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ASX ANNOUNCEMENT

16 April 2025

HMW Phase 1 Funding and Offtake Secured with USA Based Partner

Highlights

- **Galan secures binding funding package for initial production at Hombre Muerto West (HMW)**
- **Execution of an Offtake Agreement and an Operating Agreement with Authium Limited (Authium), pursuant to which Authium will:**
  - **Purchase a total of 45 kt LCE as lithium chloride concentrate over 6 – 12 years**
  - **Provide US$6 million in offtake prepayments for supply of lithium concentrate to an Authium lithium carbonate production facility in the USA**
  - **Fund, supply and operate processing technology at HMW, to position Galan with materially lower upfront capital costs and operating costs**
- **Successful placement of approximately 120 million shares to raise around A$13 million (before costs)**
- **Authium's founder increasing his investment in Galan to 2% post Placement**
- **In addition to the placement, Galan will offer all eligible shareholders the opportunity to participate in a SPP to raise up to $4 million at the same price as the Placement.**
- **GLN will host an investor webinar on Thursday 17 April 2025, please see key information below.**

Galan Lithium Limited (**ASX:GLN**) (**Galan** or the **Company**) is pleased to announce it has secured a binding funding package that will support the completion of construction activities in H2 2025 at the world class Hombre Muerto West project (**HMW**), in Argentina, in advance of lithium chloride concentrate production in H1 2026.

Agreements with Authium

Galan has signed definitive agreements (**Agreements**) with Authium, including a lithium chloride concentrate Offtake Agreement and an Operating Agreement which governs the roles and obligations for the processing technology to be implemented at HMW.

Following a comprehensive review of potential funding options, including the previously announced memorandum of understanding with Chengdu Chemphys Chemical Industry Co., Ltd, the Company decided that Authium was its preferred partner. The partnership with Authium offers the Company

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superior financial, technical and timing benefits to other identified alternatives and yields the best outcome for the Company and its shareholders to complete HMW Phase 1 and commence the receipt of revenues.

Under the terms of the Agreements, Galan will sell 45 kt (LCE) of its lithium chloride concentrate to supply Authium's USA lithium processing operations over a period of 6 to 12 years. Galan will continue to manage the current HMW lithium brine inventories (estimated at 9,000t LCE), to final lithium chloride concentrate and will utilise Authium's HMW based nano filtration processing plant to enable Galan to reach its target lithium chloride concentrate grade of 6%.

One of the key benefits of the Authium partnership is, that Authium will fund, supply and operate the processing plant at HMW. As a result, Authium's proposal will enable Galan to significantly reduce its capital costs to complete HMW Phase 1, by removing $41.5 million of capital expenditure relating to the liming plant and is also expected to reduce operating costs by around 18% relative to the HMW Phase 1 DFS (https://tinyurl.com/GalanLithium), due to cost savings related to the reagents and filtering plant.

In addition, Galan has the ability to drawdown on offtake prepayments of up to US$6 million over a 6-month period commencing from the date lithium is processed through the processing plant (**Prepayment**). Galan is now working with Authium to secure an additional working capital facility, should it be required.

Key terms of the Offtake Agreement are set out in the Appendix to this Announcement.

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

"*We are extremely pleased to have secured this HMW production funding via the Authium agreements and the placement. This funding package will see Galan move into initial production with greater efficiency while keeping our timeframe for first concentrate production within the first half of 2026.*

We appreciate the path to this point has been challenging and we would like to take this opportunity to thank our loyal and patient existing shareholders for their support and to welcome our new shareholders. The support for the placement confirms investor confidence in our strategy and future prospects. In what has been a prolonged and testing commodity environment, Galan will now be able to transform into a lithium production company which speaks volumes for the quality of HMW."

Authium Founder and Director, Cameron Stanton, commented:

"I am excited to return to Argentina and assist JP and his team in developing HMW. This project will be less challenging compared to other lithium brine projects I have been involved with in the region, as we believe GLN undoubtedly possesses the best lithium brine in Argentina, characterised by high grades and low impurity concentrations. We have an enhanced plan moving forward, utilising both conventional methods and new proven technologies to ensure the best possible CAPEX and C1 cost outcomes."

