ASX ANNOUNCEMENT
31 October 2022

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2022

HIGHLIGHTS

- **HMW Mineral Resource increases 2.5 times to 5.8Mt contained lithium carbonate equivalent (LCE) @ 866 mg/l Li**
- **HMW retains its high grade, low impurity profile**
- **First time inclusion of a Measured Resource of 4.4Mt @ 883 mg/l Li**
- **Enlarged and upgraded resource is driven by increased tenure scale and further drilling delivering increased aquifer size and porosity assays**
- **Results to be incorporated into DFS, on track for delivery in Q1 2023 – potential production increase being explored**
- **Total Galan Resource (including Candelas) is 6.5Mt @ 839 mg/l Li**
- **New permit application submitted for permanent 200-person operational camp at Hombre Muerto West Project**
- **High-flow, high-grade, long term pumping test results continued**
- **New pegmatite discovery, anomalous lithium soils and pilot geophysics at Greenbushes South**
- **Galan continues to adhere to Covid-19 protocols in Argentina, Chile and Australia with personnel and community health and safety its number one priority**
- **Cash on hand at end of quarter was ≈A$47 million**

The Board of Galan Lithium Limited (**Galan** or the **Company**) is pleased to provide this Quarterly Activities Report for the quarter ended 30 September 2022 to the date of this report. The main focus for the quarter was the ongoing Definitive Feasibility Study (**DFS**) and associated works/activities and further drilling at its high-grade Hombre Muerto West (**HMW**) Project in Argentina as well as continued exploration at the Greenbushes South lithium project in Western Australia.

OPERATIONS

Mineral Resources

On 24 October 2022, Galan announced a spectacular 2.5 times increase in its JORC (2012) reported Mineral Resource estimate for the Hombre Muerto West Project (**HMW Project**) located in Catamarca Province, Argentina. The revised Mineral Resource estimate was completed by the Australian-based team of leading independent geological consultants, SRK Consulting (Australasia) (**SRK**).

The total HMW Mineral Resource increased by 158% to 5.8 million tonnes of contained lithium carbonate equivalent (**LCE**) grading 866 mg/l Li. Within this is a Measured Resource of 4.4 Mt of LCE product grading 883 mg/l Li, which represents approximately 76% of the total HMW resource.

The initial HMW Project Mineral Resource Estimate (refer Galan ASX release dated 12 March 2020) was prepared by SRK and further updated by them on 17 November 2020. Subsequently, SRK incorporated new data gathered during exploration campaigns completed in 2021-2022 and also considered the acquisition of the Casa del Inca I tenement (now known as Casa del Inca III, see Figure 1 for location).

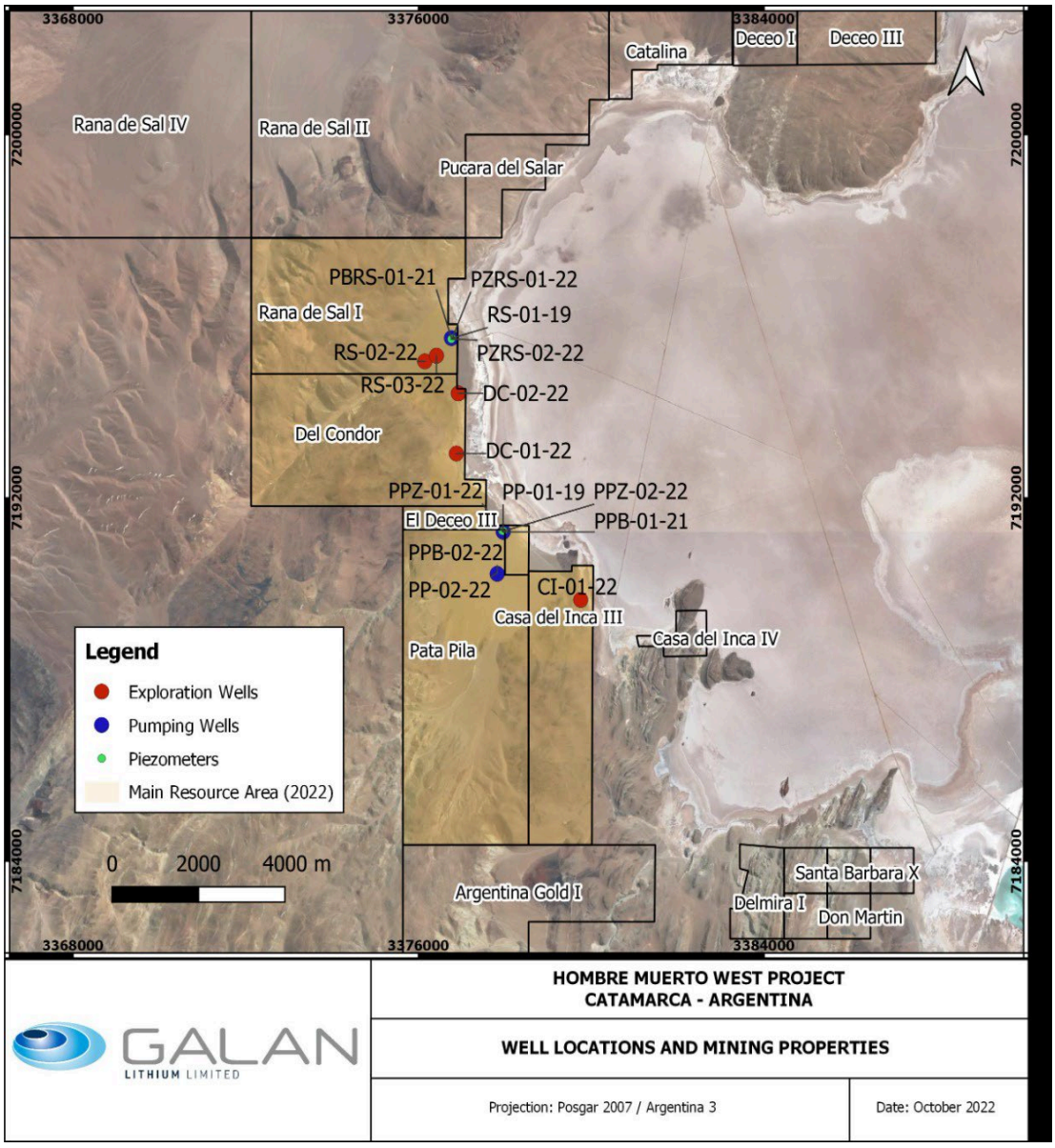

Figure 1: Galan Lithium Limited's Western Basin tenure, Hombre Muerto Salar Argentina (shaded area shows resource related tenements)

Galan's Managing Director, JP Vargas de la Vega, said:

"Even the Galan team has been amazed by the scale of this updated Resource for Hombre Muerto West. The outcome is game changing in terms of the step-up in the overall technical and economic potential of this world-class lithium brine asset. This is a function not only of the size of the increase in resource, but also the big step-up in confidence classification that has been achieved. This potential is now set to be incorporated into our ongoing Definitive Feasibility Study (DFS) work, which is on track for completion during Q1 2023.

