is expected to participate in, or who may obtain a material benefit as result of, the proposed issue of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in Galan) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF A TOTAL OF 20,800,000 SHARES, TO ACUITY CAPITAL – LISTING RULE 7.1A

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 and approve the prior issue of a total of 20,800,000 Shares, to Acuity Capital, on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion Statement

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Acuity Capital, or any of its associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – APPROVAL OF THE ISSUE OF 4,800,000 SHARES, AS SET-OFF 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 7.1 and for all other purposes, Shareholders approve the issue of a total of 4,800,000 Shares, as set-off shares, to Acuity Capital, on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion Statement

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Acuity Capital, or any associate of Acuity Capital, who will obtain a material benefit, except a benefit solely in the capacity of a holder of Shares.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7 – RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF 27,700,648 PLACEMENT SHARES – LISTING RULE 7.1A

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 and approve the prior issue of 27,700,648 Placement Shares, on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion Statement

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 8 – RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF 41,832,692 PLACEMENT SHARES – LISTING RULE 7.1

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 and approve the prior issue of 41,832,692 Placement Shares, on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion Statement

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 9 – APPROVAL OF THE ISSUE OF 42,835,724 PLACEMENT SHARES TO CHEMPHYS

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 42,835,724 Placement Shares to Chemphys, or their designated affiliate, on the terms and conditions and in the manner set out in the Explanatory Statement."

Voting Exclusion Statement

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Chemphys, or any associate of Chemphys, who will obtain a material benefit, except a benefit solely in the capacity of a holder of Shares.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 10 – RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF 11,918,262 SHARES TO A SERVICE PROVIDER – LISTING RULE 7.1

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 and approve the prior issue of 11,918,262 Shares to Compañía Constructora y Servicios Excon S.A., a service provider, on the terms and conditions and in the manner set out in the Explanatory Statement."

Voting Exclusion Statement

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Compañía Constructora y Servicios Excon S.A., or any of its associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 11 – RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF 7,945,508 SHARES TO A SERVICE PROVIDER – LISTING RULE 7.1

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 and approve the prior issue of 7,945,508 Shares to Huasi Construcciones SRL, a service provider, on the terms and conditions and in the manner set out in the Explanatory Statement."

Voting Exclusion Statement

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Huasi Construcciones SRL, or any of its associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 12 – APPROVAL OF ISSUE OF 5,000,000 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, Section 200B and 200E of the Corporations Act and for all other purposes, Shareholders approved the issue of up to 5,000,000 Options to Mr Juan Pablo Vargas de la Vega, who is 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 this Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company; or
- (b) an associate of that person or those persons described in (a).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction give to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 12 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed in writing, that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 12 Excluded Party. 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 the proxy is either:

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

Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:

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

OTHER BUSINESS

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

QUESTIONS AT THE MEETING

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at mrobbins@galanilithium.com.au by 10.30am (WST) by 8 November 2024 and relate to the business of the Meeting only. Shareholders will also have the opportunity to submit questions during the Meeting in respect of the formal items of business.

PROXIES

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- 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 the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxy Forms must be received at an address given below by 10.30am (WST) on 13 November 2024, being not later than 48 hours before the commencement of the Meeting. All enquiries to the Company's share registry, Automic Pty Ltd (**Automic**) 1300 288 664 or +61 2 9698 5414. Proxy Forms received after that time will not be valid for the scheduled Meeting.

Online at	https://investor.automic.com.au/#/loginsah
By mobile	follow the instructions outlined on your proxy form attached
By fax	+61 2 8583 3040
By email	meetings@automicgroup.com.au
By mail	Automic, GPO Box 5193, Sydney NSW 2001

Voting in person

To vote in person, Shareholders are able to attend the Meeting at the time, date and place set out above.

Corporations

If a representative of a nominated corporation is to appointed (in accordance with section 250D of the Corporations Act) to attend the Meeting the appropriate and original "Certificate of Appointment of Corporate Representative" must be lodged with the Company prior to the commencement of the Meeting. A Certificate of Appointment of Corporate Representative form may be obtained from Advanced.

Undirected and Directed Proxies

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 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 1 and 12 by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 and 12. 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 even though Resolutions 1 and 12 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

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

It is the Chair's intention to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change their voting intention on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

DATED: 11 OCTOBER 2024

BY ORDER OF THE BOARD

MIKE ROBBINS

COMPANY SECRETARY

For personal use only

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders of Galan Lithium Limited in connection with the business specified to be conducted at the forthcoming Annual General Meeting of Shareholders to be held at **Hall Chadwick, 283 Rokeby Road, Subiaco, Western Australia at 10.30am (WST) on Friday 15 November 2024.**

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the 2024 Annual Report together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

The Company will not provide a hard copy of the 2024 Annual Report to Shareholders unless specifically requested to do so. The 2024 Annual Report is available on its website at www.galanlithium.com.au.

2. ADOPTION OF REMUNERATION REPORT (RESOLUTION 1)

2.1 Background

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Board or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report at the two consecutive annual general meetings, the company will be required to put to shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the company's annual general meeting where the second consecutive strike is received. All of the directors, other than the Managing Director, who were in office when the Board approved the last Directors' Report, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the company.

The Audited Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Audited Remuneration Report is part of the Directors' Report contained in the 2024 Annual Report.

At the Company's previous annual general meeting, held on 16 November 2023, less than 25% of votes were cast against the remuneration report at that meeting. Accordingly the Spill Resolution is not relevant for this Annual General Meeting.

3. RE-ELECTION OF DIRECTOR – MR TERRY GARDINER (RESOLUTION 2)

Clause 14.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three (3), then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three (3) years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election and an election of Directors shall take place each year.

The Company currently has five (5) Directors and accordingly at least two (2) must retire by rotation.

Mr Terry Gardiner, a Non-Executive Director of the Company, retires by rotation in accordance with the Constitution and, being willing and eligible for re-election, seeks re-election. A summary profile of Mr Gardiner is set out in the 2024 Annual Report.

If Resolution 2 is passed, Mr Gardiner will be re-elected as a Director. If Resolution 2 is not passed, Mr Gardiner will cease to act as a Director.

