



ASX ANNOUNCEMENT

31 January 2023

QUARTERLY ACTIVITIES REPORT DECEMBER 2022

HIGHLIGHTS

Hombre Muerto West DFS:

- DFS engineering and associated workstreams/infrastructure on track and budget
- Reserve conversion work on course for Measured Resource of 4.4 Mt LCE @ 886 mg/l Li, one of the largest high-grade measured resources in Argentina
- High-flow, high-grade, long-term pumping test results completed on three (3) wells at Pata Pila and Rana de Sal
- Confirmed well-ready flow capacity for development of 4 Ktpa LCE pilot plant
- Full-scale HMW production permitting (20 Ktpa+ LCE) to be lodged Q1, 2023

HMW Exploration and Resource Expansion:

- Drilling and geophysical data confirms further lithologic and brine continuity
- Santa Barbara drilling (SB-01-22) completed at 455m depth

Greenbushes South:

- Galan acquires 100% of Greenbushes South Lithium Project, located only 3km from the world-class Greenbushes Lithium Mine, POW approval and drilling imminent

Corporate:

- Cash on hand at the end of quarter was ≈A\$38 million

The Board of Galan Lithium Limited (**Galan** or the **Company**) is pleased to provide this Quarterly Activities Report for the quarter ended 31 December 2022 to the date of this report. The focus for the quarter was the solid progression of the Definitive Feasibility Study (**DFS**) and associated works/activities, including well pump testing and further drilling at its 100% owned, high-grade/low-impurity Hombre Muerto West (**HMW**) Project in the Catamarca Province, Argentina as well as continued exploration at the wholly owned Greenbushes South lithium project in Western Australia.

OPERATIONS

Mineral Resources

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 5.8 Mt 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 the interpretation of 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 summarises 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.

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	In situ K (Kt)	KCl Equiv. (Kt)
					(mg/l)		
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 on 1 October 2019. There may be minor discrepancies in the above table due to rounding.

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 4,000 m above sea level. The HMW Project comprises various exploration areas (note that the Catalina, Santa Barbara and Pucara tenements are not included in the HMW Resource), covering a total estimated polygon area of 7.5 km strike, up to 2.5 km in width and up to 718 m 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. The Candelas Project 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 (Figure 1).

