



## ASX ANNOUNCEMENT

30 April 2024

### QUARTERLY ACTIVITIES REPORT MARCH 2024

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#### **Hombre Muerto West (HMW)**

- Galan's 100% owned HMW Project is a low cost, tier one project that will produce a premium high grade lithium chloride (LiCl) concentrate of 6% Li, comparable to 13% Li<sub>2</sub>O or 32% Lithium Carbonate Equivalent (LCE) in H1 2025
- Low all-in sustaining costs; HMW is expected to be in the 1st quartile of lithium industry's cost curve with an initial reserve estimate of 40 years
- Phase 2 Operating cost to LiCl concentrate of \$US3,510/t LCE equates to a low Li<sub>2</sub>O equivalent operating cost of SC6 (Spodumene Concentrate) \$US310/t-\$US350/t; solid production margins at current spot prices
- Resource recently increased to 7.8Mt LCE @ 883 mg/L Li; the highest grade published resource in Argentina
- Galan signs commercial agreement with the Catamarca Government to enable the commercialisation of lithium chloride concentrate, locally and internationally as well as enhancing downstream processing routes
- Pond 1 and 2 evaporation continues, approx. 1,000t LCE contained inventory
- Pond 3 earthworks almost complete, liner installation at 60% and filling of pond 3 commenced; Pond 4 earthworks have commenced
- Overall project completion and budget spend now at 33%, with pond construction 45% complete; project execution is advancing as planned
- Key processing parameters; average brine flow rate, average Li grade from wells and evaporation rates in line with the Feasibility Study
- The project remains on track to commence production in H1 2025
- Opportunities to reduce the Capex and Opex for HMW Phase 1 identified; engineering and procurement teams working to quantify these opportunities within the next two months

#### **Corporate**

- Cash and liquid assets at the end of quarter ≈A\$12 million
- Acuity Capital ATM Subscription Deed in place

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The Board of Galan Lithium Limited (**Galan** or **the Company**) is pleased to provide this Quarterly Activities Report for the quarter ended 31 March 2024 and to the date of this report. The main focus for the quarter was the ongoing construction works/activities at the Company's 100% owned, high-grade/low-impurity Hombre Muerto West (**HMW**) Project in the Catamarca Province, Argentina. Galan continues its steady progress in advancing its low cost, high grade HMW project to production in a timely manner.

## **OPERATIONS**

### **Mineral Resource Estimate**

The latest HMW Mineral Resource estimate was announced on 27 March 2024 (Refer ASX Announcement entitled "Galan Increases Total Mineral Resource by 18% to 8.6Mt LCE @ 859mg/L Lithium". An Addendum to this ASX Announcement was announced on 4 April 2024 as per ASX Listing Rule 5.8.1 which requires various items of disclosure in the body of an announcement as well as in the JORC Tables.

The maiden HMW Project Mineral Resource Estimate (refer Galan ASX release dated 12 March 2020) was prepared by SRK and was further upgraded on 17 November 2020, 24 October 2022 and 1 May 2023. Each upgrade has not only significantly increased the Total Resource inventory but also enhanced the Resource category classifications and hence confidence in the viability and robustness of the HMW project. This latest resource upgrade enhances Galan's objective to achieve the necessary production conditions for Stage 3 (40Ktpa LCE), towards our four-stage lithium production target of up to 60ktpa LCE (including Candelas).

**Table 1 Mineral Resource Statement for Hombre Muerto West and Candelas (effective date 26 March 2024)**

Resource Category	Brine Vol (Mm <sup>3</sup> )	In Situ Li (Kt)	Avg Li (mg/L)	LCE (Kt)	In Situ K (Kt)	Avg K (mg/L)	KCl Equiv. (Kt)
<b>Hombre Muerto West:</b>							
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
<b>Candelas North (*):</b>							
Indicated	196	129	672	685	1,734	5,193	3,307
<b>Galan's Total Resource Inventory</b>							
<b>Total</b>	1,871	1,607	859	8,552	14,629	7,819	27,895

- No cut-off grade applied to the updated Mineral Resource Estimate.
- 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.

(\*) Candelas North tenements are located about 40 km to the Southeast of the HMW Project. The Candelas North Mineral Resource Statement was originally announced by Galan on 1 October 2019.

