



GALAN
LITHIUM LIMITED

4 September 2023

Dear Shareholder

Notice of General Meeting

A General Meeting of shareholders of Galan Lithium Limited (**Galan or the Company**) is scheduled to be held at the Country Women's Association of WA, 1176 Hay St, West Perth WA 6005 on Tuesday 3 October 2023 at 9.30am (WST) (**Meeting**).

In accordance with the *Corporations Amendment (Meetings & Documents) Act 2022* (Cth), the Company will not dispatch physical copies of the Notice of 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://www2.asx.com.au/markets/trade-our-cash-market/announcements> and enter GLN at the prompt 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 9.30am (WST) on 1 October 2023, 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.advancedshare.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 Advanced Share Registry on +61 8 9389 8033 (or via email admin@advancedshare.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



GALAN LITHIUM LIMITED

ACN 149 349 646

NOTICE OF GENERAL MEETING

TIME: 9.30am (WST)
DATE: 3 October 2023
PLACE: Country Women's Association of WA
1176 Hay St
West Perth WA 6005

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

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that a General Meeting of the Shareholders convened by this Notice of Meeting will be held at 9.30am (WST) on 3 October 2023 at:

Country Women's Association of WA
1176 Hay St, West Perth WA 6005

YOUR VOTE IS IMPORTANT

The business of the 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. Instead a copy of the Notice is available to be viewed and/or downloaded on the ASX market announcements platform at <https://www2.asx.com.au/markets/trade-our-cash-market/announcements> and enter GLN at the prompt 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 1 October 2023 will be taken, for the purposes of this 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 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 9.30am (WST) on 1 October 2023, being not later than 48 hours before the commencement of the Meeting. **Proxy Forms received after that time will not be valid for the scheduled Meeting.**

- Online Proxy Appointment
www.advancedshare.com.au/investor-login
- By Mail
Advanced Share Registry Limited
110 Stirling Highway Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909
- By Fax
+61 8 6370 4203
- By Email
admin@advancedshare.com.au
- In Person
Advanced Share Registry Limited
110 Stirling Highway, Nedlands WA 6009

All enquiries to Advanced Share Registry +61 8 9389 8033.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Galan Lithium Limited will be held at the **Country Women's Association of WA, 1176 Hay Street, West Perth, Western Australia 6005 at 9.30am (WST) on 3 October 2023.**

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

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

AGENDA

RESOLUTION 1 – RATIFICATION OF PROIR ISSUE OF SHARES FOR COMPLETION OF CANDELAS ACQUISITION (ASX LISTING RULE 7.1)

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

"That under and for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify and approve the issue by the Company of 1,410,000 Shares to complete 100% of the Candelas acquisition to the persons, on the terms and conditions and in the manner described in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the persons who participated in the issue or an associate of those persons.

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 2 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR COMPLETION OF CATALINA (SALTA) ACQUISITION (ASX LISTING RULE 7.1)

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

"That under and for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify and approve the issue by the Company of 9,756,098 Shares to complete 100% of the Catalina (Salta) acquisition to the persons, on the terms and conditions and in the manner described in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the persons who participated in the issue or an associate of those persons.

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 3 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR COMPLETION OF GREENBUSHES SOUTH ACQUISITION (ASX LISTING RULE 7.1)

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

"That under and for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify and approve the issue by the Company of 864,345 Shares to complete 100% of the Greenbushes South acquisition to the persons, on the terms and conditions and in the manner described in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the persons who participated in the issue or an associate of those persons.

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 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES (ASX 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 the prior issue of 30,000,000 Placement Shares to the persons, 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 the persons who participated in the issue or an associate of those persons.

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.
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OTHER BUSINESS

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

PROXIES

A Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- a) appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- b) provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.

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 no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions of votes will be disregarded.