Directors' Recommendation

The Directors (other than Mr Gardiner) recommend that Shareholders vote in favour of Resolution 2.

4. RE-ELECTION OF DIRECTOR – MR DANIEL JIMENEZ (RESOLUTION 3)

Clause 14.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three (3), then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three (3) years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election and an election of Directors shall take place each year.

The Company currently has five (5) Directors and accordingly at least two (2) must retire by rotation.

Mr Daniel Jimenez, a Non-Executive Director of the Company, retires by rotation in accordance with the Constitution and, being willing and eligible for re-election, seeks re-election. A summary profile of Mr Jimenez is set out in the 2024 Annual Report.

If Resolution 3 is passed, Mr Jimenez will be re-elected as a Director. If Resolution 3 is not passed, Mr Jimenez will cease to act as a Director.

Directors' Recommendation

The Directors (other than Mr Jimenez) recommend that Shareholders vote in favour of Resolution 3.

5. APPROVAL OF 10% PLACEMENT CAPACITY (RESOLUTION 4)

5.1 Purpose of resolution

Listing Rule 7.1A came into effect on 1 August 2012 and enables "eligible entities" to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting if the Equity Securities are in an existing quoted class of the Company's securities ("**10% Placement Facility**").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approvals of its Shareholders over any 12-month period, to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes (current market capitalisation of approximately \$86 million based on the number of Shares on issue and the closing price of Shares on the ASX on 8 October 2024).

Resolution 4 seeks Shareholder approval by way of a Special Resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval. As Resolution 4 is a special resolution 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

If Shareholders approve Resolution 4 the exact number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Shareholders do not approve Resolution 4, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issued equity securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Required Information

(a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has Shares (GLN) and Listed Options (GLNOB) that are quoted on the ASX.

(b) Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the below information is provided in relation to the approval of the 10% Placement Facility:

Minimum Price

The minimum price at which Equity Securities may be issued under the 10% Placement Facility is 75% of the VWAP of securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if they are not issued within 10 Trading Days of the date above, the Trading Day on which the Equity Securities are issued.

Date of Issue

If Shareholder approval of Resolution 4 is obtained, Shares may be issued under the 10% Placement Capacity during the period commencing on the date of the Annual General Meeting and ending on the first to occur of the following:

- i) 12 months after the date of the Annual General Meeting;
- ii) the time and date of the Company's next annual general meeting; and
- iii) the date of Shareholder approval for any transaction under Listing Rules 11.1.2 (significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

Purpose of Issue Under 10% Placement Capacity

The Company may seek to issue the Equity Securities for cash consideration, in which case the Company intends to use the funds raised towards continued exploration and development of the Company's existing projects, the evaluation and acquisition of new opportunities and for general working capital purposes.

Risk of economic and voting dilution

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below.

Shareholders should note that there is a risk that:

- the market price for the Equity Securities to be issued may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.
 - a) Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.
 - b) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice, assuming the full 10% dilution.
 - c) The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.073 50% decrease in Issue Price	\$0.145 Issue Price	\$0.218 50% increase in Issue Price
Current Variable A 596,064,367 Shares	Shares issued	59,606,437 Shares	59,606,437 Shares	59,606,437 Shares
	Funds raised	\$4,321,467	\$8,642,933	\$12,964,400
50% increase* in current 894,096,551 Shares	Shares issued	89,409,655 Shares	89,409,655 Shares	89,409,655 Shares
	Funds raised	\$6,482,200	\$12,964,400	\$19,446,600
100% increase* in current Variable A 1,192,128,734 Shares	Shares issued	119,212,873 Shares	119,212,873 Shares	119,212,873 Shares
	Funds raised	\$8,642,933	\$17,285,867	\$25,928,800

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- The current Shares on issue are the Shares on issue on 8 October 2024.
- The issue price set out above is the closing price of the Shares on the ASX on 8 October 2024.
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility hence the voting dilution is shown in each example as 10%.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances, and if necessary seek advice from their professional advisers.
- No unquoted Options or Performance Rights are exercised or converted into Shares before the date of issue of the Equity Securities.
- The table only shows the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and not dilution under the 15% placement capacity under ASX Listing Rule 7.1, under ASX Listing Rule 7.2, or Shareholder approvals under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

Allocation under the 10% Placement Facility

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the alternative methods of raising funds that are available to the Company, including but not limited to, an entitlement issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including but not limited to the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders, who are not related parties of the Company or their associates.

Previous Approval under ASX Listing Rule 7.1A

The Company last obtained Shareholder approval under Listing Rule 7.1A at its AGM held on 16 November 2023.

Other

The Company will comply with all its disclosure obligations under the Listing Rules in relation to any issue of Equity Securities under the 10% Placement Capacity, in particular:

- a list of the recipients of the Equity Securities and the number of Equity Securities issued to each in accordance with Listing Rule 7.1A.4 (not for release to the market); and
- the information required by Listing Rule 3.10.5A for release to the market.

Voting Exclusion

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not invited any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

5.3 Listing Rule 7.3A.6

As required under ASX Listing Rule 7.3A.6(a), the following table reflects all Equity Issues made pursuant to Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting:

Class/Type	On issue at 21 November 2023	Number issued under LR 7.1A.2 since 21 November 2023	% issued under LR 7.1A.2 since 21 November 2023
Ordinary Shares	353,222,280	123,480,120	35%

As per Listing Rule 7.3A.6(b), the table below details all Equity Issues made pursuant to Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting:

Date of Issue	6 Feb 2024	24 May 2024	15 Jul 2024	2 Aug 2024	15 Aug 2024	17 Sep 2024
Number issued	35,261,150	39,718,322	7,050,000	4,750,000	9,000,000	27,700,648
Class/Type	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares
Summary of Terms	Placement announced 31 Jan 2024	Placement announced 20 May 2024	At-The-Market Deed	At-The-Market Deed	At-The-Market Deed	Placement announced 10 Sep 2024
Name of Persons Issued Securities	Sophisticated investors	Sophisticated investors	Acuity Capital	Acuity Capital	Acuity Capital	Sophisticated investors
Deemed/Issue Price	\$0.46	\$0.23	\$0.156	\$0.137	\$0.122	\$0.105
Discount to market	14.8%	20.7%	20.0%	NA	12.9%	8.7%
CASH ISSUES						
Cash Received	\$16.22m	\$9.135m	\$1.1m	\$650,000	\$1.1m	\$2.9m
Cash Spent	\$16.22m	\$9.135m	\$1.1m	\$650,000	\$1.1m	Nil
Use of Cash	Exploration, development and working capital	Exploration, development and working capital	Exploration, development and working capital	Exploration, development and working capital	Exploration, development and working capital	Exploration, development and working capital
Cash Unspent	Nil	Nil	Nil	Nil	Nil	\$2.9m
NON-CASH ISSUES						
Non-cash consideration	NA	NA	NA	NA	NA	NA
Current value of non-cash consideration	NA	NA	NA	NA	NA	NA