### **Summary of Resource Estimate and Reporting Criteria**

The Mineral Resource Estimate (MRE) for lithium (reported as Li<sub>2</sub>CO<sub>3</sub> equivalent) and potassium (KCl equivalent) were completed by WSP (Chile). This updated MRE incorporates geological and geochemical information obtained from thirty one (31) drillholes totalling 9,043 metres within the Pata Pila, Rana de Sal I, Rana de Sal II, Casa del Inca III, Catalina, Del Condor, Pucara del Salar, Delmira, Don

Martin, El Deceo I, El Deceo II, El Deceo III and Santa Barbara tenements. A total of 697 brine assays were used as the foundation of the estimate, all of which were analysed at Alex Stewart International laboratory (Jujuy, Argentina). The QA/QC program includes duplicates, triplicates, and standards. In total, 376 QA/QC samples were considered using Alex Stewart (duplicates) and SGS in Argentina (triplicates) as the umpired laboratory.

The updated HMW Mineral Resource was supported by new core porosity data from Santa Barbara, Casa del Inca III and Del Condor tenements. The directly obtained brine samples and core recovery was endorsed with a total of 82.5km of geophysical profiles comprising Controlled Source Audio-Frequency Magnetotellurics (CSAMT) and Transient Electromagnetic surface resistivity (TEM) surveyed between 2018 and 2023. A significant enhancement from previous MRE was the inclusion of the north project area (Catalina tenure), specifically in the tenements of Rana de Sal II, Rana de Sal III, Catalina, El Deceo I, and El Deceo II (see Figure 1).

The HMW Mineral Resource has now been reclassified based on the new data, confirming previous SRK estimations in the Measured Resource area (4.7 million tonnes of contained lithium carbonate equivalent (LCE) product grading 866 mg/L Li). In accordance with JORC Code Guidelines, the total HMW Mineral Resource (Measured + Indicated + Inferred) has increased by approximately 20%, currently estimated around 7.9 million tonnes of contained LCE grading at 883 mg/L Li. A summary of the updated HMW Mineral Resource is provided in the Mineral Resource Statement shown in Table 1. No cut-off grade has been applied to the updated MRE, despite the minimum block grades being 400 mg/L of Li, which reflects a low economic threshold. These low grades only account for 0.02% of the total resource, which is reflected in the high average grade of measured resources (866 mg/L), positioning it above other projects. The HMW reservoir exhibits a highly homogeneous and quality brine throughout the comprehended volume which permits the aggregation of the complete ore body and simplifies future operational and process constraints.

#### Resource Classification

The HMW Mineral Resource was classified in accordance with the JORC Code (2012). This classification also complies with AMEC Guidelines for Resource and Reserve Estimation for Brines (2017). Numerous factors were taken into consideration by WSP when assigning the classification to the Mineral Resource estimate.

Of these factors, the classification has been primarily influenced by the drillhole density, availability of long-term pumping test data, geological complexity, and data quality as described below. WSP considered the following:

**Data quality** - QA/QC for Galan's data was acceptable for brine chemistry. Geochemical results from Alex Stewart International Laboratory were preferred for the resource estimation. The brine occurrence and chemistry, the relative consistency of the data and confidence in the drilling and sampling results was deemed adequate.

**Geological complexity** - The general orientation of the major defined hydrogeological domains/ horizons appears to be consistent and predictable. Thickness is variable for each hydrogeologic unit. The lower boundary of clastic units is reasonably constrained from drilling and geophysics.

**Data coverage** - The data coverage reflects the 2019 to 2023 drilling and all geophysical surveys conducted to date (2018-2023). The drillhole spacing varies between 10m to 2000m and all drillholes are vertical reaching a maximum depth of 720 m below ground level.

Houston et al., (2011) indicated that drillhole spacing of between 7 km and 10 km should be sufficient for Inferred Resource definition, and that drillhole spacing of 5 km should be sufficient for Indicated Resource definition. For the actual Measured Resource definition, a maximum drillhole spacing of 2.5 km was allowed from exploration and pumping wells for extrapolation and supported by surface geophysical surveys.

Validation results - The model validation has resulted in a reasonable agreement between the input data and estimated grades, HU geometry and porosity, indicating that the estimation procedures have performed as intended.

Potential economic viability - The deposit is in a well-known lithium brine area with well-established existing infrastructure and nearby ore processing plants available. Measured Resource corresponds to 4.7 million tonnes of contained lithium carbonate equivalent (LCE) with an interpolated Li grade average of 866 mg/L supporting the high quality of the deposit, even without applying a cut-off grade.