For personal use only

For personal use only

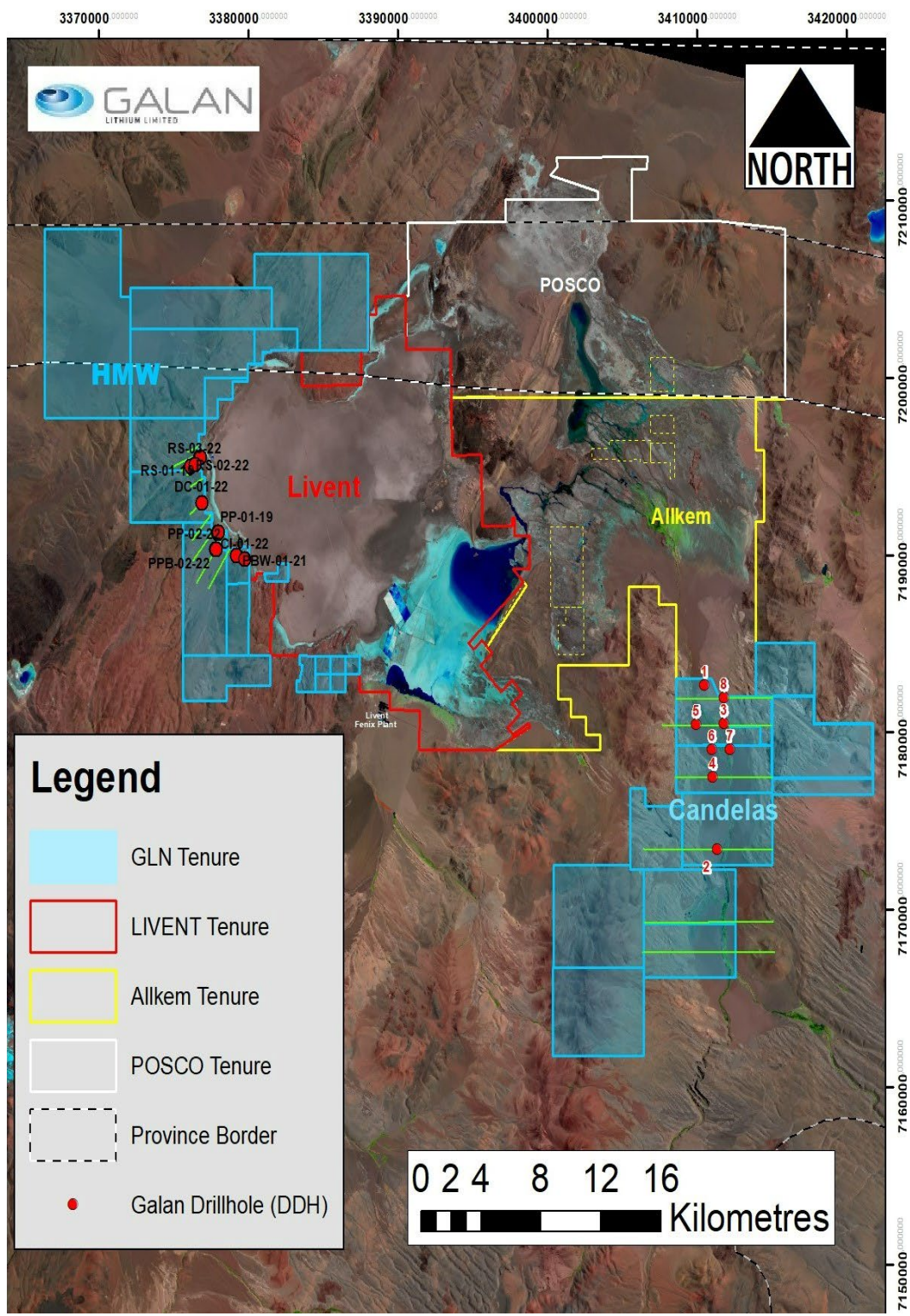


Figure 1 – Galan’s high-grade, low-impurity lithium brine tenure in Argentina

HMW

Definitive Feasibility Study

The Definitive Feasibility Study (**DFS**) has made solid progress on all engineering fronts especially the pond system designs, contour channels for surface water management, pumping system and opex and capex costings.

The Environmental Impact Assessment (**EIA**) study for the exploitation stage of the HMW Project is running to schedule and due for delivery in Q1, 2023. The baseline studies were finalised, and Galan is working with Ausenco on the completion of the technical analysis and preparation of the study report.

Extended Pilot Plant for Concentrate Brine (containing 4ktpa of LCE)

As announced on 2 November 2022, Galan submitted an application to scale up the HMW Project piloting stage to 4ktpa lithium carbonate equivalent (LCE), including the construction of 120 Ha of evaporation ponds.

As announced in late November 2022, two site-based brine evaporation batch tests both successfully achieved 6% lithium concentration with low impurities. This was a significant de-risking achievement as it proved the planned brine evaporation path at the HMW Project location. It also validated the process design and simulation model delineated by Galan. The scaled-up piloting to 4ktpa LCE is expected to deliver targeted first-phase, high-quality 6% Li concentrate on a semi-commercial scale.

If the extended brine evaporation piloting is successful, and subject to the approval of the exploitation permit of the HMW Project, the concentrated brine from the piloting stage could be added into the HMW Project production scale-up (currently under evaluation in unison with DFS), effectively shortening the overall ramp-up timeframe of the full-scale HMW Project development. Galan expects to lodge the full-scale production permits in Q1, 2023.

Other DFS Works and Progress

Leading geological consultant, SRK, is developing the pumping model to support the production program and ore reserve estimate for the HMW Project. The model is strongly backed by all hydraulic tests conducted to date, including the three long-term pumping tests undertaken during the second half of 2022.

The original pilot plant is progressing well with the evaporation ramp-up with three ponds (H1, H2 and S1) already filled with brine and achieving the expected brine qualities of the evaporation process. The continuous production of the plant is expected to commence in Q2, 2023 (approx. 15 months after the commencement of the brine filling process). The production of substantial volumes of 6% Li concentrated brine, will further facilitate Galan's ability to engage with potential off-take partners.

The full-scale production timeline for the HMW will benefit from the three (3) completed wells and the construction of three (3) new pumping wells, as they are considered part of the final production infrastructure. It is forecast that Galan will only need to construct another 10-12 production wells to deliver full capacity, thus saving time and associated capex to get to production.