Directors' Recommendation

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required and which will be in addition to, and without using, the Company's 15% annual placement capacity. At the date of the Notice, the Company has no plans to use the 10% Placement Facility should it be approved. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 4.

6. BACKGROUND TO ACUITY CAPITAL AT THE MARKET (ATM) SUBSCRIPTION DEED

On 12 April 2024, the Company announced that it had entered into an At-the-Market Subscription Deed (**ATM**) with Acuity Capital Investment Management Pty Ltd (**Acuity Capital**). The ATM provides Galan with up to \$15,000,000 of standby equity capital until 31 January 2029.

Importantly, Galan has full discretion as to whether or not to utilise the ATM, the maximum number of Shares to be issued, the minimum issue price of Shares and the timing of each subscription (if any) under the ATM. There are no requirements on Galan to utilise the ATM and Galan may terminate the ATM at any time, without cost or penalty. Acuity Capital and the ATM do not place any restrictions at any time on Galan raising capital through other methods.

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Upon utilising the ATM, Galan is able to set an issue price floor at its sole discretion, with the final issue price being calculated as the greater of the nominated floor price and up to a 10% discount to a Volume Weighted Average Price (VWAP) over a period of Galan's choosing (again at its sole discretion).

As security for the ATM, on 12 April 2024, Galan initially issued 15 million Shares, as collateral shares, from its capacity under ASX Listing Rule 7.1, at nil cash consideration to Acuity Capital. Upon early termination or maturity of the ATM, the Company may buy back (and cancel) the Shares placed as security for no cash consideration (subject to Shareholder approval).

On 15 July 2024, the Company announced that it had utilised the ATM through the issue of 7,050,000 Shares to raise \$1,100,000. The Shares were issued out of the Company's Listing Rule 7.1A capacity. The issue price of \$0.156 represented a discount of 8.8% to the 15-day VWAP of \$0.171 to Friday 12 July 2024 (inclusive). The issue of the 7,050,000 Shares to Acuity replenished the 15 million collateral shares required as security under the terms and conditions of the ATM.

On 2 August 2024, the Company announced that it had utilised the ATM through the issue of 4,750,000 Shares to raise \$650,000. The Shares were issued out of the Company's Listing Rule 7.1A capacity. The issue price of \$0.137 represented a discount of 11.5% to the 15-day VWAP of \$0.155 to Friday 2 August 2024 (inclusive). The issue of the 4,750,000 Shares to Acuity replenished the 15 million collateral shares required as security under the terms and conditions of the ATM.

On 15 August 2024, the Company announced that it had utilised the ATM through the issue of 9,000,000 Shares to raise \$1,100,000. The Shares were issued out of the Company's Listing Rule 7.1A capacity. The issue price of \$0.1222 represented a discount of 9.3% to the 15-day VWAP of \$0.1348 to Thursday 15 August 2024 (inclusive). The issue of the 9,000,000 Shares to Acuity replenished the 15 million collateral shares required as security under the terms and conditions of the ATM.

Resolution 5 seeks Shareholder ratification and approval for the issue of a total of 20,800,000 Shares, that were issued as placement shares to Acuity Capital, under the ATM.

On 30 August 2024, the Company announced that it had utilised the ATM through the set-off of 4,800,000 Shares to raise \$600,000. The shares were issued out of the Company's collateral shares held as security by Acuity under the ATM. The issue price of \$0.125 represented a discount of 7.1% to the 15-day VWAP of \$0.1346 to Friday 30 August 2024 (inclusive).

Resolution 6 seeks Shareholder approval for the issue of 4,800,000 Shares, as set-off shares, to be issued to Acuity Capital under the ATM. The issue of 4,800,000 Shares, as set-off shares, will replenish the 15 million collateral shares required as security under the terms and conditions of the ATM and will be issued for nil consideration.

7. RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF A TOTAL OF 20,800,000 SHARES, TO ACUITY CAPITAL – LISTING RULE 7.1A (RESOLUTION 5)

7.1 General

As noted in Section 6, Resolution 5 seeks Shareholder ratification and approval for the prior issue of a total of 20,800,000 Shares, under the Company's Listing Rule 7.1A capacity, pursuant to Listing Rule 7.4 and on the terms set out below.

The issue of 20,800,000 Shares did not breach Listing Rule 7.1A at the time of their issue (15 July 2024 – 7,050,000 Shares, 2 August 2024 – 4,750,000 Shares and 15 August 2024 – 9,000,000 Shares).

7.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its annual general meeting 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 annual general meeting ("10% placement capacity"). The Company is an eligible company and sought and received Shareholder approval to the 10% placement capacity at its AGM held on 16 November 2023. The Shareholder approval is valid for 12 months from the date of the last annual general meeting.

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.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A.

Accordingly, Resolution 5 seeks Shareholder ratification and approval for the prior issue of a total of 20,800,000 Shares issued pursuant to Listing Rule 7.1A, under and for the purpose of Listing Rule 7.4.

If Resolution 5 is passed, the issue of a total of 20,800,000 Shares will be excluded in calculating the Company's 10% limit under Listing Rule 7.1A effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the relevant placement Shares issue date.

If Resolution 5 is not passed, the issue of a total of 20,800,000 Shares will be included in calculating the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the relevant placement Shares issue date.