This amazing result could not have been achieved without the concerted efforts of our tireless and loyal teams in South America and Australia, who continue to deliver outstanding exploration and evaluation results, and savvy tenement acquisitions. Thank you to all. We look forward to continuing to advance the HMW Project rapidly towards its development and production of critical lithium supply. The entire Galan team is aligned towards maximising the future benefits of this flagship asset, and our broader portfolio."

The revised Mineral Resource estimate incorporates geological and geochemical information obtained from fifteen (15) drillholes totalling 4,384 metres within the Pata Pila, Rana de Sal, Casa del Inca and Del Condor tenements. A total of 236 brine assays were used as a foundation of the estimation, all of which were analysed at Alex Stewart International laboratory (Jujuy). An improved QA/QC program was implemented, including duplicates, triplicates, and standards. In total, 98 QA/QC samples were considered using Alex Stewart (duplicates) and SGS in Argentina (triplicates) as the umpired laboratory.

New porosity data was obtained from 131 core samples derived from five (5) drillholes located in the Pata Pila (2) and Rana de Sal (3) tenements in support of the HMW Mineral Resource Estimate. Porosity analysis was undertaken at SGS in Argentina and Daniel B. Stephens & Associates (DBS&A) in New Mexico (United States). To complement directly obtained brine samples and core, approximately 51 km of total surface resistivity (CSAMT and TEM) have been completed since the start of the project. Furthermore, Zelandez has conducted 1,766 metres of downhole geophysical logging in 5 (five) drillholes located in the Pata Pila (2) and Rana de Sal (3) tenements.

Mineral Resources have also been reclassified based on the new data, resulting in the Measured Resource now exceeding 4.4 million tonnes of contained lithium carbonate equivalent (**LCE**) product grading 883 mg/L Li. The total Mineral Resource (Measured + Indicated + Inferred) has increased by approximately 158% to now sit at over 5.8 million tonnes of contained LCE grading at 866 mg/L Li. A summary of the updated HMW Mineral Resource is provided in the Mineral Resource Statement (Table 1). No cut-off grade has been applied to the updated Mineral Resource estimate as minimum block grades of 620 mg/L Li exceeded the anticipated economic threshold. This exceptional characteristic of the HMW reservoir reflects the highly homogenous brine quality throughout the tenements which permits the aggregation of the complete ore body and simplifies future operational and process constraints.

Summary of Resource Estimate and Reporting Criteria

Please also refer to the JORC Code Tables, 2012 Edition, as detailed in Annexure 1 of the Galan ASX announcement dated 24 October 2022 entitled "Spectacular 2.5x Increase in HMW Resource – Now 5.8Mt LCE @ 866 mg/l Li (76% in Measured Category)".

The original Mineral Resource Estimate (**MRE**) was completed by SRK Consulting (Australasia) (**SRK**) in March 2020 (ASX: GLN 12 March 2020) and was based upon results from 1,054 metres of drilling within the Pata Pila, Rana de Sal and Casa del Inca tenement holdings at Hombre Muerto West. The hydrogeologic domains were constrained to logged units within the drillholes and supported by interpretation Controlled Source Audio-Frequency Magnetotellurics (CSMAT) and Transient Electromagnetic (TEM) geophysical profiles. Mineral Resource Estimates for lithium (reported as Li2CO3 equivalent) and potassium (KCl equivalent) were completed by SRK.

Table 1 provides a summary of the updated MRE, incorporating the results of the 2021-2022 exploration campaign and reporting in accordance with the JORC Code guidelines. According to SRK, the Hombre Muerto West MRE is hosted within geologically well-defined zones of high-grade lithium mineralisation, including significant mineralised hydrogeologic domains. The units within the domains show some variation in thickness along strike and depth (refer Figure 2).

Table 1: Mineral Resource Statement for Hombre Muerto West and Candelas (October 2022)

Resource Category	Brine Vol. (Mm^3)	In situ Li (Kt)	Avg. Li (mg/l)	LCE (Kt)	Avg. K (mg/l)	In situ K (Kt)	KCl Equiv. (Kt)
Hombre Muerto West:							
Measured	933	833	883	4,435	7,777	7,331	13,980
Indicated	151	125	820	663	6,993	1,101	2,099
Inferred	174	140	811	748	7,170	1,241	2,367
HMW Total	**1,258**	**1,098**	**866**	**5,846**	**7,599**	**9,733**	**18,561**
Candelas North (*)							
Indicated	196	129	672	685	5,193	1,734	3,307
Galan's Total Resource Inventory							
Grand Total	**1,454**	**1,227**	**839**	**6,531**	**7,274**	**11,467**	**21,868**

NB.; no cut-off grade applied to the updated Mineral Resource Estimate as minimum values are above expected economic values (620 mg/L); Specific yield (SY) values used are as follows: Sand – 23.9%, Gravel – 21.7%, Breccia – 8% and Halite – 3%. There may be minor discrepancies in the above table due to rounding. The conversion for LCE = Li x 5.3228, KCl = K x 1.907.
(*) The Candelas North Mineral Resource Statement was originally announced by Galan on 1 October 2019. There may be minor discrepancies in the above table due to rounding.

Location & Tenure

The HMW Project is located on the western shore of the Hombre Muerto Salar, a world-renowned lithium-bearing salar located in the Argentinean Puna plateau region of the high Andes at an elevation of approximately 4,000m above sea-level. The HMW Project comprises various exploration areas (note that the Catalina and Pucara tenements are not included in the HMW resource), covering a total estimated polygon area of 7.5km strike, up to 2.5km in width and up to 718m in depth. It lies adjacent to Livent Corporation, Allkem Limited and POSCO's Sal de Vida projects. It is approximately 1,400 km northwest of the capital of Buenos Aires and 170 km west-southwest of the city of Salta.