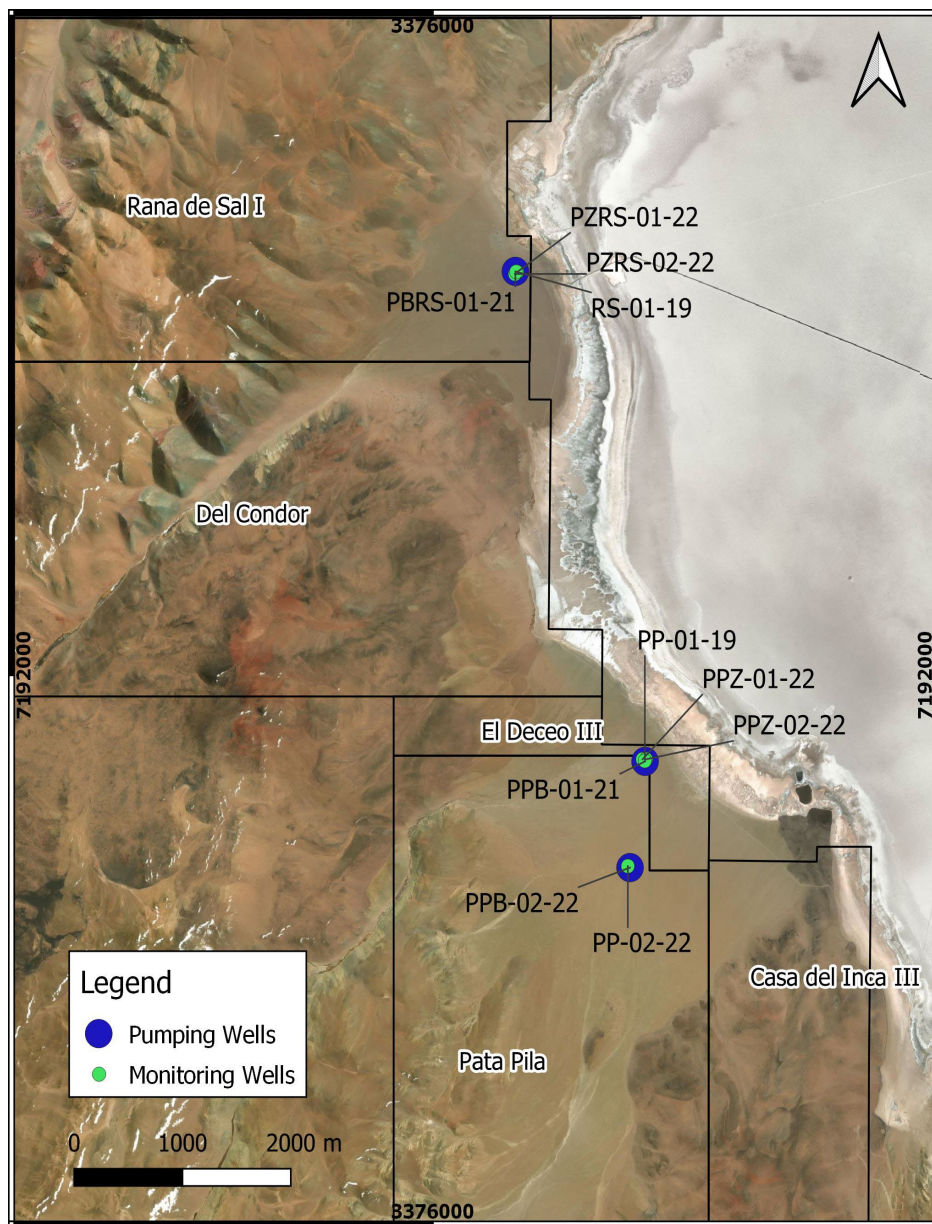
A permit application for a permanent 200-person operational camp at Hombre Muerto West Project was submitted in late September 2022. The new accommodation facility will house all required personnel to execute construction activities expected to commence during CY2023 and into targeted commercial production in CY2025. The camp design contemplates solar power to reduce CO₂ emissions and enhance water recovery. The current exploration camps at HMW and Candelas will continue to support exploration and piloting activities.

Well Pump Testing – Successfully Completed with Excellent Outcomes

As reported on 16 January 2023, the construction of three production pumping wells was completed during the second half of 2022 – two at Pata Pila (PPB-01-21 and PPB-02-22) and one at Rana de Sal (PBR-01-21) (Figure 2).

Each production pumping well was constructed at previous exploration platforms and included diamond drill holes to confirm the stratigraphic characteristics of the reservoir, production capacity, and optimum design for production wells. Each test consisted of an initial step test, a 72-hour constant rate and recovery test, and then a long-term pumping (30+ days) and recovery test period.

Brine levels were constantly monitored through multiple monitoring (observation) wells. Each observation well was specifically designed to monitor the brine levels response of individual hydrogeological units (shallow and deep). Brine chemistry was also analysed from each pumping well.



Datum: Posgar 2007, Argentina Zone 3

Figure 2 - HMW Project's pumping and monitoring wells

For personal use only

The average flow rate and brine lithium concentration values from all three long-term pumping tests completed are presented in Table 2. Further technical details on the individual long-term pumping tests were provided in the ASX announcements dated 31 August 2022 (PPB-01-21), 22 November 2022 (PBR-01-21) and 16 January 2023 (PPB-02-22).

The results from the three production wells confirm that the HMW Project is ready to provide the brine flow and quality for the 4 Ktpa LCE pilot development, expecting construction in H2, 2023 (ASX announcement dated 1 November 2022).

