



ASX ANNOUNCEMENT

31 January 2025

QUARTERLY ACTIVITIES REPORT DECEMBER 2024

Highlights

- Phase 1 operational works at HMW continue, with Galan being one of a few lithium companies in a position to move towards production due to the low-cost, high-grade nature of the project
- Approximately 7,900 inventory LCE tonnes in the evaporation ponds. Lithium grades, flow and evaporation rates in line with Phase 1 DFS
- Phase 2 HMW Mining Permit granted, securing the pathway for Galan's continued development at HMW at an efficient commercial scale up to 21,000 tpa LCE
- Independent benchmarking highlights HMW as being within the first quartile of the lithium industry AISC cost curve ⁽¹⁾
- Candelas Mineral Resource upgrade provides Galan with total resources of 9.5 Mt LCE
- Galan now placed within the global top 10 of lithium construction and production projects (by LCE mineral resource) ⁽²⁾
- Cash and liquid assets of A\$3.6m at the end of the quarter. Chemphys placement funds of US\$3 million received in January 2025; financing and offtake discussions progressing

Galan Lithium Limited (**Galan** or **the Company**) is pleased to present this Quarterly Activities Report for the quarter ended 31 December 2024, as well as activities up to the date of this release.

Galan's focus remains on its ongoing operational works at, and funding solutions for, the Company's 100% owned Hombre Muerto West (**HMW**) lithium brine project in the Catamarca Province of Argentina.

The Company continues its phased development strategy at HMW and continues to work towards first production as a priority.

(1) Please refer to Figure 2 for further details and information

(2) Please refer to Figure 4 and Table 2 for further details and information

Commenting on the update, Galan's Managing Director, Juan Pablo (JP) Vargas de la Vega, said:

"The 2025 year has started very positively for Galan as we continue to move towards initial Phase 1 production at HMW. With significant operational progress having already been made at the project, our focus is on securing the required offtake and funding to put HMW into production. The finalisation of the US\$3m placement to Chemphys provides the runway to get to this point.

At Candelas we have been able to announce an increased Mineral Resource Estimate, which now places our HMW assets, by resource, in the top ten lithium construction and production projects globally.

To achieve all this at a time when the lithium industry world-wide is facing considerable headwinds and where other projects are stalled or being wound back is testament to the quality of HMW and its high-grade, low-cost resource. We are looking forward to the rest of 2025 with considerable enthusiasm."

Operations

HMW Project, Argentina (100% Galan)

Phase 1 Update

The Phase 1 DFS, announced in July 2023, was based on the production of 5.4ktpa lithium carbonate equivalent (**LCE**) of lithium chloride (**LiCl**) concentrate, however in line with market conditions, Galan has chosen to moderate the capital intensity of the project and target production at an initial rate of 4ktpa LCE.

The operational de-risking of Phase 1 at HMW advanced during the period. Lithium chloride inventories continued to build in the pond system to a current position of approximately 7,900 tonnes LCE. Lithium grades, flow rates and evaporation rates have remained consistent with Phase 1 DFS expectations.

Galan is now targeting production from Phase 1 of HMW in H1 2026. The timing to first production was reviewed and adjusted in light of financing and offtake discussions. Galan is encouraged by recent progress in financing negotiations, as highlighted by the equity investment from Chengdu Chemphys Chemical Industry Co., Ltd (**Chemphys**) (as announced on 28 January 2025) as parties continue to work towards finalising an offtake prepayment facility targeting financial close during the first quarter of 2025.