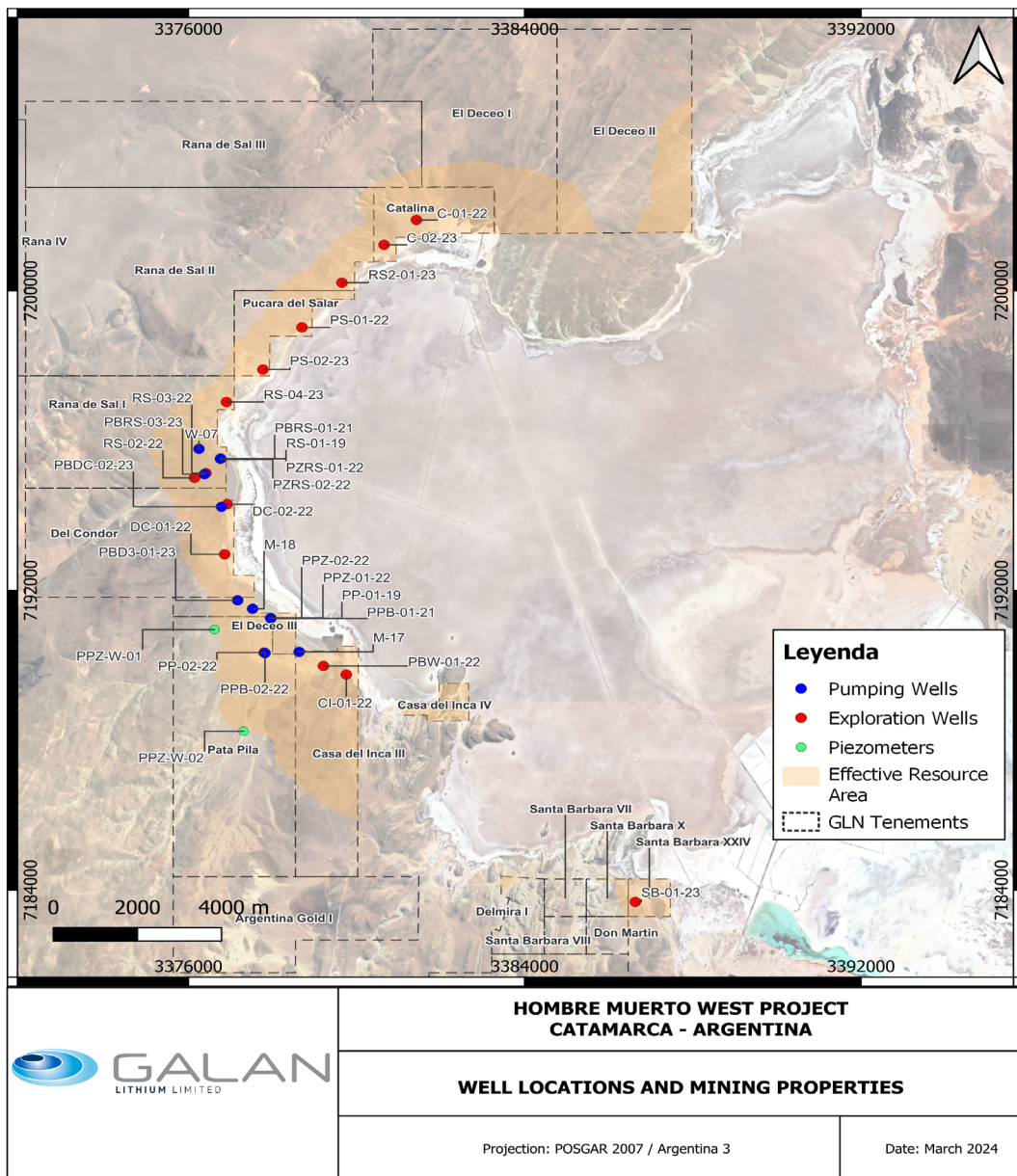


Figure 1. Galan Lithium Limited's Western Basin Tenure, Hombre Muerto Salar Argentina (shaded area shows updated effective resource footprint and related tenements)



For further technical information please refer to the Galan announcements dated 27 March 2024 and 4 April 2024.