Placement

Alongside the Agreements with Authium, Galan is pleased to advise that it has received firm commitments for a placement of approximately $13 million (before costs) to institutional, sophisticated, and professional investors at $0.11 (**Placement**). A total of 114,923,665 fully paid ordinary shares will be issued under existing 7.1 (99,823,460 shares) and 7.1A (15,100,205 shares) capacity.

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Subject to shareholder approval, on or about 30 May 2025, the Company will issue up to 6,545,455 fully paid ordinary shares in relation to Director participation of approximately $0.7 million under the Placement.

The Placement price of $0.11 represents an 8.3% discount to the last closing price and a 14.2% discount to the 15-day volume weighted average trading price to 9 April 2025.

The Placement is expected to settle on 24 April 2025 with allotment on or around 28 April 2025. Director Placement shares are expected to settle, subject to shareholder approval, on 6 June 2025 and allot on or around 10 June 2025.

Petra Capital Pty Limited acted as Sole Lead Manager and Sole Bookrunner to the Placement.

Placement funds will support construction costs associated with HMW Phase 1 production, working capital and offer costs.

Authium founder and Technical Director, Mr Cameron Stanton has committed to participating in the Placement, increasing his holding to approximately 2% post Placement.

Combined with the prepayment financing under the Offtake Agreement, the funds received under the Placement will enable Galan to complete the final stages of the Phase 1 production facility at HMW. The Company anticipates that this will allow it to achieve its first production during the first half of calendar year 2026.

Further information in relation to the Placement is included in the investor presentation to be lodged after this announcement.

Indicative Timetable

Event	Date
Trading halt	Thursday 10 April 2025
Trading halt lifted and announcement of completion of Placement	Wednesday 16 April 2025
Settlement of Placement shares	Thursday 24 April 2025
Allotment of Placement shares	Monday 28 April 2025
Shareholders meeting to approve Director Placement	Friday 30 May 2025
Settlement of Director Placement shares	Friday 6 June 2025
Allotment of Director Placement shares	Tuesday 10 June 2025

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

Share Purchase Plan (SPP)

In addition to the Placement, the Company will offer all eligible existing Australian and New Zealand shareholders (including retail shareholders) the opportunity to apply for new GLN shares, at the same issue price of $0.11, without brokerage fees, and on the same terms and conditions as the Placement.

Galan intends to raise up to $4 million and retains discretion over the allocation of shares per investor. The SPP will allow eligible shareholders to apply for the maximum allowed of $30,000 of new fully paid ordinary shares, per shareholder.

The SPP is not currently intended to be underwritten. The Company reserves the right to place any shortfall under the SPP and accept any oversubscriptions under the SPP. An SPP booklet containing

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further terms and conditions of the SPP is expected to be provided to eligible shareholders in the next week or so.

Indicative SPP Timetable

Event	Date
Record date for eligibility to participate in SPP	7:00pm, Tuesday, 15 April 2025
Despatch SPP Offer Documents and SPP offer open date	Monday 28 April 2025
SPP closing date	Wednesday, 21 May 2025
Announcement of SPP results, and allotment of new shares	Friday, 23 May 2025
Issue date of shares under SPP	Tuesday, 27 May 2025
Quotation of shares issued under SPP on ASX	Tuesday, 27 May 2025

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

About Authium

Authium is an Australian entity founded by Cameron Stanton. Mr Stanton is an Industrial Engineer with deep expertise in mineral commercialisation, plant design, engineering, construction, maintenance and operations and was instrumental in the development of the Rincon Project in Argentina, which was sold to Rio Tinto in 2022 for US$825 million.

The Authium management team has previously been involved with the development of lithium projects, one of which was the first chemical process to extract lithium from unconcentrated brine. Authium is experienced in technology commercialisation with a focus on innovative mineral processing solutions. Additionally, Authium is the owner of the Clayton Ridge Project in the USA.