Table 2: Summary of results for the 2022 HMW Project long-term pumping test program

Pumping Well	Tenement	Date	Average flow rate [L/s]	Average Li grade [mg/L]
PPB-01-21	Pata Pila	Jun-Jul 2022	19	876
PBR-01-21	Rana de Sal I	Sep-Oct 2022	25	967
PPB-02-22	Pata Pila	Nov-Dec 2022	21	838
Average			22 L/s	894 mg/L

PBR-01-21 Rana de Sal

The long-term pumping test at the PBR-01-21 well (Rana de Sal) was conducted between 14 September and 16 October 2022, at a constant rate of 25 litres per second.

A total of 141 assays were tested and analysed at Alex Stewart NOA laboratory (Jujuy, Argentina). Lithium grades varied between 941 and 997 mg/L, with an exceptional mean value of 967 mg/L. Grades remained relatively stable throughout the entire test period showing a remarkably steady distribution (see Figure 3).

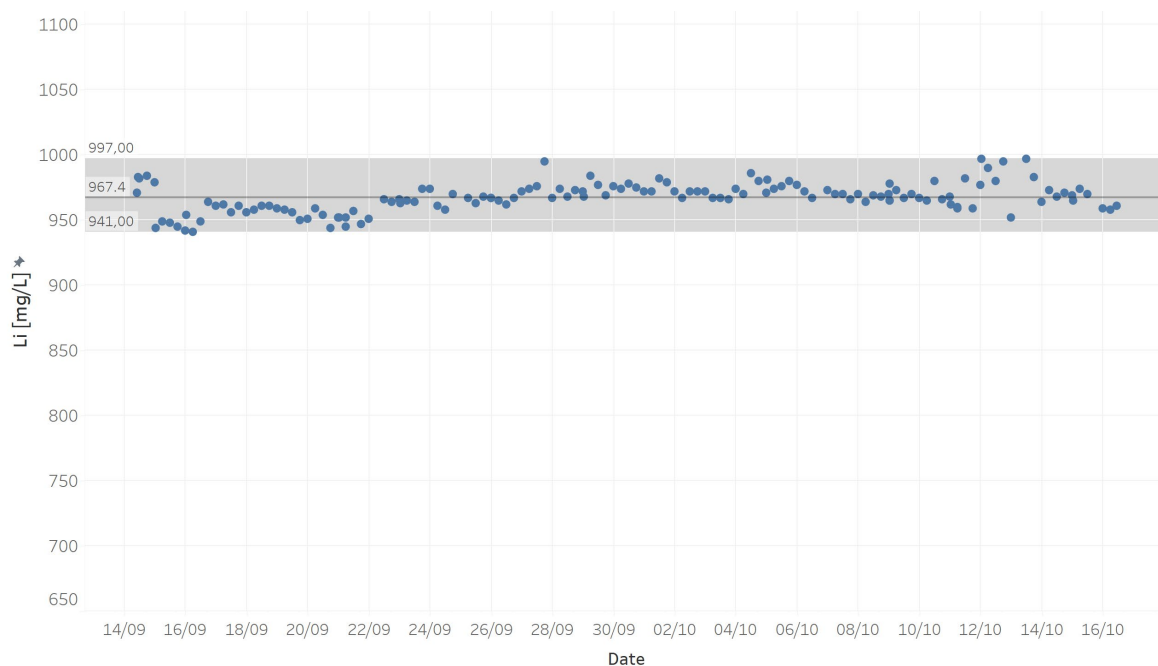


Figure 3 – Extracted brine lithium concentrations recovered from PBR-01-21 during the long-term pumping test

PPB-02-22 Pata Pila

The long-term pumping test at the PPB-02-22 well (Pata Pila) was conducted between 8 November and 8 December 2022, at a constant rate of 21.2 litres per second.

A total of 121 assays were tested and analysed at Alex Stewart NOA laboratory (Jujuy, Argentina). Lithium grades varied between 815 and 866 mg/L, with an attractive mean value of 838 mg/L. Grades remained relatively stable throughout the entire test period showing a steady distribution (see Figure 4).