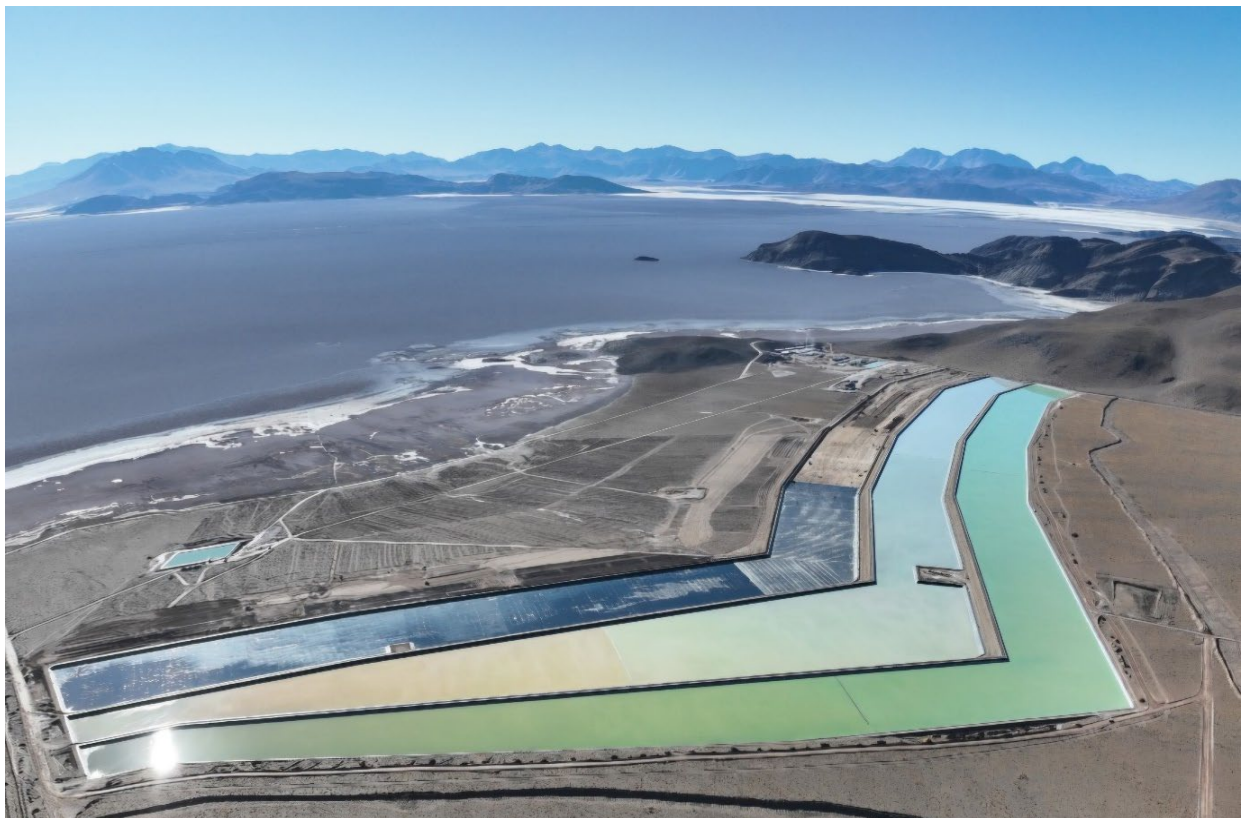
As previously announced, the HMW project was separated into four production phases. The initial Phase 1 Definitive Feasibility Study (DFS) focused on the production of 5.4ktpa LCE of a lithium chloride concentrate by H1 2025, as governed by the approved production permits. The Phase 2 DFS targets 21ktpa LCE of a lithium chloride concentrate in 2026, followed by Phase 3 production of 40ktpa LCE by 2028 and finally a Phase 4 production target of 60ktpa LCE by 2030. Phase 4 will include lithium brine sourced from both HMW and Galan's other 100% owned project in Argentina, Candelas. For details surrounding the very positive Phase 2 DFS results please refer to the ASX announcement released on 3 October 2023 (<https://wcsecure.weblink.com.au/pdf/GLN/02720109.pdf>).

### **Project and Construction Update**

The construction phase and associated activities for the low cost, high grade HMW project continues to progress towards timely Phase 1 production, forecast in H1 2025.

Overall completion of the HMW project now sits at 33% with the ponds system already at 45% completion. Approximately 600,000 m<sup>2</sup> of evaporation area has now been built, currently housing 1,000t LCE contained inventory. The key processing parameters, including raw brine well average flow rates, Li grades and evaporation rates are all aligned with the Phase 1 DFS. Based on the rate of construction and the results achieved to date, the HMW project remains on track to start production in H1 2025.

In addition, Galan's team are analysing options to reduce capital expenditure, these opportunities are focussed on selecting the minimum infrastructure required to commence production of Phase 1. Multiple trade-off exercises are being assessed such as the analysis of rental options for energy supply, reduction of the size for selected buildings, usage of independent smaller control systems, instead of a larger central control system for all facilities.