In order to vote on behalf of a company that is a Shareholder, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged online at www.advancedshare.com.au/investor-login, posted to or lodged at the Company's Share Registry, Advanced Share Registry Limited at 110 Stirling Highway, Nedlands WA 6009 or PO Box 1156, Nedlands WA 6909, or sent by facsimile to +61 8 6370 4203 or email to admin@advancedshare.com.au not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

- (a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
- (b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
- (c) shall be deemed to confer authority to demand or join in demanding a poll;
- (d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act; and
- (e) which appoints the Chair as proxy but does not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions (subject to the other provisions of these notes on proxies and any required voting exclusions including those in the Notice) as this is the Chair's voting intention.

Corporations

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be lodged with, or presented to, the Company before the commencement of the meeting. A Certificate of Appointment of Corporate Representative Form may be obtained from Advanced Share Registry.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Undirected and Directed Proxies

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on each Resolution.

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 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" from voting), 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.

In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chair, who is required to vote proxies as directed.

It is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

DATED: 4 SEPTEMBER 2023

BY ORDER OF THE BOARD

**MIKE ROBBINS
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Galan Lithium Limited in connection with the business specified to be conducted in the Notice of General Meeting at the general meeting of Shareholders to be held at the **Country Women's Association of WA, 1176 Hay Street, West Perth, Western Australia 6005 at 9.30am (WST) on 3 October 2023.**

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

The Notice of Meeting, Explanatory Memorandum and Proxy Form are all important documents. The Directors recommend that Shareholders read them carefully in their entirety before making a decision on how to vote at the General Meeting.

A Glossary of terms frequently used in this Notice of Meeting and Explanatory Memorandum can be found at the end of this Explanatory Memorandum.

1 RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR COMPLETION OF CANDELAS ACQUISITION (ASX LISTING RULE 7.1)

1.1 Background

The Company's wholly owned subsidiary Blue Sky Lithium (which was acquired by the Company in 2018) is a party to an option agreement dated 7 December 2017 under which Blue Sky Lithium was granted the option to acquire the Candela, Candela II, Candela III, Candela IV, Candela V and Candela VI (collectively **Candelas**) tenements and other Hombre Muerto West salar tenure. That option agreement was varied by a subsequent addenda dated 25 April 2018 which included an agreement by Blue Sky Lithium to make certain staged consideration payments (up to US\$560,000) and Share issues (up to 560,000 Shares) as well as a balloon payment of US\$910,000, by June 2023. All staged payments and Share issues were completed apart from the balloon payment of US\$910,000 and resource and work program related commitments. To finalise the 100% acquisition of Candelas, a new agreement was executed on 2 February 2023 under which the following consideration was agreed:

- payment by Blue Sky Lithium of US\$910,000;
- payment by Blue Sky Lithium of US\$750,000 (over 6 months or upfront, at Blue Sky Lithium's election); and
- the issue to the vendors of a total of 1,410,000 Shares in aggregate (**Candelas Shares**).

All payments were made and the 1,410,000 Shares, being the subject of this Resolution 1, were issued and the acquisition was completed on 7 February 2023 (**Candelas Shares Issue Date**), following which Galan's 100% owned Argentinian subsidiary, Galan Litio S.A, became the registered holder of the Candelas tenements.

The Candelas Project is supported by a full Preliminary Economic Assessment (PEA) and a JORC 2012 Resource and lies approximately 40 km ESE of the HMW Project. It is hosted within a ~15 km by 3–4 km wide structurally controlled basin infilled with sediments that host the Li-bearing brines.

1.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, ASX 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 Candelas Shares does not fit within any of those exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% capacity under ASX Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Candelas Shares Issue Date.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX 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 ASX Listing Rule 7.1, and so does not reduce the entity's capacity to issue further equity securities without shareholder approval under that Listing Rule.

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 ASX Listing Rule 7.1. Accordingly, Resolution 1 seeks Shareholder approval for the issue of the 1,410,000 Candelas Shares under and for the purposes of ASX Listing Rule 7.4.

If Resolution 1 is passed, the issue of 1,410,000 Candelas Shares on the Candelas Shares Issue Date will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Candelas Shares Issue Date.

If Resolution 1 is not passed, the issue of 1,410,000 Candelas Shares on the Candelas Shares Issue Date will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Candelas Shares Issue Date.