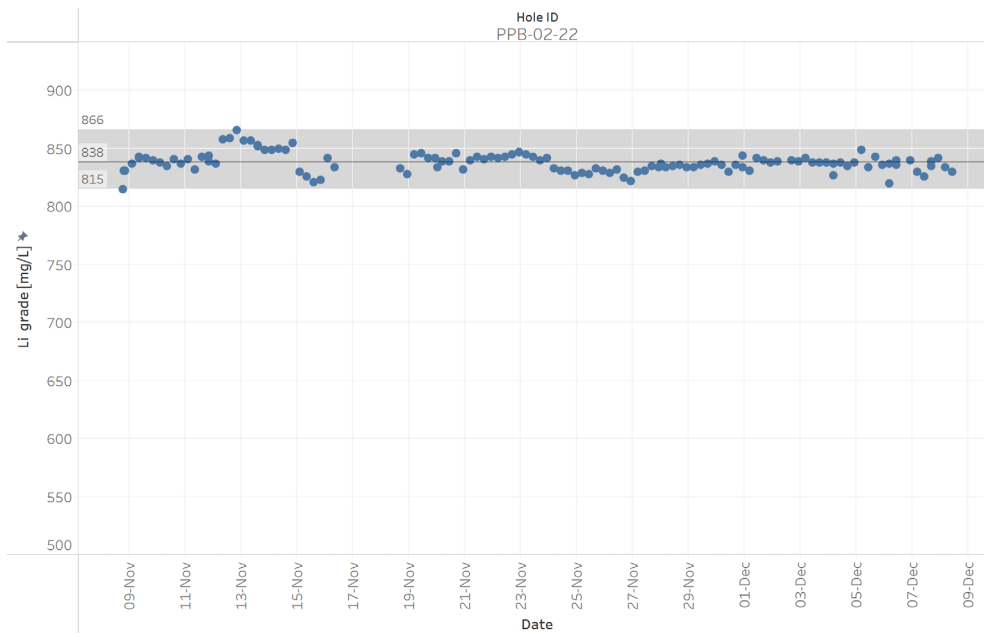


Figure 4 – Extracted brine lithium concentrations recovered from PPB-02-22 during the long-term pumping test

During the long-term pumping test, measured drawdown at observation well PP-02-22 reached less than six (6) metres, indicating the presence of a highly transmissive zone. Subsequent analysis of the aquifer transmissivity is higher when compared to the previous long-term pumping tests conducted at Pata Pila and Rana de Sal (PPB-01-22 and PBRs-01-21 respectively). This was expected due to the coarser sediments recovered during PPB-02-22 drilling and its more proximal location along the alluvial fan (Figure 2).

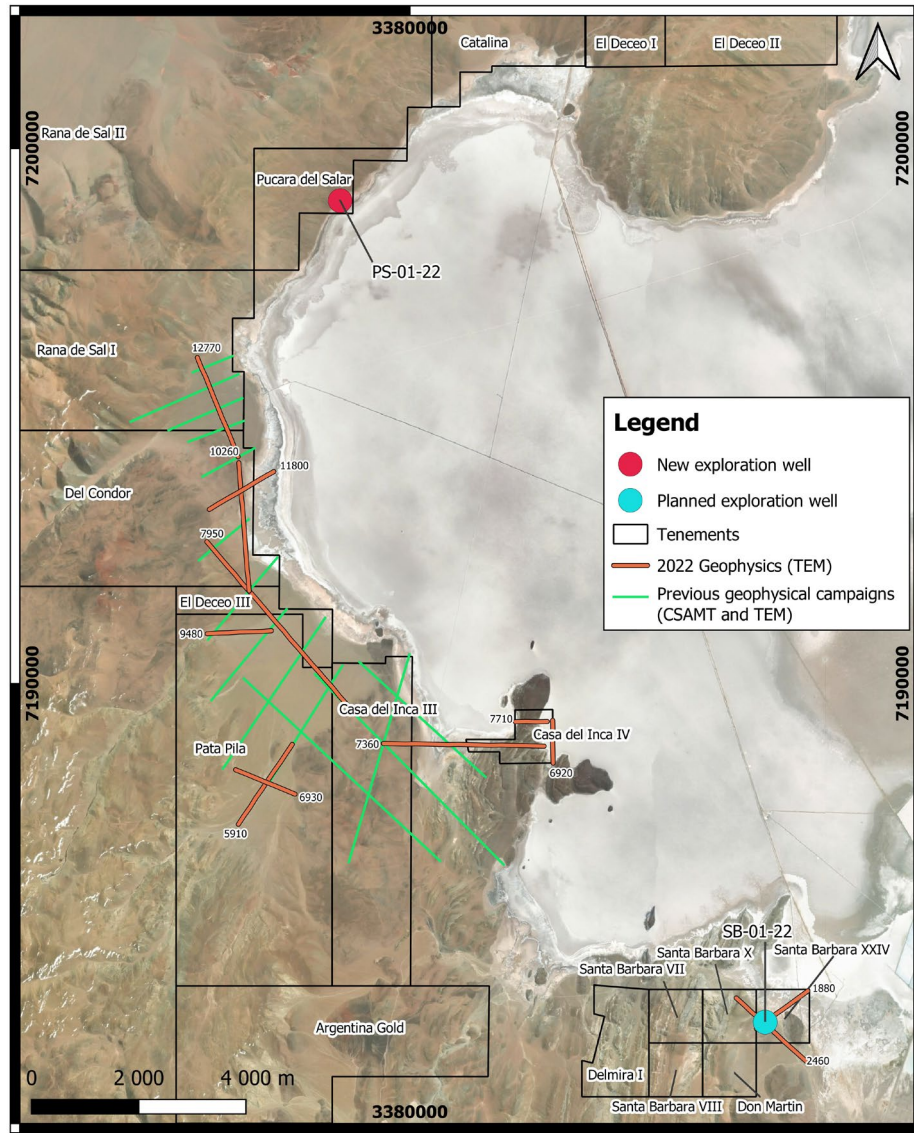
Exploration and Resource Expansion

Additional Geophysical Campaign Confirms Brine and Lithological Continuity

A new surface geophysical survey was conducted by Quantec Geoscience Argentina, at the HMW Project, during November and December 2022. This new survey used the Transient Electromagnetic Method (TEM) and consisted of thirteen (13) lines that spanned more than 23 km (Figure 5).