*Ponds 1 and 2 completed with evaporation continuing*

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*Pond 3 liner installation and Pond 4 earthworks*

### **Agreement with the Catamarca Government**

As announced on 22 April 2024, Galan signed a commercial agreement with the Catamarca Government in support of the grant of permits to enable the commercialisation of lithium chloride concentrate to be sold locally or exported internationally.

- Galan's ability to export lithium chloride concentrate is expected to facilitate access to a larger customer base domestically and internationally, potentially offering enhanced offtake terms and funding/prepayment opportunities
- The agreement includes an increase in the proposed royalty rate to 7% and potential advance payments. This is similar to the successful regime operating in Australia (applied to the export of spodumene concentrate, which contributed to Australia becoming the largest Lithium exporter in the world, in recent years), thereby supporting the rapid development of the HMW project
- The agreement includes a commitment by Galan, after 4 years, to pursue further downstream processing routes (e.g. lithium carbonate, lithium hydroxide or other alternatives), outside the Hombre Muerto salar, with the intent to offer priority to a collaboration with the Catamarca government agency
- The HMW Project is a Tier One project that will produce a low cost premium high grade lithium chloride (LiCl) concentrate of 6% Li, comparable to 13% Li<sub>2</sub>O or 32% Lithium Carbonate Equivalent (LCE) and remains on track for first Phase 1 production in H1 2025
- The agreement also cements an important prerequisite required for the grant of Phase 2 permits (currently under application), potentially enabling the continuity of development for Phase 2 construction at the completion of Phase 1
- Galan continues to work closely with the local Catamarca government in relation to our long term value add lithium production strategy, this agreement further significantly de-risks the strategy and provides evidence of our very strong, positive and collaborative relationship with local authorities and our community

## Offtake Update

As announced on 16 November 2023, Galan signed a term sheet with a wholly owned subsidiary of Glencore plc (**Glencore**) global mining and trading company, for offtake for up to 100% of its premium lithium chloride concentrate from HMW Phase 1 production.

A Glencore site visit was undertaken in late January 2024 with due diligence ongoing.

The Company also continues to advance its offtake partnering process for Phase 2 production (**Offtake Process**) for its HMW Project.

The Offtake Process followed on from the positive Phase 2 Definitive Feasibility Study (**DFS**) (ASX announcement dated 3 October 2023). The Offtake Process is being led by Galan's Managing Director and one of its other Directors, Mr Daniel Jimenez.

Mr Jimenez was employed for 28 years by world leader in the lithium industry, Sociedad Química y Minera de Chile (SQM), based in Santiago, Chile where he formulated the commercial strategy and marketing of SQM's industrial products. Mr Jimenez was responsible for over US\$900 million worth of estimated sales in 2018.

The HMW Project DFS was separated into two phases. The initial Phase 1 DFS was based on a production level of 5,367 ktpa LCE in the form of lithium chloride concentrate (as governed by the production permits). The Phase 2 DFS increased the overall annual production rate to 20,851 recoverable tonnes LCE, contained in a concentrated lithium chloride product for a period of 40 years.

The HMW project requires Phase 1 capital expenditure of US\$118.4m for commencement of commercial production in H1, 2025, followed by a further US\$310.4m in capital expenditure for Phase 2. Part of the Phase 2 capital will be funded from Phase 1 production.

In exchange for offtake production, the formal Phase 2 Offtake Process will also be seeking partners offering financing and funding options for the construction of Phase 2. Galan is, and will continue to conduct discussions and negotiations directly with prospective partners, without the use of intermediaries. The Offtake Process for Phase 2 production will aim to:

- Further de-risk the HMW project;
- Obtain very competitive offtake terms;
- Secure attractive finance and funding options; and
- Attract a well-respected partner in the lithium brine space

The Phase 2 Offtake Process is running in parallel to its permitting process. The Phase 2 EIA was lodged with the Catamarca Government in mid-December 2023.

## **Candelas Project (100% Galan)**

The Candelas Project is supported by a full Preliminary Economic Assessment and a JORC 2012 Resource (refer Table 1) and lies approximately 40 km ESE of the HMW Project. It is hosted within a ~15 km by 3–4 km wide structurally controlled basin infilled with sediments that host the Li-bearing brines.

Candelas has no 3<sup>rd</sup> party royalties attached to it and has a readily accessible reverse osmosis water source ie. no river water will be required.

The Candelas project will be incorporated into Phase 4 of the revised 60ktpa production plan.

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### **Greenbushes South Project (100% Galan)**

Apart from ongoing land access discussions, there was no significant work that was undertaken in the March'24 quarter but further drilling is being planned in 2024.