1.3 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.5:

- (a) **Number and class of securities issued**
A total of 1,410,000 Candelas Shares were issued. The Candelas 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.
- (b) **The price or other consideration the entity has received or will receive for the issue**
The Candelas Shares were deemed to be issued at a price of \$1.10 per Share.
- (c) **The date or dates on which the securities were issued**
The Candelas Shares were issued on 7 February 2023.
- (d) **The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected**
The Candelas Shares were issued to the vendors of the Candelas Project, being the following persons and in the following amounts:
 - Esteban Garcia – 1,110,000 Shares
 - Facundo Martinez – 150,000 Shares
 - Juan Martinez – 150,000 Shares
- (e) **The purpose of the issue, including the use (or intended use) of funds raised**
The Candelas Shares were issued under the terms and conditions of an agreement for the completion of 100% title to the Candelas project in Argentina and as such no funds were raised.
- (f) **If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**
The material terms of the agreement pursuant to which the Candelas Shares were issued are set out in Section 1.1 above.

1.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 1 as it allows the Company greater flexibility to issue further Equity Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

2 RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR COMPLETION OF CATALINA (SALTA) ACQUISITION (ASX LISTING RULE 7.1)

2.1 Background

On 28 July 2023, the Company announced that it had entered into an agreement to acquire 100% ownership of the Catalina tenement that borders the Catamarca and Salta Provinces in Argentina in consideration for the issue of 9,756,098 Shares (**Catalina Shares**). The Catalina Shares were issued on 28 July 2023 (**Catalina Shares Issue Date**).

2.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, ASX 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 ASX 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 ASX Listing Rule 7.1, and so does not reduce the entity's capacity to issue further equity securities without shareholder approval under that Listing Rule. The issue of the Catalina Shares does not fit within any of those exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% capacity under ASX Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Catalina Issue Date.

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 ASX Listing Rule 7.1. Accordingly, Resolution 2 seeks Shareholder approval for the issue of the 9,756,098 Catalina Shares under and for the purposes of ASX Listing Rule 7.4.

If Resolution 2 is passed, the issue of 9,756,098 Catalina Shares on the Catalina Shares Issue Date will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the Catalina Shares Issue Date.

If Resolution 2 is not passed, the issue of 9,756,098 Shares on the Catalina Shares Issue Date will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Catalina Shares Issue Date.

2.3 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.5:

- (a) **Number and class of securities issued**
A total of 9,756,098 Catalina Shares were issued. The Catalina 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.
- (b) **The price or other consideration the entity has received or will receive for the issue**
The Catalina Shares were deemed to be issued at a price of \$1.025 per Share.
- (c) **The date or dates on which the securities were issued**
The Catalina Shares were issued on 28 July 2023.
- (d) **The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected**
Everlight Resources Pty Ltd, the vendor of the Catalina tenement.
- (e) **The purpose of the issue, including the use (or intended use) of funds raised**
The Catalina Shares were issued as full consideration for the acquisition by the Company of 100% title to the Catalina tenement (Salta province) in Argentina and as such no funds were raised by their issue.
- (f) **If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**
The material terms of the agreement pursuant to which the Catalina Shares were issued are set out in Section 2.1 above.

2.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company greater flexibility to issue further Equity Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

3 RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR COMPLETION OF GREENBUSHES SOUTH ACQUISITION (ASX LISTING RULE 7.1)

3.1 Background

As announced on 14 January 2021, the Company entered into an asset acquisition agreement with Lithium Australia Limited (ASX:LIT) to purchase an 80% interest in the Greenbushes South Lithium project. Under the terms of that agreement, Galan agreed to issue 1,200,000 Shares and fund tenement expenditure until the completion of a pre-feasibility study on Greenbushes South.

Following Galan's work on the tenements comprising Greenbushes South, the Company announced, on 13 December 2022, that it had executed a Binding Term Sheet with Lithium Australia Limited to acquire its remaining 20% interest in Greenbushes South and its 20% participating interest in the Greenbushes South Joint Venture. The consideration payable under the agreement for those interests was:

- Payment of A\$2,000,000; and
- Issue of Shares to the value of A\$1,000,000 (being 864,345 Shares, calculated on the basis of the volume weighted average price for Shares for the five trading days prior to the date of completion] (**Greenbushes South Shares**).