7.3 Listing Rule Disclosure Requirements

The following information is provided, in relation to Resolution 5, for the purpose of ASX Listing Rule 7.5:

- (a) *The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*
Acuity Capital Investment Management Pty Ltd.
- (b) *The number and class of securities to be issued*
A total of 20,800,000 Shares were issued under the Company's Listing Rule 7.1A placement capacity. The 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.
- (c) *The price or other consideration the entity has received or will receive for the issue*
- 7,050,000 Shares were issued at a price of \$0.156 per Share (all funds received);
 - 4,750,000 Shares were issued at a price of \$0.137 per Share (all funds received); and
 - 9,000,000 Shares were issued at a price of \$0.122 per Share (all funds received).
- (d) *The date or dates on which the securities were issued*
- 7,050,000 Shares were issued on 15 July 2024;
 - 4,750,000 Shares were issued on 2 August 2024; and
 - 9,000,000 Shares were issued on 15 August 2024.
- (e) *The purpose of the issue, including the use (or intended use) of funds raised*
The funds received by the Company will be used for exploration, development and for working capital purposes.
- (f) *Other material terms and conditions*
The Shares were issued under the terms of an agreement as summarised in Section 6.
- (g) *A voting exclusion statement*
A voting exclusion statement is included in the Notice.

7.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 5 as it allows the Company greater flexibility to issue further securities as the prior issue of a total of 20,800,000 Shares to Acuity Capital, will be excluded from the calculations of the Company's 10% limit under Listing Rule 7.1A.

8. APPROVAL OF THE ISSUE OF 4,800,000 SHARES, AS SET-OFF SHARES, TO ACUITY CAPITAL (RESOLUTION 6)

8.1 General

As noted in Section 6, Resolution 6 seeks Shareholder approval for the issue of 4,800,000 Shares, as set-off shares, to Acuity Capital, under the Company's Listing Rule 7.1 capacity, pursuant to Listing Rule 7.4 and on the terms set out below.

The issue of 4,800,000 Shares, as set-off shares, will replenish the 15 million collateral shares required as security under the terms and conditions of the ATM.

8.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the 4,800,000 Shares, as set-off shares, does not fit within any exceptions set out in Listing Rule 7.2. The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, Resolution 6 seeks Shareholder approval for the issue of 4,800,000 Shares, as set-off shares, pursuant to Listing Rule 7.1.

If Resolution 6 is passed, the issue of 4,800,000 Shares, as set-off shares, will be excluded in calculating the Company's 15% limit under Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the relevant Shares issue date.

If Resolution 6 is not passed, the issue of 4,800,000 Shares, as set-off shares, will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the relevant Shares issue date.

8.3 Listing Rule Disclosure Requirements

The following information is provided, in relation to Resolution 6, for the purpose of ASX Listing Rule 7.3:

- (a) *The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*
Acuity Capital Investment Management Pty Ltd which is not a related party of the Company.
- (b) *The maximum number and class of securities to be issued*
4,800,000 Shares, as set-off shares, will be issued. The Shares will be 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.
- (c) *The price or other consideration the entity has received or will receive for the issue*
The original issue price of the set-off shares was \$0.125 per Share (all funds were received).
- (d) *The date or dates by which the entity will issue the securities, which must not be more than 3 months after the date of the meeting*
The Shares are intended to be issued as soon as is practicable after the date of the Meeting and in any event, will be issued within three months after the date of the Meeting (or such later date as may be permitted by any ASX waiver or modification of the Listing Rules).
- (e) *The purpose of the issue, including the use (or intended use) of funds raised*
The funds received by the Company, for the set-off shares, were used for exploration, development and for working capital purposes.
- (f) *Other material terms and conditions*
The Shares, as set-off shares, are to be issued under the terms of an agreement as summarised in Section 6.
- (g) *A voting exclusion statement*
A voting exclusion statement is included in the Notice.

8.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 6 as it allows the Company greater flexibility to issue further securities as the issue of 4,800,000 Shares, as set-off shares, will be excluded from the calculations of the Company's 15% limit under Listing Rule 7.1.

9. BACKGROUND TO PLACEMENT

On 10 September 2024, in the ASX announcement entitled "Up to A25m Capital Raise to Support Full Funding of HMW Phase 1", Galan announced a \$25 million equity raising comprising a placement and an entitlement offer to shareholders.

The Company received firm commitments for a placement of approximately A\$12 million (before costs) to institutional, sophisticated, professional investors and Chemphys at A\$0.105 per Share (**Placement**).

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

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

Under the Placement, excluding Chemphys participation, the Company issued 69,533,340 Shares at A\$0.105 per Share (41,832,692 being issued under the Company's ASX Listing Rule 7.1 capacity and 27,700,648 under its ASX Listing Rule 7.1A capacity) on 17 September 2024.

Chemphys' Placement participation is expected to settle within 10 business days after Shareholder approval, as applicable, and completion of definitive offtake agreements. The Chemphys investment is subject to a sunset date of 31 December 2024, unless otherwise mutually agreed.

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

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

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

Offer funds will be used for the further development of the HMW project, corporate overheads, working capital and transaction costs.

Proceeds of the Offer, together with the planned Chemphys Offtake Prepayment (refer ASX announcement dated 27 August 2024 entitled "Offtake Prepayment MOU"), are expected to fund Galan into production in H2 2025.

The Offer was not underwritten.

Shareholder ratification and approval for the issue of a total of 69,533,340 Placement Shares is sought pursuant to Resolution 7 (27,700,648 Shares issued under Listing Rule 7.1A capacity) and Resolution 8 (41,832,692 Shares issued under Listing Rule 7.1 capacity).

Shareholder approval for the issue of 42,835,724 Placement Shares to Chemphys, or their designated affiliate, is being sought pursuant to Resolution 9.

10. RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF 27,700,648 PLACEMENT SHARES – LISTING RULE 7.1A (RESOLUTION 7)

10.1 General

As noted in Section 9, Resolution 7 seeks Shareholder ratification and approval for the prior issue of 27,700,648 Placement Shares issued under the Company's Listing Rule 7.1A capacity, pursuant to Listing Rule 7.4 and on the terms set out below.

The issue of the 27,700,648 Placement Shares did not breach Listing Rule 7.1A at the time of their issue (17 September 2024).

10.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

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% placement capacity"). The Company is an eligible company and sought and received Shareholder approval to the 10% placement capacity at its Annual General Meeting (**AGM**) on 16 November 2023. 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.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A.