With this new data, the deposit has been fully constrained within the resource area, providing a better geometric resolution. Additionally, this work provides further confidence in exploration targeting future resource expansion – for example, in the Santa Bárbara tenements where drilling is now in progress at drillhole, SB-01-22 (Figures 5 and 6).

For personal use only



Datum: Posgar 2007, Argentina Zone 3

Figure 5 - Additional TEM geophysical profiles and exploration wells

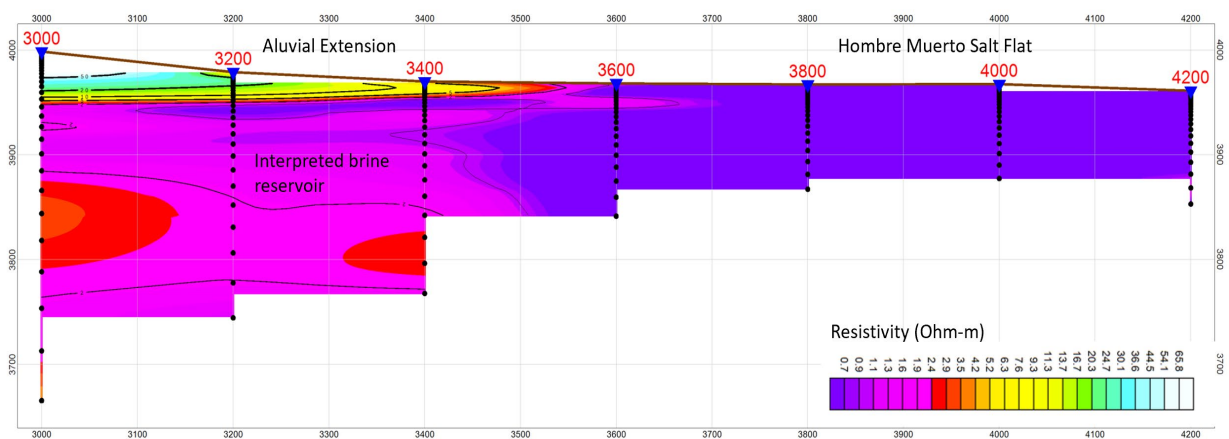


Figure 6 - TEM geophysical profile 1880 at Santa Bárbara XXIV tenement

Strong Initial Exploration Results at Pucara del Salar

With an aim of expanding the HMW Project resource and reserves, exploration well PS-01-22 was drilled at Pucara del Salar (Figure 5). This diamond drill hole is 300m deep with recovered core indicating the presence of highly fractured rock (Figure 7), expected to be associated with a high permeability zone. Airlift results from PS-01-22 indicate the presence of high-grade brine, with lithium concentrations reaching up to 988 mg/L and averaging 974 mg/L (Figure 8).