Completion of the acquisition was made by the making of the payment and the issue of the Greenbushes South Shares (being the subject of this Resolution 3) on 19 December 2022 (**Greenbushes South Issue Date**), as a result of which Galan now owns a 100% interest in the Greenbushes South Project which comprises four granted exploration licences, one pending exploration licence and seven prospecting licences.

Greenbushes South is located 200 km south of Perth, the capital of Western Australia. With an area of 353 km², Greenbushes South was originally acquired by Lithium Australia Limited due to its proximity to the Greenbushes Lithium Mine (**Greenbushes Mine**), given that Greenbushes South covers the southern strike projection of the geological structure that hosts Greenbushes. The Greenbushes South project area commences approximately 3km south of the Greenbushes Mine.

The Greenbushes Mine is currently the largest hard-rock lithium mine in the world, operated since May 2014 by Talison Lithium Pty Ltd, an incorporated joint venture between Tianqi Lithium Corporation/IGO Limited (51%) and Albemarle Corporation (49%). The Greenbushes Mine produces a concentrate of the lithium mineral, spodumene, to feed both China and Western Australian based mineral conversion plants or consumers of spodumene concentrates in Europe, North America and China.

3.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, ASX 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 Greenbushes South Shares does not fit within any of those exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% capacity under ASX Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Greenbushes South Issue Date.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX 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 ASX Listing Rule 7.1, and so does not reduce the entity's capacity to issue further equity securities without shareholder approval under that Listing Rule.

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 ASX Listing Rule 7.1. Accordingly, Resolution 3 seeks Shareholder approval for the issue of the 864,345 Greenbushes Shares under and for the purposes of ASX Listing Rule 7.4.

If Resolution 3 is passed, the issue of 864,345 Greenbushes Shares on the Greenbushes South Issue Date will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Greenbushes South Issue Date.

If Resolution 3 is not passed, the issue of 864,345 Greenbushes Shares on the Greenbushes South Issue Date will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Greenbushes South Issue Date.

3.3 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.5:

- (a) **Number and class of securities issued**
A total of 864,345 Greenbushes Shares were issued. The Greenbushes 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.
- (b) **The price or other consideration the entity has received or will receive for the issue**
The Greenbushes Shares were deemed to be issued at a price of \$1.157 per Share.
- (c) **The date or dates on which the securities were issued**
The Greenbushes Shares were issued on 19 December 2022.
- (d) **The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected**
Lithium Australia Limited, the vendor of the interest in the Greenbushes South Project.
- (e) **The purpose of the issue, including the use (or intended use) of funds raised**
The Greenbushes Shares were issued as part compensation of the acquisition by the Company of 100% title to the Greenbushes South Project in Western Australia and as such no funds were raised by their issue.
- (f) **If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**
The material terms of the agreement pursuant to which the Greenbushes South Shares were issued are set out in Section 3.1 above.

3.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 3 as it allows the Company greater flexibility to issue further Equity Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

4 RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES (ASX LISTING RULE 7.1)

4.1 Background

On 22 May 2023, the Company announced that it had received firm commitments to raise A\$31.5 million through an over-subscribed placement of Shares to institutional, sophisticated and professional investors (**Placement**).

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

- Purchase of long lead items in preparation for stage 1 (5.37ktpa LCE) including; liners, piping and lime plant;
- Prepayment for earthworks contractor;
- Workers camp expansion;
- Stage 2 DFS and production expansion studies;
- Further exploration and production well drilling;
- Contingency for extra work at Greenbushes; and

- General working capital.

Under the Placement, the Company issued 30 million Shares at A\$1.05 per Share (**Placement Shares**), raising a total of A\$31.5 million before costs.

The issue price of A\$1.05 per Placement Share, represented a 12.5% discount to the last closing price of A\$1.200 on 17 May 2023 and a 9.8% discount to the 10 day VWAP of A\$1.163.