Accordingly, Resolution 7 seeks Shareholder ratification and approval for the prior issue of 27,700,648 Placement Shares issued pursuant to Listing Rule 7.1A, under and for the purpose of Listing Rule 7.4.

If Resolution 7 is passed, the issue of 27,700,648 Placement Shares will be excluded in calculating the Company's 10% limit under Listing Rule 7.1A effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the relevant Placement Shares issue date.

If Resolution 7 is not passed, the issue of 27,700,648 Placement Shares will be included in calculating the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the relevant Placement Shares issue date.

10.3 Listing Rule Disclosure Requirements

The following information is provided, in relation to Resolution 7, for the purpose of ASX Listing Rule 7.5:

- (a) *The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*
The 27,700,648 Placement Shares were issued to sophisticated and professional investors who were not related parties of the Company or their associates. The investors were identified by Petra Capital Pty Limited and Barclay Wells Ltd, who acted as Joint Lead Managers to the Placement.
- (b) *Number and class of securities issued*
A total of 27,700,648 Placement Shares were issued under the Company's Listing Rule 7.1A placement capacity. 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.
- (c) *The price or other consideration the entity has received or will receive for the issue*
The Placement Shares were issued at a price of \$0.105 per Share.
- (d) *The date or dates on which the securities were issued*
A total of 27,700,648 Placement Shares were issued on 17 September 2024.

- (e) *The purpose of the issue, including the use (or intended use) of funds raised*
Funds will be used for the further development of the HMW project, corporate overheads, working capital and transaction costs.
- (f) *Other material terms and conditions*
The Placement Shares were not issued under an agreement
- (g) *A voting exclusion statement*
A voting exclusion statement is included in the Notice.

10.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 7 as it allows the Company greater flexibility to issue further securities as the issue of 27,700,648 Placement Shares will be excluded from the calculations of the Company's 10% limit under Listing Rule 7.1A.

11. RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF 41,832,692 PLACEMENT SHARES – LISTING RULE 7.1 (RESOLUTION 8)

11.1 General

As noted in Section 9, Resolution 8 seeks Shareholder ratification and approval for the prior issue of 41,832,692 Placement Shares issued under the Company's Listing Rule 7.1 capacity, pursuant to Listing Rule 7.4 and on the terms set out below.

The issue of the 41,832,692 Placement Shares did not breach Listing Rule 7.1 at the time of their issue (17 September 2024).

11.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 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 Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolution 8 seeks Shareholder ratification and approval for the prior issue of 41,832,692 Placement Shares issued pursuant to Listing Rule 7.1, under and for the purpose of Listing Rule 7.4.

If Resolution 8 is passed, the issue of 41,832,692 Placement Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the relevant Placement Shares issue date.

If Resolution 8 is not passed, the issue of 41,832,692 Placement Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the relevant Placement Shares issue date.

11.3 Listing Rule Disclosure Requirements

The following information is provided, in relation to Resolution 8, for the purpose of ASX Listing Rule 7.5:

- (a) *The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*
The 41,832,692 Placement Shares were issued to sophisticated and professional investors who were not related parties of the Company or their associates. The investors were identified by Petra Capital Pty Ltd and Barclay Wells Ltd, who acted as Joint Lead Managers to the Placement.

- (b) *Number and class of securities issued*
A total of 41,832,692 Placement Shares were issued under the Company's Listing Rule 7.1 placement capacity. 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.
- (c) *The price or other consideration the entity has received or will receive for the issue*
The Placement Shares were issued at a price of \$0.105 per Share.
- (d) *The date or dates on which the securities were issued*
A total of 41,832,692 Placement Shares were issued on 17 September 2024.
- (e) *The purpose of the issue, including the use (or intended use) of funds raised*
Funds will be used for the further development of the HMW project, corporate overheads, working capital and transaction costs.
- (f) *Other material terms and conditions*
The Placement Shares were not issued under an agreement.
- (g) *A voting exclusion statement*
A voting exclusion statement is included in the Notice.

11.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 8 as it allows the Company greater flexibility to issue further securities as the issue of 41,832,692 Placement Shares will be excluded from the calculations of the Company's 15% limit under Listing Rule 7.1.

12. APPROVAL OF THE ISSUE OF 42,835,724 PLACEMENT SHARES TO CHEMPHYSYS (RESOLUTION 9)

12.1 General

On 27 August 2024, Galan announced that it had entered into an offtake prepayment memorandum of understanding with Chemphys in relation to the Company's HMW project in Argentina.

Upon execution of definitive agreements, Galan will supply and Chemphys will purchase a total of 23,000 tonnes LCE, as a lithium chloride product, over the first five years of Phase 1 production from the HMW project. Chemphys will also provide Galan with a US\$40 million offtake prepayment facility to facilitate the continued development of Phase 1 of the HMW project.

As noted in Section 9, Chemphys or their designated affiliate, agreed to subscribe for approximately A\$4.5 million worth of Shares under the Placement. The investment by Chemphys is subject to completion of definitive offtake agreements.

For the purposes of Listing Rule 7.1 and all other purposes, Resolution 9 seeks Shareholder approval for the issue of 42,835,724 Placement Shares to Chemphys, or their designated affiliate, on the terms as set out below.

12.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Placement Shares to Chemphys, or their designated affiliate, does not fit within any of the exceptions set out in Listing Rule 7.2. The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, Resolution 9 seeks Shareholder approval for the issue of 42,835,724 Placement Shares to Chemphys, or their designated affiliate, pursuant to Listing Rule 7.1.

If Resolution 9 is passed, the issue of 42,835,724 Placement Shares to Chemphys, or their designated affiliate, will be excluded in calculating the Company's 15% limit under Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the Shares issue date.

If Resolution 9 is not passed, the issue of 42,835,724 Placement Shares to Chemphys, or their designated affiliate, will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Shares issue date.