Geological Model

As part of the mineral resource estimation process, SRK modelled the hydrogeologic domains (Figure 2) of HMW using Paradigm's SKUA-GOCAD™ geological modelling software package. The contiguous geology enabled all the concessions to be evaluated as a whole and a model was produced based on the lithologies.

The model utilised the following datasets:

- Resistivity and Conductivity profiles (10 CSMAT lines);
- Resistivity and Conductivity profiles (7 TEM lines);
- Downhole geophysics (particularly gamma);
- Assays obtained from Alex Stewart International laboratory;
- Zelandez downhole data, including total porosity and Specific Yyield;
- Specific Yield measurements from SGS; and
- Lithological logs.

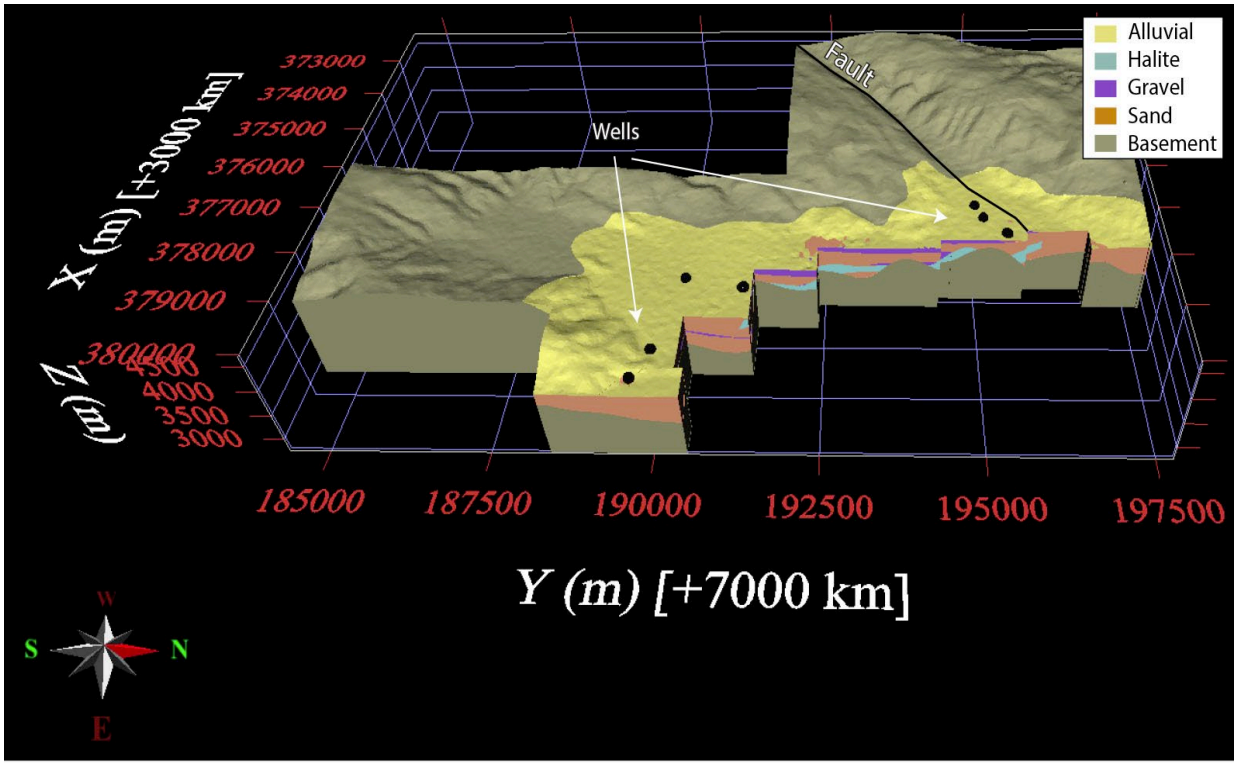

Figure 2: The geological model for Hombre Muerto West produced by SRK (from Rana de Sal I to Casa del Inca III). Note Specific Yields are: Sand (23.9%), Gravels (21.7%), Breccia (8%) and Halite (3%)

HMW Project areas are located along the western shores of the Salar, a closed drainage basin, structurally controlled and bounded by normal faults. The drill holes were located upon alluvial fans that have prograded eastward out onto the Salar. The younger alluvial fan deposits rest conformably upon the salar.

All borehole drilling was by the diamond drill method, with an internal triple tube for core recovery. Core was sampled in 1.5m lengths and logged by a geologist. Brine samples were taken from multiple target intervals using packer, bailer and airlift tests. Downhole geophysics were employed, including downhole geophysical profiling and borehole magnetic resonance. Geochemical analyses of brine were undertaken by ICP-MS in two independent accredited laboratories.

The resource boundaries of the hydrogeologic wireframes were determined as follows:

- Vertical limits are constrained between top of basement and top of sand / base of alluvial cover;
- The western margin is limited where the sand unit pinches out against basement;
- The eastern margin is constrained by the tenement boundary;
- The northern margin is constrained by the tenement boundary of Rana de Sal I; and
- The southern margin is constrained where the sand unit pinches out on shallow basement.

In general, the style of geology has been assumed to be relatively flat to gentle basinward dipping stratigraphy with no preferred direction of mineralisation continuity.

A proportional block model was created to cover the extent of the relevant tenement areas and was confined by a wireframe model based on the various lithologies. When choosing appropriate model cell dimensions of 100m (easting) by 500m (northing) by 20m (elevation), consideration was given to drill spacing, sample interval, the interpreted geometry and thickness of the hydrogeologic domains and the style of mineralisation.

Blocks were selected by tenement and then by hydrogeologic domains (refer Figure 3). The following tenements form the Mineral Resource estimates:

- Rana de Sal I;
- Del Condor;
- Deceo III;
- Pata Pila; and
- Casa del Inca III.

Several assay intervals overlap as a result of different tests performed. Depth-specific packer samples were prioritised over pumping tests and airlift samples (given the latter samples are more representative of composite value over the entire screened interval). Where sample segments overlap, a mean value was calculated. A single well per platform was taken to avoid conflict of different values in close proximity.