The Placement Shares were issued under the Company's existing placement capacity under ASX Listing Rule 7.1 and were issued on 29 May 2023 (**Placement Shares Issue Date**).

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

4.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, ASX 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 does not fit within any of those exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% capacity under ASX Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Placement Shares Issue Date.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX 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 ASX Listing Rule 7.1, and so does not reduce the entity's capacity to issue further equity securities without shareholder approval under that Listing Rule.

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 ASX Listing Rule 7.1. Accordingly, Resolution 4 seeks Shareholder approval for the issue of the 30,000,000 Placement Shares under and for the purposes of ASX Listing Rule 7.4.

If Resolution 4 is passed, the issue of 30,000,000 Placement Shares on the Placement Shares Issue Date will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the Placement Shares Issue Date.

If Resolution 4 is not passed, the issue of 30,000,000 Placement Shares on the Placement Shares Issue Date will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Placement Shares Issue Date.

4.3 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.5:

- (a) **Number and class of securities issued**
A total of 30,000,000 Placement Shares were issued. 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.
- (b) **The price or other consideration the entity has received or will receive for the issue**
The Placement Shares were deemed to be issued at a price of \$1.05 per Share.
- (c) **The date or dates on which the securities were issued**
The Placement Shares were issued on 29 May 2023.
- (d) **The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected**
The Placement Shares were issued to institutional, sophisticated or professional investors who were not related parties of the Company or their associates. The investors were identified by Canaccord Genuity (Australia) Limited, who acted as Sole Lead Manager and Bookrunner to the Placement.

(e) **The purpose of the issue, including the use (or intended use) of funds raised**

Proceeds from the Placement will be applied to:

- purchase long lead items (including liners, piping and lime plant), a camp expansion and earthworks prepayments to accelerate the construction of Galan's stage 1 (4ktpa LCE) plant;
- further exploration and production well drilling at HMW;
- Stage 2 DFS and production expansion studies at HMW;
- Contingency for extra works at Greenbushes South; and
- General working capital

(f) **If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement**

The Placement Shares were not issued under an agreement.

4.4 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 4 as it allows the Company greater flexibility to issue further Equity Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

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:

A\$ means Australian dollars.

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.

Blue Sky Lithium means the Company's now wholly owned subsidiary Blue Sky Lithium Pty Ltd ACN 662 748 565.

Board means the board of Directors.

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.

Candelas means Galan's 100% owned Candelas tenements and project.

Catalina means Galan's 100% owned Catalina (Catamarca & Salta provinces) tenement.

Chair means the chairperson of the Meeting.

Company or **Galan** means Galan Lithium Limited ACN 149 349 646.

Constitution means the Company's constitution.

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

Director means a director of the Company.

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

Explanatory Memorandum means the explanatory memorandum accompanying and forming part of the Notice.

Galan Lito S.A. means Galan's 100% owned Argentinian subsidiary.

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

Greenbushes South means Galan's 100% owned Greenbushes South project.

HMW means Galan's 100% owned Hombre Muerto West project.

Notice or **Notice of Meeting** means this notice of general meeting including the Explanatory Memorandum and the Proxy Form.

Placement is defined in Section 4.1.

Proxy Form means the proxy form accompanying and forming part of the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Securities means Shares and Options.

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

Shareholder means a holder of a Share.

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

(b) 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.

US\$ means American dollars.

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.

LODGE YOUR PROXY APPOINTMENT ONLINE

ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Galan Lithium Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of
the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held **at Country Women's Association of WA, 1176 Hay St, West Perth WA 6005 on Tuesday, 3 October 2023 at 9:30 am (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS
Resolutions

For Against Abstain*

1 Ratification of prior issue of Shares for Candelas Acquisition

☐ ☐ ☐

2 Ratification of prior issue of Shares for Catalina Acquisition

☐ ☐ ☐

3 Ratification of prior issue of Shares for Greenbushes South Acquisition

☐ ☐ ☐

4 Ratification of prior issue of Placement Shares

☐ ☐ ☐


* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 9:30 am (WST) on 1 October 2023, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033