18 September 2024

Dear Shareholder

Entitlement Offer – Notification to Ineligible Shareholders

This is a letter to inform you that you are not an Eligible Shareholder for the purposes of the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

On Tuesday, 10 September 2024, Galan Lithium Limited (ASX: GLN) (**Galan** or **the Company**) announced that it had received firm commitments for an equity raising to institutional, sophisticated and professional investors (**Placement**) and intended to conduct a pro-rata non-renounceable entitlement offer of fully paid ordinary shares in the Company to eligible shareholders (**Entitlement Offer**) to raise up to approximately $25 million (before costs). The issue price for the New Shares to be issued under the Placement and Entitlement Offer is $0.105.

The proceeds raised from the Placement and the Entitlement Offer will be put towards the further development of the Hombre Muerto West lithium brine project in Argentina, corporate overheads, costs of the Entitlement Offer and working capital. Further details are set out in the Company's ASX announcement dated 10 September 2024.

The Entitlement Offer is being made without a prospectus or product disclosure document in accordance with section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The Entitlement Offer is not underwritten.

An Entitlement Offer Booklet in relation to the Entitlement Offer has been lodged with the ASX and will be made available to Eligible Shareholders (as defined below) on or around Wednesday, 18 September 2024.

Eligibility Criteria

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

(a) are registered as a holder of Galan shares as at 5.00 pm (Perth time) on Friday, 13 September 2024 (**Record Date**);
(b) have a registered address on Galan's share register that is in Australia, New Zealand or an approved foreign jurisdiction (includes Singapore and Hong Kong);
(c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Galan ordinary shares for the account or benefit of such person in the United States); and
(d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Shareholders (**Ineligible Shareholders**) are not entitled to participate in the Entitlement Offer or to exercise their entitlement to be issued New Shares (**Entitlements**).

The Company has determined, pursuant to section 9A of the Corporations Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to shareholders in all countries outside Australia, New Zealand or an approved foreign jurisdiction (includes Singapore and Hong Kong) in connection with the Entitlement Offer. This is due to the legal and regulatory requirements in those countries and the potential costs to Galan of complying with these requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing Galan ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

As you do not satisfy the eligibility criteria for an Eligible Shareholder as stated above, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer or be able to subscribe for New Shares under the Entitlement Offer.

Non-renounceable Offer

As the Entitlement Offer is non-renounceable, Entitlements in respect of the New Shares you would have been entitled to if you were an Eligible Shareholder will lapse and you will not receive any payment or value for your Entitlements in respect of any New Shares that would have been offered to you if you had been eligible. New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Shareholder may be allocated to other eligible investors.

If you have any questions in relation to any of the above matters, please contact the Galan share registry (Automic) on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 9.00 am to 5.00 pm (Melbourne time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of Galan, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours faithfully

Richard Homsany
Chairman
Galan Lithium Limited

IMPORTANT INFORMATION

This letter is issued by Galan Lithium Limited. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any entitlements or securities in Galan in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of Galan shares.

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this letter have not been, nor will be, registered under the U.S. Securities Act of 1933 as amended (U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States and may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States.