### **Canadian Projects (50/50 Joint Venture with Redstone Resources Limited(RDS))**

As announced on 4 October 2023, Galan entered into a binding JV agreement with Redstone Resources Limited (as JV Manager) to acquire 100% of the Taiga, Camaro and Hellcat lithium projects in the heart of the James Bay lithium province in Canada. The JV was formalised during the quarter, upon the receipt by Galan, of 50,000,000 fully paid ordinary shares in RDS on 8 December 2023.

The James Bay projects (James Bay and Taiga) are owned 50/50 by GLN and RDS.

The Ontario projects are covered by an exclusivity option that was renewed for a further period of 3 months.

### **CORPORATE**

At the end of the March 2024 quarter, the Company had cash resources and liquid assets of approximately \$12 million.

### **Capital Raising**

On 31 January 2024, in the ASX announcement entitled "A\$19.5m Raising to Fund Ongoing Development of HMW Phase 1", Galan announced an \$18 million placement of fully paid ordinary shares and free attaching listed options (exercisable at \$0.65 with an expiry date of 20 March 2029) on a one (1) for one (1) basis (**Options**) to institutional, sophisticated and professional investors (**Placement**) and a share purchase plan offer of \$1.5 million to existing Shareholders.

The issue price of A\$0.46 per Share under the Placement represented a 14.8% discount to the last closing price of A\$0.54 on 25 January 2024 and a 23.5% discount to the 15-day VWAP of A\$0.60 as at the same date.

The Placement Shares and Options were issued under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Company raised \$16.5 million (before costs) under the Placement and issued 35,869,565 Shares on 6 February 2024. The issue of the 35,869,565 free attaching Options was made on 2 April 2024.

On the same date as the announcement, the Directors indicated their participation in the Placement on the same terms and conditions as the Placement, raising up to \$1.5 million (before costs). This was subsequently increased to a maximum amount of \$2.2 million which was recently approved by shareholders at the general meeting held on 22 April 2024.

Funds raised under the Placement enhanced Galan's balance sheet by providing additional working capital and financial flexibility during Hombre Muerto West Phase 1 construction and provides sufficient working capital headroom whilst Galan finalizes negotiations of alternative funding solutions including debt and prepayment facilities that will enable completion of HMW Phase 1. Proceeds from the Placement have been, or will be, applied to:

- Remaining HMW phase 1 developments costs;
- Exploration and resource work; and
- Corporate overheads, working capital and transaction costs.



Canaccord Genuity (Australia) Limited and Jett Capital Advisors LLC acted as Joint Lead Managers and Bookrunners to the Placement, which was not underwritten.

### **Share Purchase Plan (SPP)**

As announced on 31 January and 9 February 2024 and in addition to the Placement, the Company offered all eligible existing Australian and New Zealand shareholders (including retail shareholders) the opportunity to apply for new GLN shares, at the same issue price and same terms and conditions as the Placement. The issue price was \$0.46 per share and included one listed option (exercisable at \$0.65 with an expiry date of 20 March 2029) on a one for one basis, without brokerage fees.

On 27 March 2024, the Company announced that it had received applications from eligible shareholders totalling just over \$4 million which was well in excess of the original \$1.5 million target raising. A total of 8,702,150 fully paid ordinary shares (representing 2.2% of the current issued capital of Galan) and 8,702,150 Options were issued under the SPP.

### **ATM Funding Facility**

As announced on 12 April 2024 the Company has entered into a At-the-Market Subscription Deed (ATM) with Acuity Capital. The ATM provides Galan with up to \$15,000,000 of standby equity capital until 31 January 2029.

Importantly, Galan has full discretion as to whether or not to utilise the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There are no requirements on Galan to utilise the ATM and Galan may terminate the ATM at any time, without cost or penalty. Acuity Capital and the ATM do not place any restrictions at any time on Galan raising capital through other methods.

If Galan does decide to utilise the ATM, Galan is able to set an issue price floor at its sole discretion, with the final issue price being calculated as the greater of the nominated floor price and up to a 10% discount to a Volume Weighted Average Price (VWAP) over a period of Galan's choosing (again at its sole discretion).

As security for the ATM, the Company issued 15,000,000 fully paid ordinary shares from its LR7.1 capacity at nil cash consideration, as collateral shares, to Acuity Capital. Upon early termination or maturity of the ATM, the Company may buy back (and cancel) the shares placed as security for no cash consideration (subject to shareholder approval).

### **Appendix 5B**

Payments to related parties of the entity and their associates for the quarter totalled \$297,452 for director fees, legal fees and consulting fees.