12.3 Listing Rule Disclosure Requirements

The following information is provided, in relation to Resolution 9, for the purpose of ASX Listing Rule 7.3

- (a) *The name of the persons to whom the entity intends to issue the securities or the basis on which those persons were identified or selected*
The Placement Shares will be issued to Chemphys, or their designated affiliate, who are not related parties of the Company.
- (b) *The maximum number and class of securities to be issued*
A total of 42,835,724 Placement Shares will be issued to Chemphys, or their designated affiliate, under the Placement. 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.
- (c) *The price or other consideration the entity will receive for the issue*
The Placement Shares will have an issue price of \$0.105 per Share.
- (d) *The date or dates by which the entity will issue the securities, which must not be more than 3 months after the date of the meeting*
The Placement Shares are intended to be issued as soon as is practicable after the date of the Meeting and in any event, will be issued within three months after the date of the Meeting (or such later date as may be permitted by any ASX waiver or modification of the Listing Rules).
- (e) *The purpose of the issue, including the use (or intended use) of funds raised*
Funds will be used for the further development of the HMW project, corporate overheads, working capital and transaction costs.
- (f) *Other material terms and conditions*
The Placement Shares to be issued to Chemphys, or their designated affiliate, are being issued under an agreement as detailed in Section 12.1. The investment by Chemphys is subject to completion of definitive offtake agreements.
- The participation by Chemphys, or their designated affiliate, in the Placement, has a sunset date of 31 December 2024, unless otherwise mutually agreed between Chemphys and the Company.
- (g) *A voting exclusion statement*
A voting exclusion statement is included in the Notice.

12.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 9 as it allows the Company greater flexibility to issue further securities as the issue of 42,835,724 Placement Shares to Chemphys, or their designated affiliate, will be excluded from the calculations of the Company's 15% limit under Listing Rule 7.1.

13. RATIFICATION AND APPROVAL OF THE PRIOR ISSUE OF A TOTAL OF 19,863,770 SHARES TO SERVICE PROVIDERS – LISTING RULE 7.1 (RESOLUTION 10 AND RESOLUTION 11)

13.1 General

Resolution 10 seeks Shareholder ratification and approval for the prior issue of 11,918,262 Shares issued under the Company's Listing Rule 7.1 capacity, pursuant to Listing Rule 7.4 and on the terms set out below. The Shares the subject of Resolution 10, were issued to Compañía Constructora Excon y Servicios S.A, who has provided earthmoving and construction services to the Company, at the HMW project in Argentina, in lieu of cash payments.

Resolution 11 seeks Shareholder ratification and approval for the prior issue of 7,945,508 Shares issued under the Company's Listing Rule 7.1 capacity, pursuant to Listing Rule 7.4 and on the terms set out below. The Shares the subject of Resolution 11, were issued to Huasi Construcciones SRL, who has provided earthmoving and construction services to the Company, at the HMW project in Argentina, in lieu of cash payments.

The total issue of the 19,863,770 Shares did not breach Listing Rule 7.1 at the time of their issue (20 September 2024).

13.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 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 Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolutions 10 and 11 seek Shareholder ratification and approval for the prior issue of a total of 19,863,770 Shares issued pursuant to Listing Rule 7.1, under and for the purpose of Listing Rule 7.4.

If Resolution 10 is passed, the issue of 11,918,262 Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the relevant Shares issue date.

If Resolution 10 is not passed, the issue of 11,918,262 Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the relevant Shares issue date.

If Resolution 11 is passed, the issue of 7,945,508 Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the relevant Shares issue date.

If Resolution 11 is not passed, the issue of 7,945,208 Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the relevant Shares issue date.

13.3 Listing Rule Disclosure Requirements

The following information is provided, in relation to Resolutions 10 and 11, for the purpose of ASX Listing Rule 7.5:

- (a) *The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*
- 11,918,262 Shares were issued to Compañía Constructora Excon y Servicios S.A (Resolution 10); and
 - 7,945,508 Shares were issued to Huasi Construcciones SRL (Resolution 11).

Neither of the entities are related parties of the Company or their associates.

- (b) *Number and class of securities issued*
A total of 19,863,770 Shares were issued under the Company's LR 7.1 placement capacity. The 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.
- (c) *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 cash payments for services provided to the Company by the service providers
- (d) *The date or dates on which the securities were issued*
A total of 19,863,770 Shares were issued on 20 September 2024.
- (e) *The purpose of the issue, including the use (or intended use) of funds raised*
No funds were raised by the issue of the Shares as they were issued for no consideration.
- (f) *Other material terms and conditions*

There are no other material terms or conditions.

(g) *A voting exclusion statement*

A voting exclusion statement is included in the Notice.

13.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolutions 10 and 11 as it allows the Company greater flexibility to issue further securities as the issue of a total of 19,863,770 Shares will be excluded from the calculations of the Company's 15% limit under Listing Rule 7.1.

14. APPROVAL OF ISSUE OF 5,000,000 OPTIONS TO MR JUAN PABLO VARGAS DE LA VEGA (RESOLUTION 12)

14.1 Background

Resolution 12 seeks the approval of Shareholders for the issue of up to 5,000,000 Options to the Managing Director, Mr Juan Pablo Vargas de la Vega and/or his nominee(s) for the purposes ASX Listing Rule 10.11 as set out below. The Options will vest once the Company has executed binding documentation sufficient for the financing of the development and construction of the Hombre Muerto West lithium project to produce 4ktpa LCE.

Once vested, the Options will have an expiry date on or before 5.00pm WST on the date that is five (5) years following the date of issue at an exercise price of \$0.35.

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 Board has determined that the grant of 5,000,000 Options to Mr Vargas de la Vega is an appropriate form of short to medium incentive for the Company's Managing Director. The Board believes that the success of the Company in the future will depend, in large part, upon the skills of the personnel engaged to manage the Company's various operations. The Board considers that Mr Vargas de la Vega is essential to the Galan executive management team and the continued successful exploration and development of the Company's current resource projects in Australia and overseas.

If Resolution 12 is passed, the Company will be able to proceed with the issue of 5,000,000 Options to Mr Vargas de la Vega, or his nominee(s) within one month of the date of the Meeting (or such later date as may be permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options to Mr Vargas de la Vega (because approval is being obtained under Listing Rule 10.11), the issue of the Options to Mr Vargas de la Vega will not use up any of the Company's 15% placement capacity.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of 5,000,000 Options to Mr Vargas de la Vega, or his nominee(s). In that event, it may be necessary for the Board to agree an alternative incentive structure with Mr Vargas de la Vega. This could include an alternative equity proposal to be put to Shareholders and/or an amount in cash. Any such offer would be equivalent to the current proposed award and, to the extent that they are relevant, on similar terms as set out above (including the satisfaction of applicable vesting hurdles and service conditions).