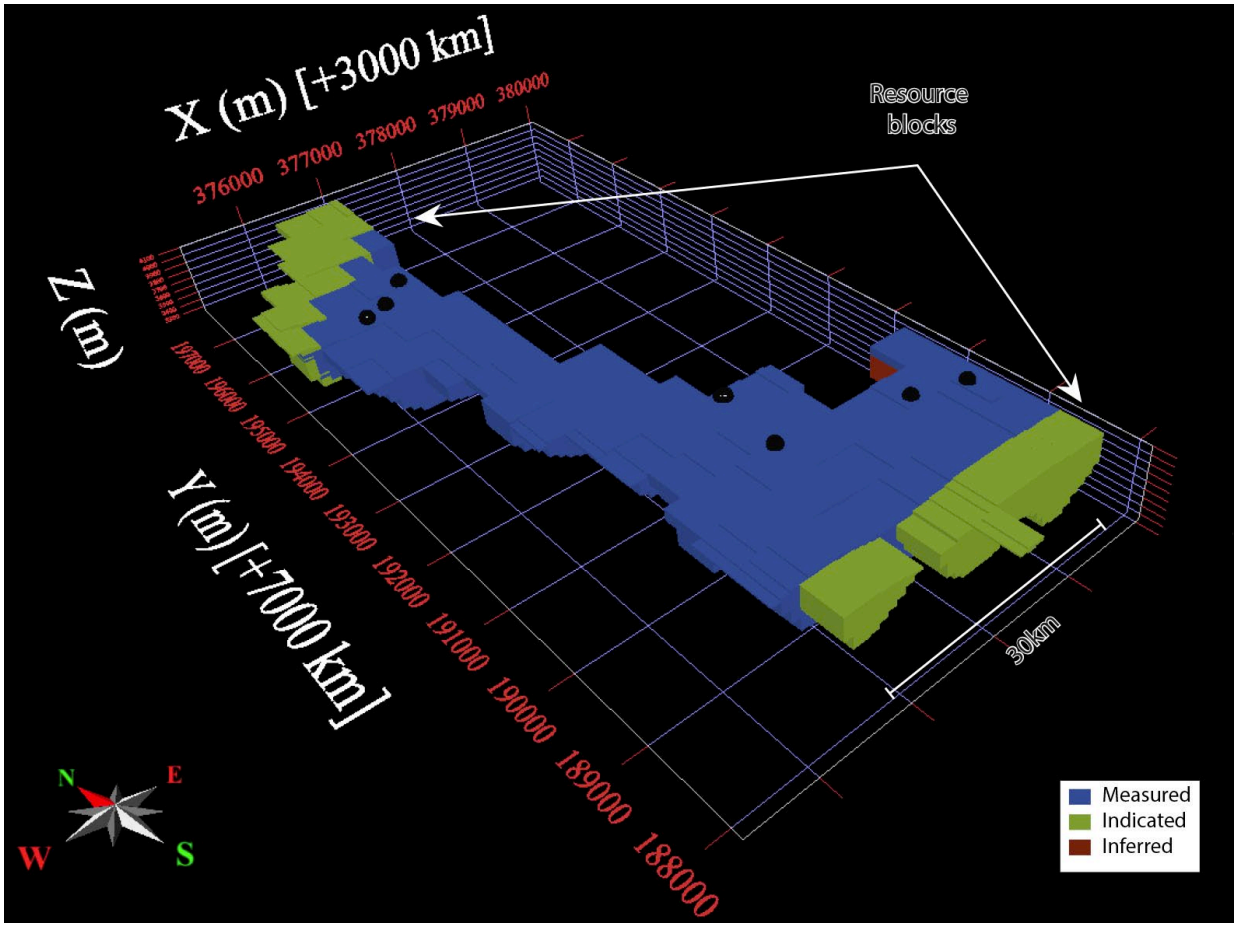

Figure 3: Extent of Resource model for Hombre Muerto West produced by SRK.

Brine samples were obtained from intervals as follows:

CI-01-22: 39m to 151m;
PP-01-19: 40 to 718m;
PPB-02-22: 102 to 385m;
RS-01-19: 32 to 433m;
RS-02-22: 55 to 260m; and
RS-03-22: 96 to 340m.

A simple inverse distance-weighted extrapolation (power value 2) was carried out using an isotropic search that allowed all blocks coded with Sand, Gravel, Breccia or Halite to be interpolated. The search ellipse used a first-pass radius of 2.5 by 2.5 by 0.2km. A second and third pass used a ratio of 2 and 3.5, respectively.

Resource Classification

The MRE for the HMW Project has been classified in accordance with the JORC Code (2012). This classification also conforms to the AMEC Guidelines for Resource and Reserve Estimation for Brines (2017). Numerous factors were taken into consideration when assigning the classification applied to the Mineral Resource estimate.

Of these factors, it is considered that the classification has been primarily influenced by the drill coverage, availability of long-term pumping data, geological complexity and data quality as described below:

Specific Yield: Specific Yields (incorporated into the updated MRE were derived from laboratory-measured values from the SGS laboratory in Salta using a methodology in accordance with standard ISO 5636-5. Direct Specific Yield measurements were augmented by Scanning Electron Microscopy (SEM) to which indicated minimal presence of clay minerals within the sand and gravel materials and supported higher Specific Yield values for these lithologies. To maintain conservatism, SRK utilised minimum measured Specific Yield values for the respective lithologies in the updated MRE. Specific Yield values used in the MRE update (in order of abundance) were:

- Sand: 23.9%
- Gravel: 21.7%
- Breccia: 8.0%
- Halite: 3.0%.

The AMEC guidelines recommend Specific Yield be verified by independent methodologies. Due to the presence of significant residual stabilising fluid (used during drilling to maintain hole integrity) the HMW Project was unable to obtain representative samples for measurement of Specific Yield by Relative Brine Release Capacity (RBRC). Samples submitted for RBRC produced anomalous and non-reproducible results and were therefore not considered as part of the updated MRE by SRK.

Zelandez Limited was contracted to obtain measurements of total porosity, pore-size distribution and Specific Yield by downhole Borehole Nuclear Magnetic Resonance (BNMR) technology profiling. Results of the BNMR analyses were complicated both by the presence of drilling fluids, borehole construction and the inherent control of fractures on BNMR results. A geostatistical analysis of the Zelandez results comparing numerous existing porosity and Specific Yield studies of salars in the region (including Hombre Muerto) undertaken by other companies was completed. This review found the Zelandez derived results to be highly variable within similar lithologies, with numerous zero reading intervals resulting in anomalously low averaged values when compared to similar salar settings and sedimentology. Notably, non-zero BNMR results for sand and gravel units correspond well with laboratory-derived Specific Yield values.

