

ASX ANNOUNCEMENT

25 July 2025

Incentive Regime for HMW Project in Argentina

Galan Lithium Limited (ASX:GLN) (“**Galan**” or “**the Company**”) is pleased to advise that the Comité Evaluador de Proyectos RIGI, responsible for awarding the Argentine Government’s Régimen de Incentivo para Grandes Inversiones (the incentive regime for large-scale investments referred to as the “**RIGI**”), has approved the RIGI for Galan’s flagship Hombre Muerto West (“**HMW**”) Project in Catamarca Province, Argentina. Galan now expects to receive official approvals relating to the RIGI in due course.

The RIGI is a landmark investment framework introduced as part of the Government of Argentina’s new economic reform agenda, aimed at encouraging large-scale investment in key sectors, including mining. The RIGI provides long-term certainty on tax and foreign exchange regulations, as well as streamlined permitting, both critical enablers for project financing, efficient construction and operation of the HMW Project over its multi-decade life.

HMW will be only the sixth project to receive the RIGI approval in Argentina and the second in the mining sector, following the recent award to Rio Tinto’s Rincon project.

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

“This is a major milestone for Galan that will further strengthen HMW’s global competitive position as a future low-cost producer. The RIGI will provide a strategic advantage to Galan and will unlock meaningful long-term value for the people of Catamarca and our shareholders.

The RIGI delivers fiscal stability and operational certainty over the long-term, key requirements for major project financing and execution. It also signals strong alignment between Galan and the Argentine government’s broader vision of accelerating lithium production and economic development.

Galan sincerely thanks the Government of Argentina and the Province of Catamarca for endorsing HMW for official approvals under the RIGI which further substantiates HMW as a significant project in Argentina and globally.”

Key Benefits of the RIGI for the HMW project:

- **Reduced Corporate Income Tax:** a significant 10% reduction in corporate income tax rate to 25%.
- **Fiscal Stability:** Certainty around income tax, royalties, and export duties for 30 years.
- **Foreign Exchange:** Preferential access to currency markets for imports and dividend repatriation.
- **Customs & Tariff Exemptions:** Reduced barriers for importing critical equipment and materials.
- **Accelerated Depreciation:** Improved cash flow through tax-effective project development.

About Hombre Muerto West

HMW is a multi-decade, lithium brine project in Argentina with compelling economics. Phase 1 provides for a 4ktpa LCE operation, producing a 6% LiCl concentrate product over a projected 40-year life ⁽¹⁾. Galan expects first Phase 1 production in H1 2026 and has secured an offtake agreement for 45,000 t LCE of production. Beyond Phase 1, the Company will undertake a phased scaling approach, eventually ramping up to 60ktpa at the conclusion of Phase 4. This approach mitigates funding and execution risk and will allow for continuous process improvement.

With a world class resource and a cost profile within the first quartile globally, HMW is a clear demonstration of the benefits of a high-quality lithium brine asset. These benefits are allowing Galan to progress through development and into production with a lower capital intensity and lower risk profile when compared to hard rock lithium (spodumene) projects.

As importantly, lithium chloride is a key component for lithium iron phosphate (LFP) batteries, which have become the dominant battery product globally. With the ability to be cost effectively converted into a lithium dihydrogen phosphate or lithium carbonate, lithium chloride, as will be produced at HMW, is an ideal source for LFP batteries.

The Galan Board has authorised this release.

Please refer to the Mineral Resource Statement for Galan's Total Resources of 9.5Mt LCE.

⁽¹⁾ Please refer to the announcement dated 3 July 2023 (ASX: Phase 1 of Hombre Muerto West (DFS Delivers Compelling Economic Results for Accelerated Production)). The Company confirms that all material assumptions underpinning the production target continue to apply and have not materially changed.

For further information contact:

COMPANY

**Juan Pablo ("JP") Vargas
de la Vega
Managing Director
jp@galanlithium.com.au
+ 61 8 9214 2150**

MEDIA

Matt Worner

VECTOR Advisors

**mworner@vectoradvisors.au
+61 429 522 924**

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 owned by Rio Tinto following its successful acquisition of Arcadium Lithium). Galan also has exploration licences at Greenbushes South in Western Australia, just south of the Tier 1 Greenbushes Lithium Mine.

Mineral Resource Statement for Hombre Muerto West and Candelas (January 2025)

Resource Category	Brine Vol (Mm ³)	In Situ Li (Kt)	Avg Li (mg/L)	LCE (Kt)	In Situ K (Kt)	Avg K (mg/L)	KCl Equiv. (Kt)
Hombre Muerto West:							
Measured	1,028	890	866	4,738	7,714	7,505	14,711
Indicated	347	310	894	1,649	2,717	7,837	5,181
Inferred	300	278	926	1,480	2,464	8,210	4,700
HMW Total	1,675	1,478	883	7,867	12,895	7,700	24,591
Candelas:							
Indicated	350	242	689	1,284	2,406	6,870	4,588
Inferred	100	65	661	350	649	6,520	1,238
Subtotal	450	307	683	1,634	3,055	6,792	5,826
Galan's Total Resource Inventory							
Total	2,125	1,785	841	9,501	15,950	7,508	30,417

Refer to announcement dated 29 January 2025 "Galan's Mineral Resources grow to 9.5Mt LCE". The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

Competent Persons Statements

The information contained herein that relates to the latest Mineral Resource estimation approach at Hombre Muerto West was compiled by Mr. Carlos Eduardo Descourvieres. Mr. Descourvieres is an employee of WSP Chile and a Member of the Australian Institute of Mining and Metallurgy. He has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined by the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)'. Mr. Descourvieres consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information contained herein that relates to the latest Mineral Resource estimation approach at Candelas was compiled by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM. Dr Cunningham is a Principal Consultant and full-time employee of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.