Figure 7 - Highly fractured rock core obtained from PS-01-22

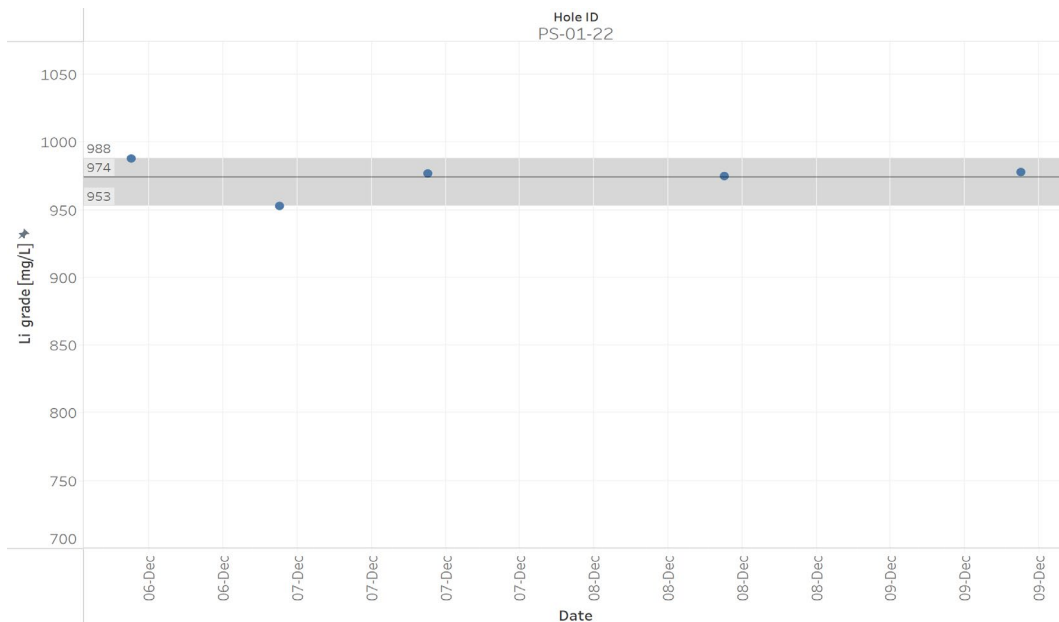


Figure 8 - Airlift results of brine lithium concentration at PS-01-22

Candelas

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

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

Greenbushes South

As announced on 13 December 2022, Galan executed a Binding Term Sheet with Lithium Australia Limited (ASX:LIT) to acquire their remaining 20% interest in the Greenbushes South tenements and its 20% participating interest in the Greenbushes South Joint Venture. Once titles have been transferred, Galan will hold a 100% interest in the Greenbushes South Lithium Project, which comprises four granted exploration licences, one pending exploration licence and seven prospecting licences (Figure 9).

The Greenbushes South Lithium Project is located 250 km south of Perth in Western Australia. Covering an area of approximately 315 km², Greenbushes South was initially acquired by LIT due to its predicted strike projection of the geological structure associated with the Greenbushes Lithium Mine ('Greenbushes').

Greenbushes is currently the largest hard-rock lithium mine in the world and has been in production since 1983. It is operated by Talison Lithium Pty Ltd, a private company now owned by joint venture partners Tianqi Lithium Corporation / IGO Limited JV (51%) and Albemarle Corporation (49%).

In late December 2022, it was announced that a maiden drilling program would commence at the newly defined Fry's Block within E70/4790. Pending receipt of POW approvals, diamond drilling is expected to commence in mid-February 2023.

The five-hole diamond drilling program has been developed to test three interpreted pegmatite targets at Fry's Block. The shallow-angled drilling program follows successful fieldwork campaigns, including highly encouraging geophysics and soil sampling results (refer ASX announcements dated; 1 August 2022, 15 June 2022, 24 March 2022 and 15 November 2021).

Located approximately 3 km from the operational Greenbushes mine, the potential pegmatite targets at Fry's Block are thought to be part of a more extensive, interfingering geologic system. Diamond drilling has been selected to capture the sample and geometry of the pegmatites, details of their magmatic histories as well as any potential irregularities in grade distribution.