Specific Yield values were also benchmarked for projects within the area. The Specific Yield of sand, silt, and clay units within other Salars have a wide range of between 8% and 15% (e.g. Sulfa Mina on Salar de Pular, PNN's ASX release dated 4 January 2019; Hombre Muerto Norte Project, NRG Metals Inc. dated 7 August 2019). The ranges tend to be a function of the coarseness of sand grains and the proportion of clay. The higher clay content tends to result in a reduction in the porosity and hence Specific Yield. The sandy units at HMW are a mix of silts and sands and notably contain very little clay. As a result of the relative abundance of coarse sands and lack of clays within the sand hydrogeologic domain, SRK applied the minimum laboratory average Specific Yield for sand samples of 23.9% into the updated MRE.

The Specific Yields of gravels, channel deposits, flanglomerate sequences have been benchmarked to other projects, with typical values ranging around 11% (e.g. 3Q Project, NEO Lithium Corp, NI 43-101 dated 7 May 2019; Rincon Lithium project, AGY's ASX release dated 13 November 2018). As a result of the lack of clays within the gravel hydrogeologic domain, SRK applied the minimum laboratory average Specific Yield for gravel samples of 21.7% into the updated MRE.

Breccia and halite lithologies are relatively rare in the HMW Project area, and SRK applied conservative Specific Yield values of 8% and 3%, respectively, for these hydrogeologic domains.

Data quality: The datasets comprise a mix of sample data which were provided to SRK in numerous separate editable files. QAQC for Galan's data was acceptable for brine chemistry. Geochemical results from Alex Stewart International laboratory were preferred for resource estimation. The brine occurrence and chemistry, the relative consistency of the data and confidence in the drilling and sampling results is good.

Geological complexity: The general orientation of the major defined hydrogeologic domains / horizons appears to be consistent and predictable. Thickness is variable for each hydrogeologic domain. The lower boundary of sand and gravels is reasonably constrained by geophysics. However, one well had logged basement well within a highly conductive zone and may actually represent a lava flow. Classification of blocks in the vicinity of the log is Inferred. Overall, there is a reasonable understanding of the stratigraphy of the basin with an excellent correlation of units between most areas.

Data coverage: The data coverage reflects the 2019 to 2022 drilling (15 holes) and all geophysical surveys conducted to date. The drillhole spacing varies between 0.5km to 4.5 km and all holes are vertical.

A study by Houston et al., (2011)[1] showed that drill spacing of between 7km and 10km should be sufficient for Inferred resource definition. Therefore, the distance of 4.5 km between the two holes and maximum extrapolation distances of around 2.6km are considered reasonable for Indicated classification. Within a 1.5km extrapolation distance from pumping wells, Measured classification is adequate.

1. "The Evaluation of Brine Prospects and the Requirement for Modifications to Filing Standards" by John Houston, Andrew Butcher, Peter Ehren, Keith Evans and Linda Godfrey (October 2011)

Validation results: The model validation checks show a reasonable match between the input data and estimated grades, indicating that the estimation procedures have performed as intended.

Potential economic viability: The deposit is in a well-known area of brine lithium with good existing infrastructure and nearby plants available for ore processing.

The minimum interpolated grade is around 620 Li mg/l, considered a relatively high grade and above what has been deemed in similar projects as an economic cut-off grade. For example, a 500 Li mg/l cut off was used for [2]NRG Metals Inc's Hombre Muerto North project, which has a combined Measured/Indicated resource.

[2]NRG Metals, NI 43-101 Preliminary Economic Assessment Report for the Hombre Muerto Norte Project Salta Province, Argentina. Effective Date 3rd June 2019

HMW

Infrastructure

In another key step to accelerate the development of the HMW Project, the Company submitted an application for a new 200-person capacity camp facility to the Provincial Catamarca Authorities (Ministerio de Mineria de Catamarca).

The facility will deliver the additional accommodation capacity necessary for the commencement and completion of all construction activities required to take the HMW Project into commercial production. In parallel, the current operational camps at the HMW and Candelas Projects will continue to support Galan's exploration and piloting activities across these assets. These camps will also provide overflow accommodation and messing support during the most intensive construction phases at the HMW Project.

Final construction of the pilot plant has commenced.

Feasibility Study

- Soil characterization analysis and surface water analysis were completed;
- FL Smith filtering test work completed in Salt Lake City(report pending);
- Preliminary Layout delivered -includes ponds and deviation water channels; and.
- Stability analysis underway (results pending).

Delivery of the HMW Project DFS is now planned for release in late Q1 2023. The updated HMW Resource Estimate has meant further investigation of potential increases to the originally envisaged production parameters.

A numerical groundwater model is being prepared by SRK as a basis for the declaration of an Ore Reserve as part of this process. Exploration, including drilling and pumping tests, will continue during Q4 2022 to improve geological and hydrogeological understanding of the indicated resource areas and extend the resource to unexplored tenements (Santa Bárbara, Pucará del Salar and Catalina; see Figure 1). An updated Mineral Resource Estimate and Ore Reserve will be declared as part of the DFS to account for exploration progress made during this period.

Well Pump Testing

Pata Pila

The constant rate test was performed for 72 hours and observed with three (3) different piezometers. Aquifer response during the pumping test indicated favorable conditions (permeability) for brine production with expected flowrates between 15 – 20 L/s per well at Pata Pila.

Fourteen brine samples were collected throughout the duration of the test and analyzed for lithium (**Li**) at the Alex Stewart laboratory. Chemical results positively confirm a high-grade brine resource, with an increasing Li grade during pumping, stabilising at approximately 910 mg/L (see Figure 4 for results). The site operations and sampling procedures were supervised by SRK Consultants.

As announced on 31 August 2022, the 30-day long-term pumping test at the first Pata Pila well (PPB-01-21) was successfully completed at the end of July. The sustained pumping rates were solid, ranging between 17 and 20 L/s. More than 150 brine samples were collected during this testing phase, with laboratory analysis returning an average Li grade of 874 mg/L (from a range of 821 to 927 mg /L).

The hydraulic testing of the second pumping well at Pata Pila (PPB-02-22) is set to commence shortly. This well is located approximately 800m upgradient in the Pata Pila alluvial fan.