14.2 Terms of Options

The Options will vest once the Company has executed binding documentation sufficient for the financing of the development and construction of the Hombre Muerto West lithium project to produce 4ktpa LCE.

The holder of the Options will be entitled to receive one (1) Share in respect of each vested Option upon payment of the corresponding exercise price on or before the relevant expiry date (as set out in Annexure A). In the event that the applicable vesting condition is not met, the Options will not vest and as a result, no new Shares will be issued pursuant to them. There is nil consideration payable upon the issue of the Options.

In determining the quantum of Options proposed to be issued to Mr Vargas de la Vega, the Board took into account the Company's remuneration strategy, the Company's situation, the role and the contribution of Mr Vargas de la Vega and the market practice for remuneration of executive officers in positions of similar responsibility. Accordingly, they determined that the proposed grant of Options, pending Shareholder approval, to Mr Vargas de la Vega is appropriate.

The object of Resolution 12 is to provide Mr Vargas de la Vega with a mechanism to participate in the future development of the Company and an incentive for his continued and future involvement with, and commitment to, the Company. 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.

If Shareholder approval is obtained for Resolution 12, the Options will be granted within one month of the receipt of Shareholder approval. Further terms and conditions of the Options are set out in Annexure A.

14.3 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 the Options to Mr Vargas de la Vega constitutes the provision of a financial benefit to related parties.

It is the view of the Directors that the proposed grant of Options pursuant to Resolution 12 falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by Mr Vargas de la Vega. Accordingly, the Directors have determined not to seek Shareholder approval under section 208 of the Corporations Act for the grant of the Options to Mr Vargas de la Vega pursuant to Resolution 12.

The Board's view concluded that the totality of Mr Vargas de la Vega's remuneration package, including the equity component of 5,000,000 Options (subject to Resolution 12) 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 mining 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 Mr Vargas de la Vega's high quality management experience and knowledge of the mining industry, especially lithium brines.

14.4 ASX Listing Rule 10.11

Listing Rule 10.11 provides that, subject to certain exemptions, a company must not issue or agree to issue Equity Securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

As Resolution 12 involves the issue of Options to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. The issue of Options to Mr Vargas de la Vega does not fall within an exception set out in Listing Rule 10.12 and therefore requires the approval of Shareholders. Resolution 12 seeks the required Shareholder approval for the issue of the Options to Mr Vargas de la Vega under and for the purposes of Listing Rule 10.11.

14.5 ASX Listing Rule 10.13

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 Resolution 12 is set out below:

- (a) *The name of the person to whom the entity will issue the securities*
Mr Vargas de la Vega and/or his nominee(s).

- (b) *Which category in Listing Rules 10.11.1 – 10.11.5 the person falls within and why*
Mr Vargas de la Vega is a Director and is therefore a related party of the Company and falls within ASX Listing Rule 10.11.1.
- (c) *The maximum number and class of securities to be issued to the person*
The maximum number of Options to be issued to Mr Vargas de la Vega and/or his nominee(s) is 5,000,000. The terms and conditions of the Options are contained in Annexure A.
- (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 Options are set out in Annexure A.
- (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 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*
The Options are being issued to Mr Vargas de la Vega and/or his nominee(s) for nil consideration and therefore no funds will be raised by their issue.
- (g) *The purpose of the issue, including the intended use of funds raised*
The purpose of the proposed issue of Options is to provide Mr Vargas de la Vega with a mechanism to further participate in the future development of the Company and an incentive for his continued and future involvement with, and commitment to, the Company. Any funds received by the Company upon exercise of the Options will be used for continued exploration and development work on the Company's projects and for working capital.
- (h) *Other material terms and conditions*
The Options are not being issued under an agreement.
- (i) *A voting exclusion statement*
A voting exclusion statement is included in the Notice.

Mr Vargas de la Vega commenced as Galan's Managing Director in June 2018. His current base salary is \$400,000 per annum plus statutory superannuation. The Options are not intended to remunerate Mr Vargas de la Vega.

14.6 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 Options to Mr Vargas de la Vega and/or his nominee(s) as approval is being obtained under ASX Listing Rule 10.11.

Shareholders should note that the issue of Options to Mr Vargas de la Vega and/or his nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

14.7 Grant of potential termination benefits for the purposes of section 200B and 200E of the Corporations Act

Section 200B of the Corporations Act restricts the benefits that can be given to persons who hold a 'managerial or executive office' (as defined in the Corporations Act) on leaving their employment with a company. Specifically, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office in the company if the benefit is approved by shareholders, under section 200E of the Corporations Act, or an exception under section 200F, 200G or 200H of the Corporations Act applies.

The term 'benefit' has a wide meaning and may possibly include benefits resulting from the Board exercising its discretions when an executive ceases to be employed by the Company.

Specifically, where an executive has ceased their employment before their Options have vested or been converted, the Board may in certain circumstances exercise its discretion to determine that some or all of the Options will vest or be converted (and determine the basis on which vesting or conversion will occur), having regard to the relevant performance hurdles at the time the executive's employment ceases. The exercise of these discretions may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

The Board, therefore, seeks Shareholder approval for the exercise of the Board's discretion in respect of Mr Vargas de la Vega and/or any Options that have not vested at the time of cessation of his employment with the Company.

Provided Shareholder approval under section 200E of the Corporations Act is given, the value of these benefits will not be counted towards the cap in the termination benefits that can be given to an executive without Shareholder approval under section 200F or section 200G of the Corporations Act.

The value of the termination benefits that the Board may give, by exercising its discretion to permit the conversion of any Options to Mr Vargas de la Vega prior to their vesting, cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of conversion and the number of Options that the Board decides to permit the conversion of.

The following additional factors may also affect the benefit's value:

- a) Mr Vargas de la Vega's length of service and the portion of any relevant performance periods that have expired at the time he ceases employment with the Company; and
- b) Mr Vargas de la Vega's total fixed remuneration at the time grants are made and at the time he ceases employment with the Company.

