



ASX ANNOUNCEMENT

31 October 2024

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2024

Highlights

- Galan becomes the first mining company to apply for the Argentine 'RIGI', an incentive regime for large scale investments
- Strong lithium inventory build with over 6,000 tonnes LCE in ponds. Average lithium grade and evaporation rates in line with Phase 1 DFS
- First production from HMW is targeted for H2 2025. Overall project completion is approximately 45%
- Earthworks on ponds 5 and 6 complete; overall pond construction 76% complete with liner installation on ponds 55% complete
- Public consultation, one of the final steps towards the grant of Phase 2 construction permits, finished
- US\$40 million offtake prepayment MOU with Chemphys
- Fully subscribed Entitlement Offer as part of a A\$25m equity capital raising to support full funding of Phase 1 of HMW
- Cash of A\$2.4m, capital raising proceeds of A\$14m received subsequent to the end of the quarter

Figure 1. HMW Project looking north



Galan Lithium Limited (**Galan or the Company**) is pleased to provide this Quarterly Activities Report for the quarter ended 30 September 2024, including activities up to the date of this report. The main focus for the quarter was the continued construction works at the Company's 100% owned Hombre Muerto West (**HMW**) lithium brine project in the Catamarca Province of Argentina. Significantly, the Company announced a memorandum of understanding (**MOU**) for an offtake prepayment and completed a successful capital raise to support the full funding of initial production for Phase 1 of HMW.

Operations

HMW Project, Argentina (100% Galan)

The operational de-risking of Phase 1 of HMW advanced during the period. Lithium chloride inventories continued to build in the pond system to a current position of approximately 6,000 tonnes LCE. Lithium grades, flow rates and evaporation rates remained consistent with Feasibility Study expectations.

Galan has built approximately 730,000 m² of evaporation area, allowing for an inventory build-up of up to 10,000 t LCE before the need to process the lithium chloride through a liming plant. The overall completion of the HMW Phase 1 project now sits at approximately 45% with 76% of the ponds constructed and 55% of the ponds lined. First production from HMW is anticipated in the second half of 2025. An initial production rate of 4,000 tpa LCE will be targeted before an expansion to production level 5,400tpa LCE when market conditions allow.

Figure 2. Lithium Chloride Concentrate produced from HMW Pilot Plant



With the backing of its high grade, low impurity lithium brine Mineral Resources at HMW, Galan has adopted an industry proven development path in seeking to produce a lithium chloride (LiCl) concentrate which:

- does not rely on experimental direct lithium extraction (DLE) technologies; and
- does not require vast amounts of capital to build a processing facility for the conversion of lithium chloride into lithium carbonate.

The phased development of the HMW and Candelas Mineral Resources mitigates funding and execution risk and allows for continuous process improvement. The production of lithium chloride as a product is in demand from lithium converters as battery chemistry is trending towards lithium iron phosphate technology. Galan received permission to sell lithium chloride from the Catamarca Government earlier in 2024.

Figure 3. Local Community Attending Public Consultation Process for Phase 2 HMW (source: Catamarca Government)



During the period Galan concluded its public consultation program related to the HMW Phase 2 construction permits, engaging with the communities of Antofagasta de la Sierra, Los Nacimiento and the Catamarca Government. Galan has engaged in multiple rounds of engagement with local communities to understand their needs and perspectives relating to HMW. This aligns with the Company's commitment to fostering social responsibility within the communities where it operates. To conclude the evaluation of the HMW Phase 2 construction permit, the Catamarca Government mining authority will reach a decision on the approval of the submitted Environmental Impact Report, considering and incorporating the contributions and opinions that emerged in this community engagement process.

Galan has demonstrated considerable progress on the HMW project, starting with the first discovery well in 2019, followed by the consolidation of tenements in the HMW area and the release of a maiden Mineral Resource in 2020. The Company obtained HMW pilot plant permits and began construction in 2021. In 2022, the Mineral Resource was doubled and by 2023, both Phase 1 and Phase 2 feasibility studies were completed, along with Phase 1 construction permits

and a start to Phase 1 construction. In 2024 construction has advanced to a point where significant lithium chloride inventory has been built. During this period Galan has generated economic opportunities for local communities via the creation of jobs, the engagement of contractors and the payment of taxation.

Managing Director, JP Vargas commented:

“The support of local communities and Government is critical for the enduring success of our operations in Argentina. It is a spirit of partnership that we foster at Galan with our local stakeholders which has distinguished our Company locally and enabled us to achieve so much in a short space of time.”