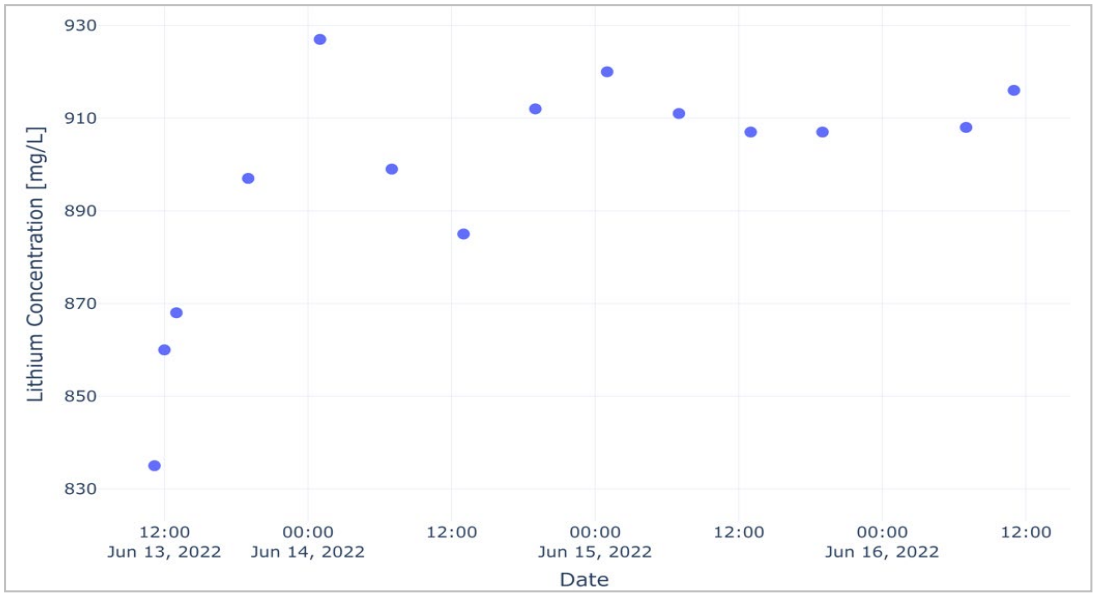

Figure 4 – Brine lithium grade (mg/L) results obtained during the 72 hours constant rate test at PPB-01-21.

Rana de Sal

As announced on 31 August 2022, the first pumping well at Rana de Sal (PBRS-01-21) commenced its hydraulic testing. Following an initial step test, a 72-hour constant rate and recovery test was performed. During this test, the pumping rate was stabilised at 20 L/s and drawdown was measured in three monitoring wells. Eighteen (18) brine samples were also collected during this testing phase, with laboratory analysis returning outstanding Li grades ranging between 932 and 957 mg/L, with a mean of 945 mg/L (see Figure 5).

The long-term (30-day) pumping test commenced, with an expected initial flow rate in the range of 22 to 27 L/s.

Pumping tests have been completed, with results pending. All data obtained during the testing campaign is being analysed by SRK as part of the development of the Resource and Reserve model for the HMW Project.

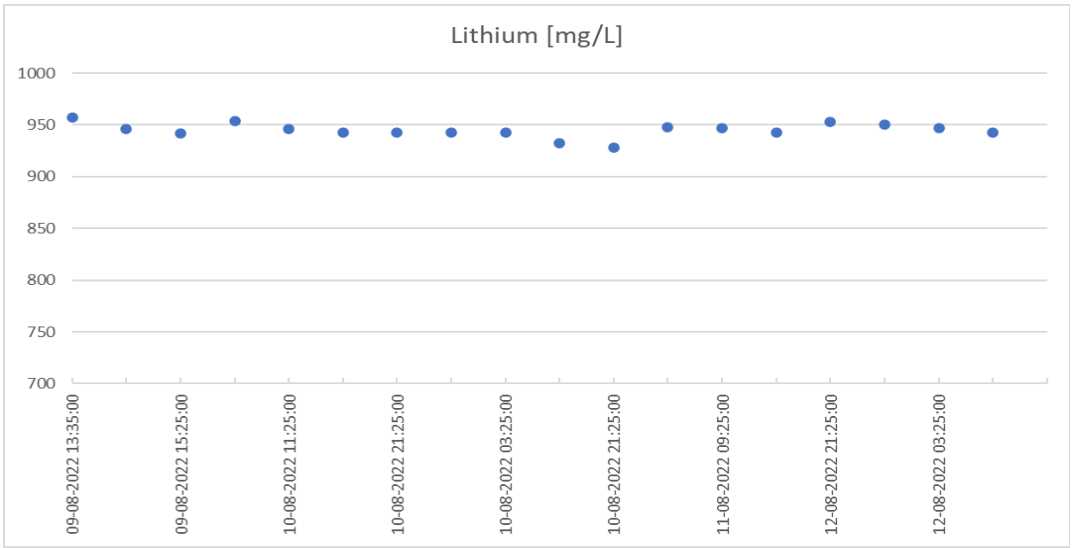

Figure 5 – Brine lithium grades results (mg/L) for PBRS-01-21 during 72-hour constant rate test

Exploration Drilling

During the quarter, exploration drilling continued at the HMW Project with the first Casa del Inca drillhole (CI-01-22) completed (Figure 6). This drillhole was designed to validate the potential hydrogeological extension of the brine reservoir between the Pata Pila alluvial fan and salar margin below recent lava flows in Casa del Inca, as suggested by surface resistivity surveys.

Drilling at CI-01-22 showed a fractured basalt unit overlying unconsolidated sands and gravels. The drillhole was completed to a depth of 155m. Drilling then commenced in del Condor (DC-01-22; see Figure 6) with the aim of improving certainty in the area connecting Rana de Sal and Pata Pila.