Under the Agreements, Authium will supply, fund, commission and remotely operate the Nano-filtration skid units located at the HMW site. Nano-filtration is a proven technique for impurity separation, operating by selectively remove multivalent cations (like magnesium and calcium) while allowing monovalent cations (like lithium) to pass through. The Nano-filtration process to be utilised at the HMW processing facility has been successfully deployed at multiple lithium projects internationally, including the Rio Tinto Rincon Project in Argentina and has been successfully tested on brine from HMW.

Authium is working with Ocean Partners, an international group providing a complete range of trading and finance services to miners, smelters, refiners and metal consumers around the world to assist with the financing and trade of the produced lithium chloride concentrate. Ocean Partners has a proven track record in South America, with experience in the region, supporting mining and metals operations through strategic partnerships, financing solutions and trading expertise.

Webinar

Galan advises it will host an investor webinar for shareholders and interested stakeholders on Thursday 17 April 2025 at10:00am AWST/12 midday AEST.

The webinar will be hosted by Managing Director JP Vargas de la Vega and Chief Financial Officer Ross Dinsdale. They will provide investors with a detailed overview of the Authium transaction and the important next steps for the Company.

A Q&A session for investors will follow the presentation. It is anticipated that the webinar will run for approximately 30 minutes, with some time allocated for the Q&A session.

To pre-register for the webinar, please use the link below.

https://us06web.zoom.us/webinar/register/WN_IhdX8orLTeGYEB1RdV3TwA

The Galan Board has authorised this release.

For further information contact:

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About Galan

Galan Lithium Limited (ASX:GLN) is an ASX-listed lithium exploration and development business. Galan's flagship assets comprise two world-class lithium brine projects, HMW and Candelas, located on the Hombre Muerto Salar in Argentina, within South America's 'lithium triangle'. Hombre Muerto is proven to host lithium brine deposition of the highest grade and lowest impurity levels within Argentina. It is home to the established El Fenix lithium operation, Sal de Vida (both projects are operated by Arcadium Lithium) and Sal de Oro (POSCO) lithium projects. Rio Tinto is now in the process of acquiring Arcadium Lithium plc. Galan also has exploration licences at Greenbushes South in Western Australia, just south of the Tier 1 Greenbushes Lithium Mine.

APPENDIX – KEY TERMS OF LITHIUM CHLORIDE CONCENTRATE OFFTAKE AGREEMENT

Key Terms	Detail
Contract Term	From commencement date until 45 kt (LCE) has been delivered. Target dates to deliver Total Contract Quantity is 6 -12 years
Total Contract Quantity	45 kt (LCE) as lithium chloride concentrate
Delivery Conditions	CIF USA
Pricing	Market linked pricing to Li2CO3 Battery Grade ≥ 99.5% index price. A processing fee associated with the use of Authium's nano-filtration plant applies and a refining charge for the conversion of the lithium chloride concentrate into lithium carbonate
Contract Extension	Right of first refusal, subject to qualifying conditions
Prepayment Amount	US$ 6 M.
Prepayment Structure	US$ 1 M. per month starting from when lithium brine is first processed through Authium's nano-filtration plant
Repayment	Repayment via an offset to product invoices. Galan also has the right to repay all principal and interest amounts owing in cash with no penalty
Interest	No interest is applicable within 6 months of each drawdown. An interest rate of SOFR plus 6% p.a. will apply after month 6
Prepayment Security	Share pledge over shares in Galan Litio S.A. and a Guarantee by Galan Lithium Limited. Share pledge to be replaced by a security interest over the lithium brine in the evaporation ponds
Conditions Precedent for Prepayment	Completion of an Advance Request form, security documentation, standard representations and warranties and the absence of a material adverse change
Other	Terms customary to agreements of this nature also apply, including but not limited to: product quality specifications, product delivery and shipping terms, undertakings, representations and warranties, indemnities and default events
Nature of Agreement	Binding

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