RIGI Incentive Regime

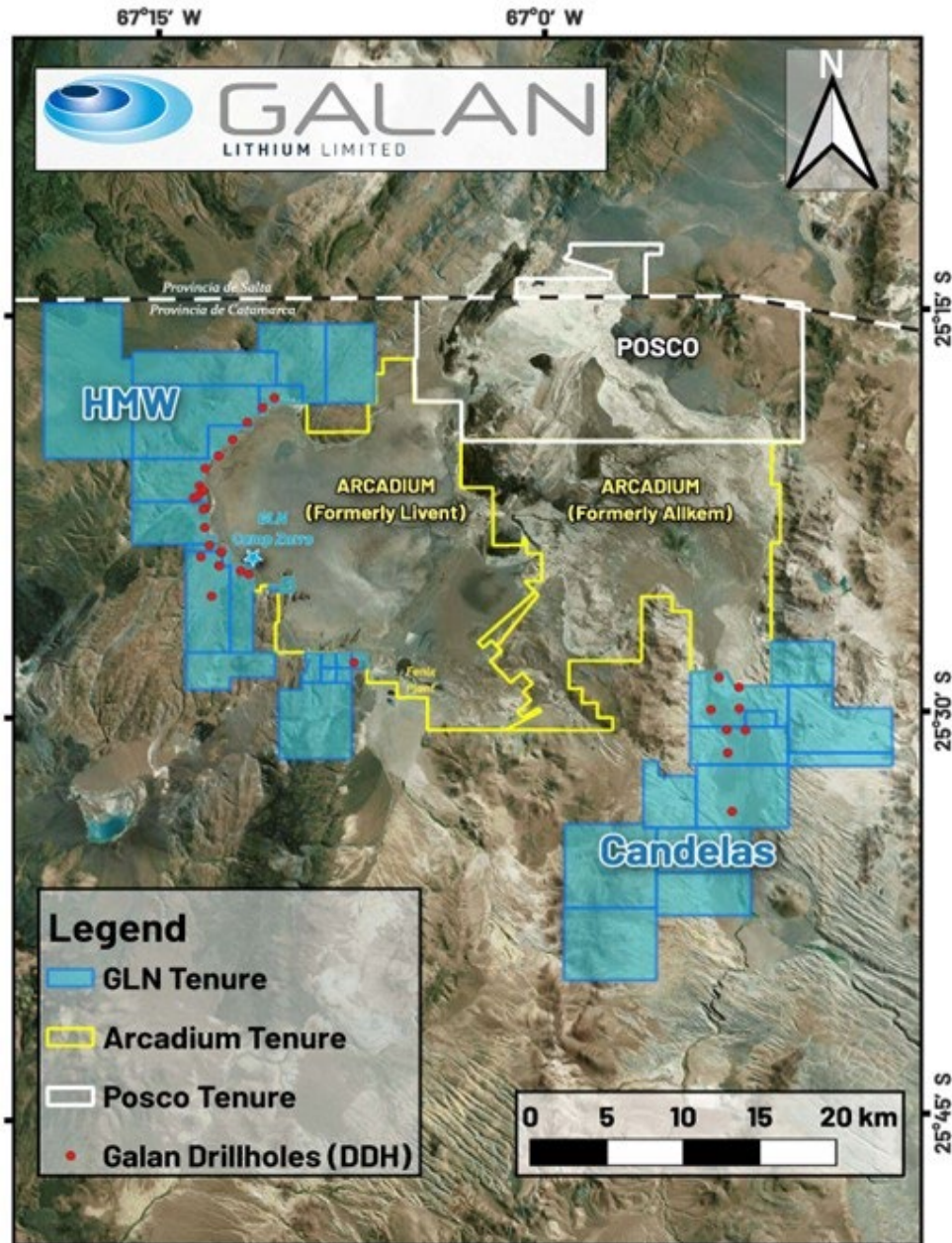
On October 30 Galan submitted its application for the Argentinian Régimen de Incentivo para Grandes Inversiones (**RIGI**), making Galan the first mining company to do so. Subject to meeting the eligibility criteria for RIGI, which includes investing a minimum of US\$ 200 million within a defined period, the RIGI can provide the following key incentives for investors:

- The corporate income tax rate is set at 25% (ordinarily 35%)
- Accelerated depreciation
- Absence of time limits in the computation of tax loss carry forwards
- Concessions on import duty, VAT and withholding tax
- Greater flexibility on foreign exchange movements
- Fiscal stability for a period of 30 years

The RIGI provides an excellent investment framework for Galan’s investment in the HMW project and, if successful, the RIGI incentives will greatly enhance the Company’s ability to secure further capital to develop HMW to its full potential.