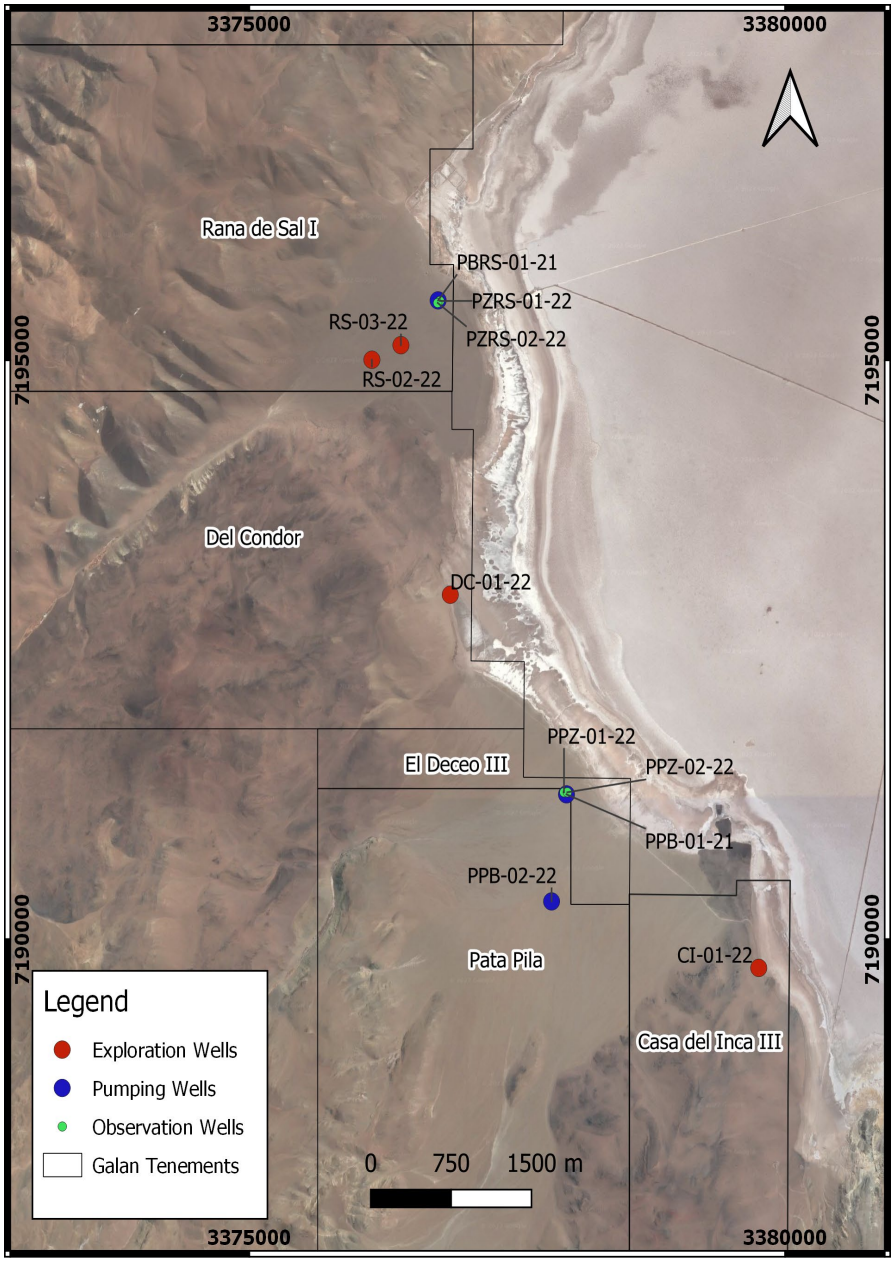

Figure 6 – Location of pumping and exploration wells at HMW Project

Candelas

Candelas is Galan's other Preliminary Economic Assessment (**PEA**) study level project and is located on the south-east side of the Hombre Muerto West salt flat in Catamarca, Argentina.

Apart from project and environmental monitoring, no significant work was undertaken on the Candelas project during the September 2022 quarter.

Greenbushes South

The Greenbushes South lithium projects (held in a joint venture between Galan (80%) and Lithium Australia Ltd (ASX:LIT) (20%)) are located south of Perth and ranges between the towns Donnybrook and Nannup in the Southwest portion of Western Australia. Three major projects are comprised of four granted tenements and two pending tenements. The flagship project, **Greenbushes South** (E70/4790, E70/6263 – formerly E70/4889, P70/1702 & P70/1703) is located 3 km south of the world-class Greenbushes Lithium Mine, which is owned and managed by Talison Lithium Pty Ltd. The **Kirup Project** (E70/4690, E70/4777, E70/5680) is located near the town of Donnybrook, and the **Donnelly Project** (E70/6264 – formerly E70/4629), is located in the Donnelly Forest 30 km south of the Greenbushes Mine (this project is 100% owned by Galan). These projects are linked by their relationship and proximity to Donnybrook-Bridgetown Shear Zone (**DBSZ**) which is the main mineralizing fault found at the Greenbushes Mine.

In an announcement dated 1 August 2002, the Company announced new discoveries including a pegmatite in three main outcrops spanning an area approximately 500m x 400m (see Figure 7). There are also strong indications that this pegmatite remains open and continues along strike. This builds on the previous pegmatite discovery (200m x 40m) announced in June (see ASX release dated 15 June 2022).

Figure 7: Outcrops of quartz, feldspar, mica and tourmaline pegmatite dykes.

It was also reported that the Company had received the first batch (65 in total) of geochemical assays from the soil sampling grids traversing the initial pegmatite discovery. The results confirm anomalous concentrations of lithium up to 215 ppm, as well as high concentrations of pathfinder elements, such as As and Cs. A further 298 assays from this soil sampling program are pending, as well as the assays for 15 rock chip samples taken from the earlier mapped pegmatite outcrops.

The returned soil results were assayed using the UltraFine+ assay technique that delivers high-fidelity multi-element analysis derived from the ultrafine (< 2 µm) fraction of soil samples. The UltraFine+ method is an analytical process flow developed by CSIRO and LabWest, which often returns stronger signals well above instrumental detection limits, usefully increasing signal-to-background ratios. Galan has now submitted all historical soil samples from Greenbushes South to be re-assayed utilising this method.

Ground Geophysics

A pilot study utilising ground-based geophysical techniques to explore blind (buried) pegmatite targets has been completed in the Greenbushes South project areas. The survey consists of passive seismic (HSVR) and gravity surveys conducted by Atlas Geophysics. Data processing is underway and results are expected to be available in late October 2022. Additionally, a resistivity study is also planned to be completed by GBG in the next few weeks to further aid in defining the orientation of pegmatite at depth. These will help identify planned drilling targets being developed for early 2023.

CORPORATE

In regard to COVID-19, Galan remains committed to delivering on our goals whilst maintaining the highest possible safety standards for our employees, contractors and consultants by adhering to all the recommended practices mandated by the authorities in Australia, Argentina and Chile. The borders remain open between Chile and Argentina, which continues to benefit the Company's current work plans and studies for the HMW and Candelas projects.