**The Galan Board authorises the release of this March 2024 Quarterly Activities Report.**

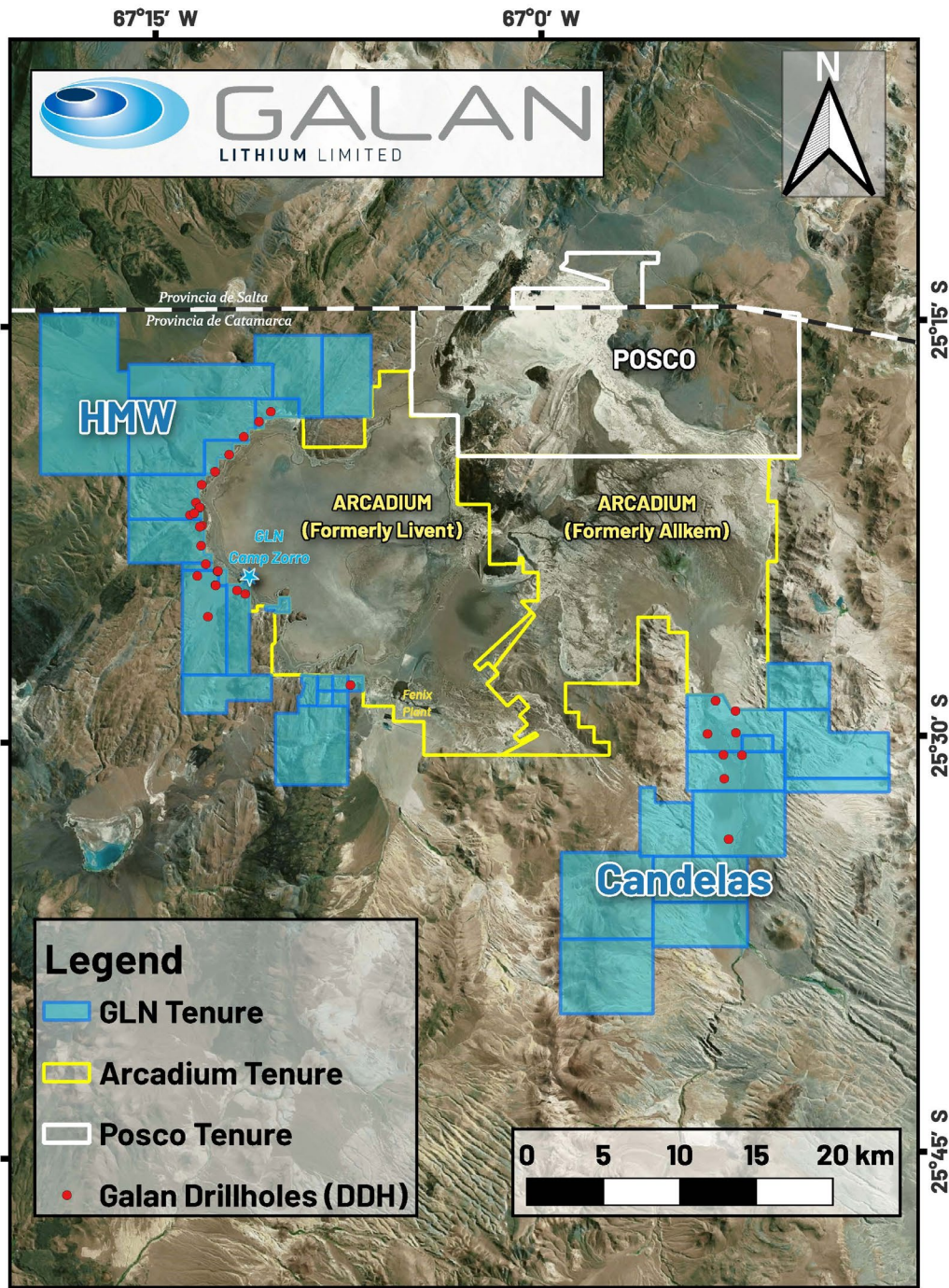
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Galan's HMW and Candelas project tenure in Argentina

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

**Hombre Muerto West (HMW):** A ~16 km by 1-5 km region on the west coast of Hombre Muerto Salar neighbouring Arcadium Lithium to the east. HMW is currently comprised of twenty one mining tenements. Geophysics and drilling at HMW demonstrated significant potential of a deep basin. A binding offtake and financing agreement (pending due diligence) for Phase 1 production has been signed with Glencore plc. In March 2024 an updated Mineral Resource estimate was delivered totalling 7.9Mt of LCE @ 883mg/l Li.