Candelas Project, Argentina (100% Galan)

Figure 4 : Location of Galan's 100% owned HMW and Candelas Projects in Argentina



In October 2024, geologists from Australia and the United States visited Galan's Candelas tenements to evaluate the structural controls on the lithium-bearing brine. Over a period of ten days, the team visited 83 stations and recorded 650 bedrock measurements across an area of approximately 285 square kilometres. The geology team employed standard field mapping techniques, using compasses and clinometers for structural measurements, alongside high-resolution aerial mosaic maps generated by drones. The geologists identified four major structural controls contributing to the region's fracture and potential permeability of bedrock. By integrating this data with previous drill results and geophysical surveys, the team can significantly enhance the region's geological model and guide future exploration efforts.

Figure 5: Geological mapping on the Candelas tenements



Other Galan Projects

There was no on ground work undertaken on the Greenbushes South or James Bay projects in the quarter.

Operations

Offtake and prepayment

In August the Company entered into an offtake prepayment memorandum of understanding with Chengdu Chemphys Chemical Industry Co., Ltd (**Chemphys**) in relation to the HMW project (**Agreement**).

Upon execution of definitive agreements, Galan will supply and Chemphys will purchase a total of 23,000 tonnes LCE, as a lithium chloride product, over the first five years of Phase 1 production from the HMW project. Chemphys will also provide Galan with a US\$40 million offtake prepayment facility to support the continued development of Phase 1 of the HMW project.

Key terms of the Agreement are contained below.

Key Terms of Agreement

Item	Detail
Lithium Chloride Sales & Purchase Agreement	
Delivery Period	2025 -2030
Delivery Conditions	CIF China
Total Minimum Contract Volume	23,000 t LCE
Pricing	Market linked pricing to Li_2CO_3 Battery Grade $\geq 99.5\%$ index price
Offtake Prepayment	
Prepayment Amount	US\$ 40 M.
Security	First ranking security over lithium inventory and HMW project

Repayment	Repayment over off-take period
Conditions of Agreement	
Approvals	Receipt of all regulatory approvals
Due Diligence	Satisfactory completion of due diligence by Chemphys
Nature of Agreement	Non-binding

Capital Raising

On 10 September 2024, the Company announced a \$12 million placement to institutional, sophisticated and professional investors (**Placement**) in addition to a 1 for 4 non-renounceable entitlement offer (**Entitlement Offer**) to eligible shareholders in order to raise up to A\$ 13.3 million. The Placement and the Entitlement Offer had the same issue price of \$0.105 per share.

Under the Placement, Galan issued a total of 69,533,340 fully paid ordinary shares in the capital of the Company (**Shares**). Galan's proposed offtake partner, Chemphys or their designated affiliate, agreed to subscribe for approximately A\$4.5 million of Shares under the Placement. The investment by Chemphys is subject to completion of definitive offtake agreements and a sunset date of 31 December 2024.

The A\$13.3 million Entitlement Offer was fully subscribed and resulted in the issuance of 126,666,814 Shares. An additional 5,911,399 Shares were issued on 24 October at A\$0.105 per Share in connection with the capital raising and as a consequence of delayed payment settlements. All the Share issuances were completed under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Proceeds of the Placement and Entitlement Offer, together with the planned Chemphys Offtake Prepayment (ASX announcement dated 27 August 2024), are expected to fund Galan into production in H2 2025.

Managing Director, JP Vargas commented:

"We are grateful for the strong support Galan received in the capital raising. In particular, I would like to acknowledge the support from existing shareholders in the fully subscribed Entitlement Offer. This support, in a challenging market environment is a clear validation of both our strategy and the high-grade, low-impurity lithium brine resources at HMW. As the industry shifts towards low cost lithium resources, Galan is well positioned to unlock the full potential of the HMW project and deliver value to our shareholders."

During the quarter, Galan issued the following equity under the At-the-Market Subscription Deed (ATM) with Acuity Capital:

- 15 July 2024 – 7,050,000 Shares for proceeds of \$1,100,000
- 2 August 2024 – 4,750,000 Shares for proceeds of \$650,000
- 15 August 2024 – 9,000,000 Shares for proceeds of \$1,100,000
- 30 August 2024 – 4,800,000 Shares for proceeds of \$600,000

Other

On 18 July 2024, the Company issued 28,913,044 unlisted options (exercisable at \$0.35 on or before 18 July 2026) under the \$0.23 placement announced on 20 May 2024.