The fixed remuneration of the Managing Director was reviewed by the Galan Board and it was agreed to increase the annual salary to $400,000 per annum (plus statutory superannuation). The increase is back dated to 1 April 2022.

At the end of the September 2022 quarter, the Company had cash resources of A$46.9m.

Appendix 5B

The following information is disclosed in compliance with ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Related Party	Amount ($A'000)	Description
Managing Director	$77	Salary
Directors	$83	NED Director Fees
Associate of Director	$9	NED Director Fees
Associate of Director	$49	Legal Fees
	$218	

The Galan Board authorises the release of this September 2022 Quarterly Activities Report.

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Competent Persons Statements

Competent Persons Statement 1

The information contained herein that relates to exploration results and geology is based on information compiled or reviewed by Dr Luke Milan, who has consulted to the Company. Dr Milan is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Milan consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.

Competent Persons Statement 2

The information relating to the Exploration Results and integrity of the database was compiled by Mr Alvaro Henriquez. Mr Henriquez is a full-time employee of Galan Lithium Limited and has been engaged by Galan as their Exploration Manager. The integrity of the database and site inspection was done by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM, MAIG, MGSA, FGSL. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. Review of the hydrogeological aspects of the exploration program and a site inspection was completed by Dr Brian Luinstra, BSc honours (Geology), PhD (Earth Sciences), MAIG, PGeo (Ontario). Dr Luinstra is a Principal Consultant of SRK Consulting (Australasia) Pty Ltd.

Competent Persons Statement 3

The information in this report that relates to the Mineral Resources estimation approach at Hombre Muerto West was compiled by Dr Cunningham. Dr Cunningham is an Associate Principal Consultant 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". 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.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward-Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Galan Lithium Limited operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward- looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside Galan Lithium's control. Galan Lithium Limited does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Galan Lithium Limited, its directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

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 (Livent Corporation) and the Sal de Vida (Allkem) and Sal de Oro (POSCO) lithium projects. Galan is also exploring at Greenbushes South in Western Australia, approximately 3km south of the Tier 1 Greenbushes Lithium Mine.

Hombre Muerto West (HMW): A ~16km by 1-5km region on the west coast of Hombre Muerto salar neighbouring Livent Corp to the east. HMW is currently comprised of seven concessions – Pata Pila, Rana de Sal, Deceo III, Del Condor, Pucara, Catalina and Santa Barbara. Geophysics and drilling at HMW demonstrated significant potential of a deep basin. In October 2022, an updated Mineral Resource estimate was delivered totalling 5.8Mt of LCE for the largest concessions (including Pata Pila, Casa del Inca and Rana de Sal). Exploration upside remains for the rest of the HMW concessions not included in the current resource estimate.

Candelas: A ~15km long by 3-5km wide valley filled channel which project geophysics and drilling have indicated the potential to host a substantial volume of brine and over which a maiden resource estimated 685kt LCE (Oct 2019). Furthermore, Candelas has the potential to provide a substantial amount of processing water by treating its low-grade brines with reverse osmosis, this is without using surface river water from Los Patos River.

Greenbushes South Lithium Project: Galan has an Exploration Licence application (E70/4629) covering a total area of approximately 43 km^2. It is approximately 15kms to the south of the Greenbushes mine. In January 2021, Galan entered into a sale and joint venture with Lithium Australia Ltd for an 80% interest in the Greenbushes South Lithium project, which is located 200 km south of Perth, the capital of Western Australia. With an area of 353 km^2, the project was originally acquired by Lithium Australia NL due to its proximity to the Greenbushes Lithium Mine ('Greenbushes'), given that the project covers the southern strike projection of the geological structure that hosts Greenbushes. The project area commences about 3km south of the current Greenbushes open pit mining operations.

Lithium classification and conversion factors

Lithium grades are normally presented in mass percentages or milligrams per litre (or parts per million (ppm)). Grades of deposits are also expressed as lithium compounds in percentages, for example as a per cent, lithium oxide (Li2O) content or per cent and lithium carbonate (Li2CO3) content. Lithium carbonate equivalent ("LCE") is the industry standard terminology for, and is equivalent to, Li2CO3. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included further below to get an equivalent Li2CO3 value in per cent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li2CO3. Conversion Factors for Lithium Compounds and Minerals:

Convert from		**Convert to Li**	**Convert to Li_2O**	**Convert to Li_2CO_3**
Lithium	Li	1.000	2.153	5.323
Lithium Oxide	Li_2O	0.464	1.000	2.473
Lithium Carbonate	Li_2CO_3	0.188	0.404	1.000

INTEREST IN MINING TENEMENTS AT 30.09.22

Argentina (Hombre Muerto projects) - 100% right, interest and/or title

Candela I - VI
Casa Del Inca I, II, III & IV
Catalina
Deceo I, II & III
Del Condor
Jazmin II
Pata Pila
Pucara
Rana de Sal I, II & III
Santa Barbara
Argentina Gold

Australia (Greenbushes South project – 80%) – Granted (G) or Pending (P)

E70/4690 (G)
E70/4790 (G)
E70/4777 (G)
E70/5680 (G)
E70/6263 (P) (formerly E70/4889)
E70/1698 to E70/1704 (P)
E70/6264 (P) (formerly E70/4629) (100% Galan)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GALAN LITHIUM LIMITED

ABN	Quarter ended ("current quarter")
87 149 349 646	30 September 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	14	14
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(695)	(695)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	41	41
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(640)**	**(640)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(649)	(649)
	(c) property, plant and equipment	3	3
	(d) exploration & evaluation	(5,680)	(5,680)
	(e) investments	(100)	(100)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(6,426)**	**(6,426)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6	6
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**4**	**4**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	53,883	53,883
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(640)	(640)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,426)	(6,426)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4	4

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	80	80
4.6	**Cash and cash equivalents at end of period**	**46,901**	**46,901**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	7,274	134
5.2	Call deposits	37,530	51074
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Overseas bank acc	2,097	2,675
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**46,901**	**53,883**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	119
6.2	Aggregate amount of payments to related parties and their associates included in item 2	98

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Includes MD salary, NED salaries and professional fees plus legal fees paid to an associate of a NED.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(640)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(5,680)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(6,320)
8.4	Cash and cash equivalents at quarter end (item 4.6)	46,901
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	46,901
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	7

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: NA

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: NA

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: NA

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2022

Authorised by: **The Board of Galan Lithium Limited**

Mike Robbins (Company Secretary)
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.