For personal use only

For personal use only

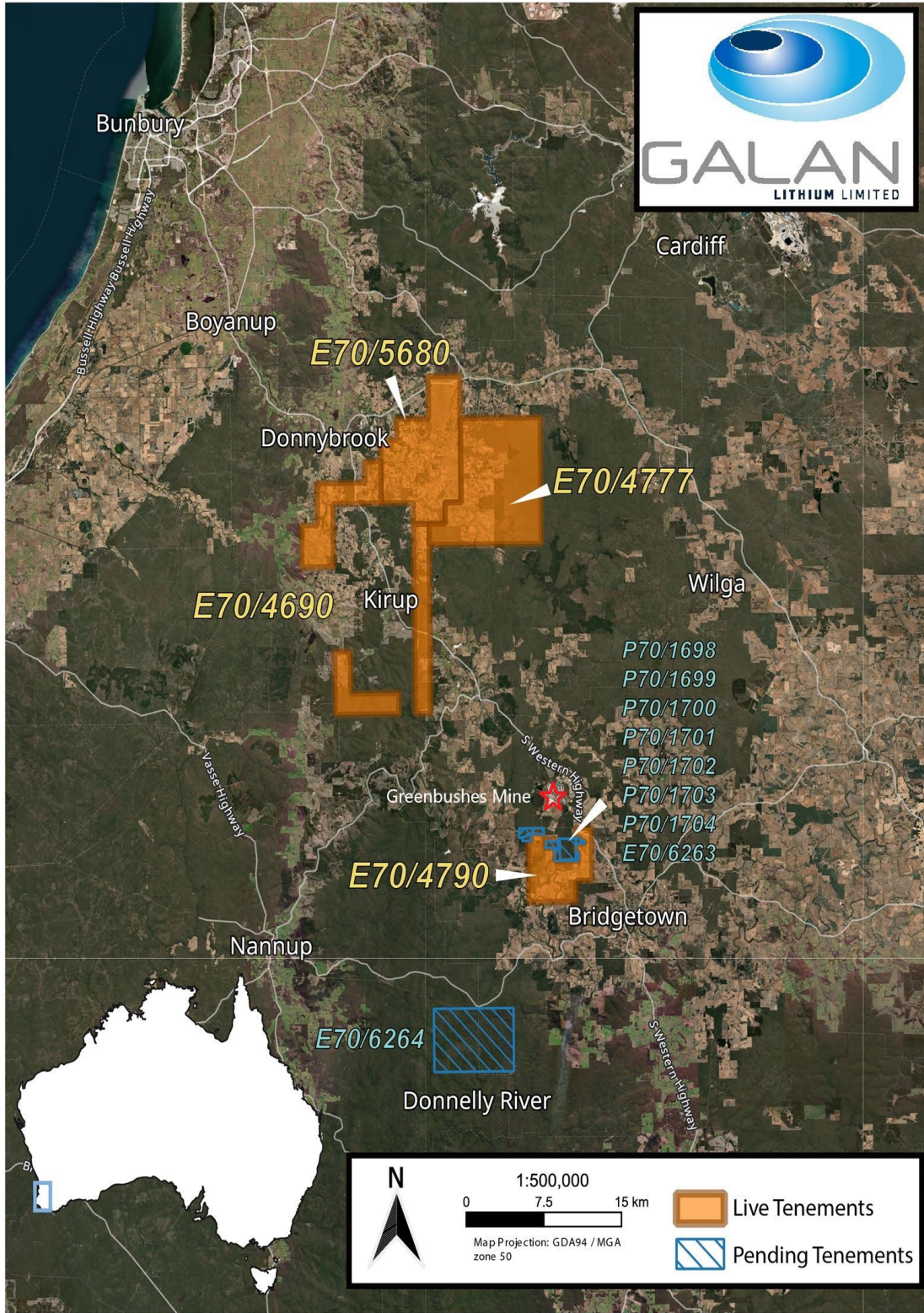


Figure 9 – Galan's Greenbushes South tenement package

CORPORATE

At the end of the December 2022 quarter, the Company had cash resources of A\$37.8m.

Galan's AGM was held on 18 November 2022 and Mr Raymond Liu was not re-elected as a director.

The Company is building on its ESG frameworks and policies by engaging Socialsuite to assist with Galan's corporate focused ESG journey. Circular continue to provide all project based ESG frameworks, monitoring etc.

Appendix 5B

Payments to related parties of the entity and their associates for the quarter totalled \$219,000 for director fees, legal fees and consulting fees.

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

For further information contact:

Juan Pablo ("JP") Vargas de la Vega
Managing Director
Email: jp@galanlithium.com.au
Tel: +61 893226283

Terry Gardiner
Non-Executive Director
Email: TGardiner@galanlithium.com.au
Tel: +61 400900377

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 Michael 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 now owns 100% of the tenement package that makes up the Greenbushes South Project that covers a total area of approximately 315 km². The project is located ~250 km south of Perth in Western Australia. These tenements are located along the trace of the geologic structure, the Donnybrook-Bridgetown Shear Zone, that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes. In March 2022 airborne geophysics was flown to develop pegmatite targets for all of Galan's tenements. Following on, in August 2022, a pegmatite associated with spodumene-bearing rocks was discovered at E70/4790. This tenement is approximately 3 km to the south of the Greenbushes mine. Further geological mapping, soil sampling and geophysical investigations are being used to determine drill targets within E70/4790. These ground-based methods are also being applied to Galan's other granted tenements in the region.

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 ₂ O	Convert to Li ₂ CO ₃
Lithium	Li	1.000	2.153	5.323
Lithium Oxide	Li ₂ O	0.464	1.000	2.473
Lithium Carbonate	Li ₂ CO ₃	0.188	0.404	1.000

INTEREST IN MINING TENEMENTS AT 31.12.22

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) – 100% right, interest and/or title (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)

For personal use only

Appendix 5B

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

Name of entity

GALAN LITHIUM LIMITED

ABN

87 149 349 646

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	16	30
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(660)	(1,355)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	260	301
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	(384)	(1,024)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(2,000)	(2,649)
(c) property, plant and equipment	(55)	(51)
(d) exploration & evaluation	(6,651)	(12,331)
(e) investments	-	(100)
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(8,706)	(15,131)
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
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	46,901	53,883
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(384)	(1,024)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,706)	(15,131)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	36	115
4.6	Cash and cash equivalents at end of period	37,847	37,847
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	9,762	7,274
5.2	Call deposits	27,844	37,530
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Overseas bank acc	241	2,097
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	37,847	46,901
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	124	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	95	
<p><i>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.</i></p> <p>Includes MD salary, NED salaries and professional fees plus legal fees paid to an associate of a NED.</p>			
7. Financing facilities <i>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.</i>		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	<p>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.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(384)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(6,651)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(7,035)
8.4 Cash and cash equivalents at quarter end (item 4.6)	37,847
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	37,847
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5
<i>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.</i>	
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	
<i>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.</i>	

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 January 2023

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

Mike Robbins (Company Secretary)

(Name of body or officer authorising release – see note 4)

For personal use only

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.