On 12 August 2024, the Company issued a total of 3,973,262 shares and 1,986,631 unlisted options (exercisable at \$0.35 on or before 18 July 2026) to Directors under the \$0.23 placement (as approved by shareholders on 12 July 2024).

On 20 September 2024, the Company issued a total of 19,863,770 Shares to two HMW project service providers as consideration for earthmoving and construction services provided.

Financial Position

At the end of the September 2024 quarter, the Company had cash resources of approximately A\$2 million. The Company received A\$14 million via the capital raising following the end of the period. The rate of all project expenditure in the December 2024 quarter is expected to be similar to that undertaken in the September 2024 quarter in line with the changing pace of HMW construction activities and Company wide cost saving measures.

Payments to related parties of the Company and their associates for the quarter totalled \$479,631 for director fees, legal fees, capital raising and consulting fees.

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

For further information contact:

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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. 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 owns 100% of the mining 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 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.

Mineral Resource Statement for HMW and Candelas (March 2024)

Resource Category	Brine Vol (Mm ³)	In Situ Li (Kt)	Avg Li (mg/L)	LCE (Kt)	In Situ K (Kt)	Avg K (mg/L)	KCl Equiv. (Kt)
Hombre Muerto West:							
Measured	1,028	890	866	4,738	7,714	7,505	14,711
Indicated	347	310	894	1,649	2,717	7,837	5,181
Inferred	300	278	926	1,480	2,464	8,210	4,700
HMW Total	1,675	1,478	883	7,867	12,895	7,700	24,591
Candelas North (*):							
Indicated	196	129	672	685	1,734	5,193	3,307
Galan's Total Resource Inventory							
Total	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.

Also refer to the Galan announcements dated 27 March 2024 and 4 April 2024.

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 (Li₂O) content or percentage of lithium carbonate (Li₂CO₃) content. Lithium carbonate equivalent (LCE) is the industry standard terminology and is equivalent to Li₂CO₃. 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 Li₂CO₃ value in per cent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li₂CO₃.

Table of 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
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.

Competent Persons' Statements

Competent Person's 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 Person's 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.

INTEREST IN MINING TENEMENTS AT 30.09.24

Argentina (HMW & Candelas 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)
P70/1698 to P70/1704 (Pending)
E70/6264 (Pending)

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

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")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	176	176
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(859)	(859)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
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	(680)	(680)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(8)	(8)
	(d) exploration & evaluation	(13,402)	(13,402)
	(e) investments	-	-
	(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	1,085	1,085
	(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	(12,325)	(12,325)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	11,465	11,465
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(430)	(430)
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	11,035	11,035
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,334	4,334
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(680)	(680)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12,325)	(12,325)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,035	11,035

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
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,364	2,364

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	1,774	2,727
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Overseas bank acc	590	1,607
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,364	4,334

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	332
6.2	Aggregate amount of payments to related parties and their associates included in item 2	148

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 and commissions plus legal fees paid to an associate of a NED.

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

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> <p>Galan is currently in negotiations to finalise funding sources to support its Hombre Muerto West, Phase 1 project in Argentina. Funding is expected to include a combination of equity funding, secured and unsecured debt, prepayment funding to fund the balance of Galan's cash requirements for the year.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(680)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(13,402)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(14,082)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,364
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,364
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.2
<p><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></p>		
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer: Yes, the company has reduced the rate of expenditure at its Argentina project during the quarter in order to preserve cash ahead of finalisation of funding arrangements</p>	

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: On 10 September 2024, the Company announced a A\$12 million placement to institutional, sophisticated and professional investors (Placement) in addition to a 1 for 4 non-renounceable entitlement offer (Entitlement Offer) to Eligible Shareholders in order to raise up to A\$ 13.3 million. The placement funds were received during the quarter, except for approximately A\$4.5 million subject to completion of definitive offtake agreements not yet received as at the end of the quarter. The Entitlement Offer was fully subscribed, and approximately A\$14 million was received by the company during October. Proceeds of the Placement and Entitlement Offer, together with the planned Chemphys Offtake Prepayment (ASX announcement dated 27 August 2024), are expected to fund Galan into production in H2 2025. As such, the company is confident that it will secure funding through a combination of debt and equity to support its activities during 2024 and 2025.

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 and 2025.

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 2024

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

Juan Pablo Vargas de la Vega (Managing Director)
(Name of body or officer authorising release – see note 4)

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

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.