The Company will comply with the requirements of Listing Rule 10.19 in the event that an officer of the Company or any of its subsidiaries is entitled to termination benefits exceeding 5% of the Company's equity interests.

Accordingly, Shareholders are asked to approve, under section 200E of the Corporations Act, the giving of any benefits to Mr Vargas de la Vega upon him ceasing to hold the office of Managing Director of the Company for the purpose of the Company complying with section 200B of the Corporations Act.

14.8 Change of Control

In the event that during the term of Mr Vargas de la Vega's employment a takeover event or other similar event occurs, any of the above Options which have not vested, will become immediately vested and the outstanding Options will be issued on the terms and conditions set out in Annexure A (as applicable), subject to the Company complying with its obligations under ASX Listing Rules 10.18 and 10.19 and under the Corporations Act, despite the vesting condition not having been achieved.

Other Information

Mr Vargas de la Vega's relevant interests in Securities as at the date of this Notice Of Meeting are set out below.

21,650,741 ordinary shares
6,000,000 performance rights (with various share price vesting conditions)
2,239,129 listed options (GLNOB - exercise price \$0.65 expiry date 20 March 2029)
600,000 unlisted options (exercise price \$0.35 expiry date 18 July 2026)

If the maximum number of Options to be issued to Mr Vargas de la Vega vest and are exercised, a total of 5,000,000 Shares would be issued. This will increase the number of Shares on issue from 596,064,367 to 601,064,367 (assuming no performance rights vest, no options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders will be diluted by an aggregate of 0.008%.

The total Options valuation of \$303,173 was based on a Black Scholes valuation model (details included in Annexure B).

The latest price of Shares quoted on the ASX prior to the date of this Notice of Meeting on 8 October 2024 was \$0.145. The highest price for Shares trading on the ASX over the last 12 months was \$0.78 (18 October 2023) and the lowest price in that period was \$0.10 (10 September 2024).

14.9 Directors' Recommendation

Mr Juan Pablo Vargas de la Vega declines to make a recommendation to Shareholders in relation to Resolution 12 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 12.

For personal use only

GLOSSARY

In the Notice of Meeting (including any 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.

2024 Annual Report means the Company's annual report for the financial year ended 30 June 2024, which can be downloaded from the Company's website at www.galanlithium.com.au.

Acuity Capital has the meaning given in Section 6.

AGM means last annual general meeting.

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

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.

ATM has the meaning given in Section 6.

Automic means Automic Pty Ltd, the Company's share registry.

Board means the current board of Directors of the Company.

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 chair of the Meeting.

Chemphys has the meaning given in Section 9.1.

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

Director means a current director of the Company.

Entitlement Offer has the meaning given in Section 9.1.

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

Explanatory Statement means the explanatory statement accompanying and forming part of the Notice.

HMW means Hombre Muerto West.

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.

LCE means lithium carbonate equivalent.

Listed Option means a quoted GLNOB option.

Managing Director means Mr Juan Pablo Vargas de la Vega.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an unquoted option to acquire a Share in the Company on the terms set out in Annexure A.

Placement has the meaning given in Section 9.1.

Placement Shares means the Shares issued or to be issued under the Placement at an issue price of \$0.105 per Share.

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 2024 Annual Report.

Resolution(s) means the resolution(s) set out in the Notice of Meeting, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a holder of a Share.

Special Resolution has the meaning under the Corporations Act. A special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

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

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.

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 – SUMMARY OF THE GENERAL TERMS AND CONDITIONS OF OPTIONS

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

1) Entitlement

Subject to the terms and conditions set out below, each Option, once vested, entitles the holder, on conversion, to the issue of one fully paid ordinary share in the capital of the Company (**Shares**).

2) Vesting Conditions

The Options will vest once the Company has executed binding documentation sufficient for the financing of the development and construction of the Hombre Muerto West lithium project to produce 4ktpa LCE.

3) Consideration

The Options will be granted to the holder (or their permitted nominee) for nil cash consideration.

4) Exercise Price

Options will be exercisable at a price of \$0.35 per Option.

5) Expiry Date

Each Option has an expiry date being five (5) years from its issue date.

6) Exercise Period

Each Option is exercisable at any time on or before the date being five (5) years from its issue date.

7) Notice of Exercise

Each Option may be exercised by notice in writing to the Company. Any notice of exercise of Options received by the Company will be deemed to be a notice of the exercise of the Option as at the date of receipt.

8) Timing of issue of Shares

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

- a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- c) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 business days from the date of exercise of the Option.

9) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then shares of the Company.

10) 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 Options. No application will be made to ASX for Official Quotation of the Options.

11) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the 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 Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

12) 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):

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

13) 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 an 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 Option.
E = the number of underlying Shares into which one 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.

14) Adjustments for reorganisation

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

15) Change of Control

If a Change of Control event occurs, or the Board determines that such an event is likely to occur, then any unvested Options will automatically vest, subject to complying with the obligations under the ASX Listing Rules and Corporations Act.

16) Lodgement Instructions

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.

The general terms and conditions of the Options will comply with the obligations under ASX Listing Rules and the Corporations Act.

Neither the Company nor its directors, officers, employees, representatives, advisers or agents takes any responsibility or assumes any liability for any tax liabilities, in Australia or overseas, as a consequence of the issue of the Options (or subsequent exercise of Options to Shares).

ANNEXURE B – VALUATION OF \$0.35 OPTIONS

Estimated Value of Options proposed to be issued to the Managing Director

Using the Black & Scholes option model and based on the assumptions set out below, the 5,000,000 Options proposed to be issued to the Managing Director were ascribed the following value:

Assumptions	JP Vargas de la Vega
Number of Options to be issued to Managing Director	5,000,000
Valuation date	8 October 2024
Market price of Shares	\$0.145
Exercise price	\$0.35
Expiry date (length of time from issue)	5 years
Risk free interest rate	4.25%
Volatility	70%
Indicative value per Option	\$0.06063
Total Value of Related Party Options	\$303,173

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

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GALAN LITHIUM LIMITED | ABN 87 149 349 646

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **10.30am (AWST) on Wednesday, 13 November 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item 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 item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automicgroup.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

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