**Candelas:** A ~15 km long by 3-5 km 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 685 kt 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 to avoid using surface river water from Los Patos River.

**Greenbushes South Lithium Project:** Galan now owns 100% of the mining tenement package that makes up the Greenbushes South Project that covers a total area of approximately 315 km<sup>2</sup>. The project is located ~250 km south of Perth in Western Australia. These mining tenements are located along the trace of the geological structure, the Donnybrook-Bridgetown Shear Zone that hosts the emplacement of the lithium-bearing pegmatite at Greenbushes.

#### **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 percentage of lithium oxide (Li<sub>2</sub>O) content or percentage of lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) content. Lithium carbonate equivalent (LCE) is the industry standard terminology and is equivalent to Li<sub>2</sub>CO<sub>3</sub>. Use of LCE provides 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 below to get an equivalent Li<sub>2</sub>CO<sub>3</sub> value in per cent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li<sub>2</sub>CO<sub>3</sub>.

Table of Conversion Factors for Lithium Compounds and Minerals:

Convert from		Convert to Li	Convert to Li <sub>2</sub> O	Convert to Li <sub>2</sub> CO <sub>3</sub>
Lithium	Li	1.000	2.153	5.323
Lithium Oxide	Li <sub>2</sub> O	0.464	1.000	2.473
Lithium Carbonate	Li <sub>2</sub> CO <sub>3</sub>	0.188	0.404	1.000
Lithium Chloride	LiCl	0.871		

Potassium is converted to potassium chloride (KCl) with a conversion factor of 1.907.

#### **Forward-Looking Statements**

Some of the statements appearing in this announcement may be forward-looking in nature. 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 Limited'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, neither 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 reflect views held only as at the date of this announcement.

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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 contained herein that relates to the Mineral Resources estimation approach at Candelas and 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 of his name in 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.

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## INTEREST IN MINING TENEMENTS AT 31.03.24

### Argentina (Hombre Muerto projects) - 100% interest

Argentina Gold  
Candela I – VIII, XI-XV  
Casa Del Inca I, II, III & IV  
Catalina  
Deceo I, II & III  
Del Condor  
Delmira I  
Don Martin  
Jazmin II  
Juana De Antofalla  
Pata Pila  
Pucara del Salar  
Rana de Sal I, II, III & IV  
Salinas  
Santa Barbara VII, VIII, X, XXIV

### Australia (Greenbushes South project) – 100% interest

E70/4690  
E70/4790  
E70/4777  
E70/5680  
E70/6263 (Pending) (formerly E70/4889)  
E70/1698 to E70/1704 (Pending)  
E70/6264 (Pending) (formerly E70/4629)

### Canada (James Bay project) – 50% interest

#### **James Bay – Claim Nos**

CDC2643135  
CDC2650113-CDC2650118  
CDC2662038-CDC2662057  
CDC2652549  
CDC2652551-CDC2652567  
CDC2660890-CDC2660897

#### **Taiga – Claim Nos**

CDC2661464-CDC2661493

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## 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 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	16	51
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(1,012)	(3,010)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	72	746
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(924)</b>	<b>(2,213)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(146)
(c) property, plant and equipment	-	(27)
(d) exploration & evaluation	(24,549)	(52,818)
(e) investments	-	(812)
(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 \$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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(24,549)</b>	<b>(53,803)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20,503	20,503
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,247
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,124)	(1,035)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>19,379</b>	<b>20,715</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	15,865	45,151
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(924)	(2,213)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24,549)	(53,803)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,379	20,715

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	(78)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,771</b>	<b>9,771</b>
<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	8,169	13,588
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Overseas bank acc	1,602	2,277
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,771</b>	<b>15,865</b>
<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	140	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	158	
<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>			
<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		
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>		



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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(924)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(24,549)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(25,473)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,771
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	9,771
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.4
<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: Yes	
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: Yes, an ATM funding facility was announced on 12 April 2024 for up to A\$15 million of standby equity capital until 31 January 2029. On 22 April 2024 approval was received at the company's General Meeting for the issue of up to 4,782,606 shares in relation to director participation in a share placement, expected to raise up to A\$2.2 million. In addition, the company is currently in negotiations in relation to a secured Financing Prepayment Facility to support development activities at its Hombre Muerto West project in Argentina. The company is confident that it will secure funding through a combination of debt and equity to support its activities during 2024.	
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: Yes, the combination of equity funding, secured and unsecured debt, prepayment funding is expected to provide cashflow to meet its business objectives in 2024.	
<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: 30 April 2024

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.