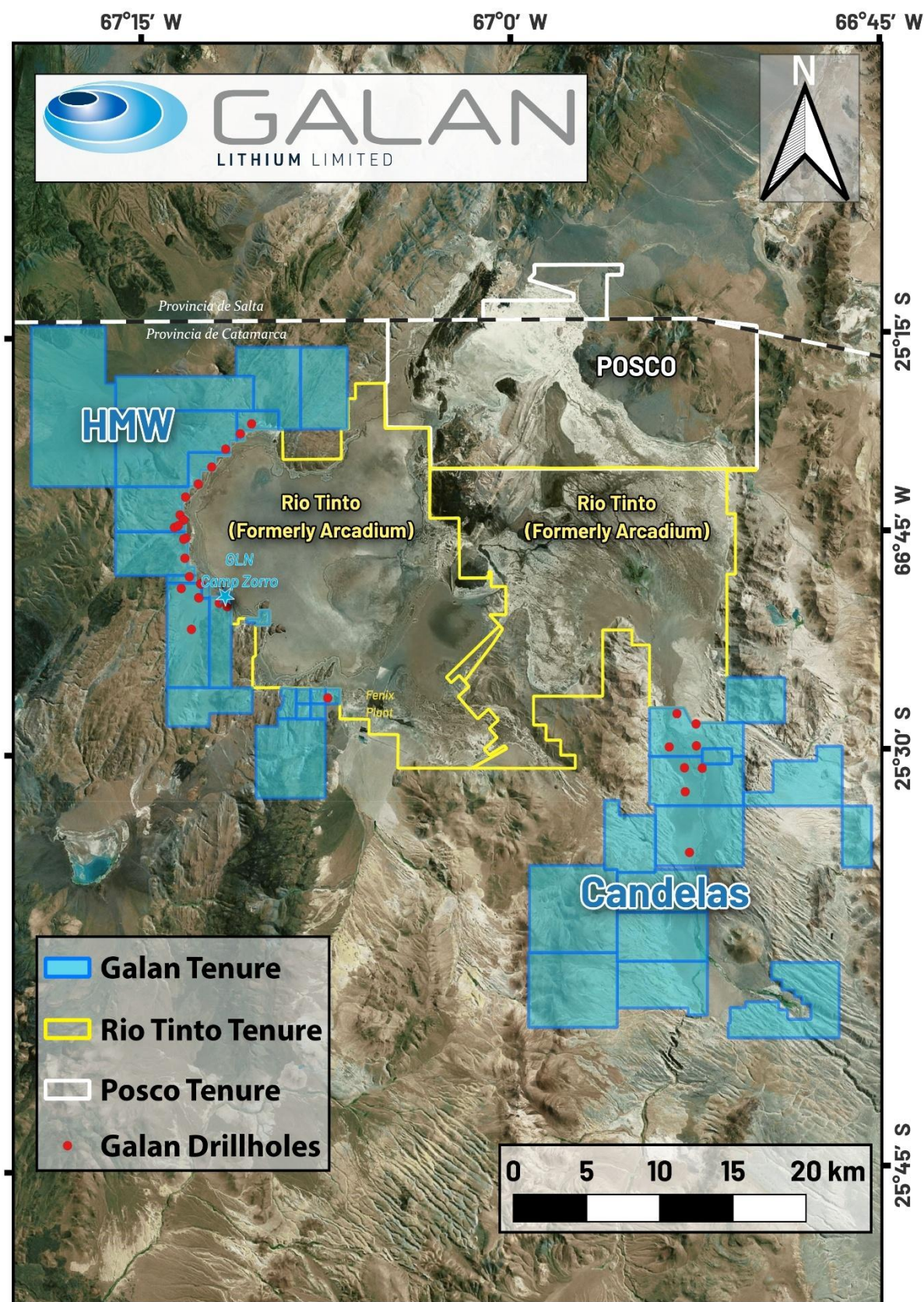
Phase 2 Update

Post the December 2024 quarter, the Company announced that the Catamarca Ministro – Ministerio de Minería (**Mines Department Minister**) had granted Galan the Phase 2 Mining Permit for 21ktpa LCE production at HMW. The grant of the Mining Permit allows Galan the ability to expand production up to 21ktpa LCE, subject to securing project finance and following the delivery of Phase 1 (up to 5.4ktpa LCE).

The grant of the Mining Permit for Phase 2 demonstrates the excellent, long-term relationship Galan has fostered with the Government of Catamarca and the local communities around HMW.

The Company notes the recent acquisition of Arcadium Lithium Plc by Rio Tinto Limited. This acquisition includes the Fenix Project (Salar Del Hombre Muerto) which was the first lithium brine operation in Argentina to produce lithium from brine at a commercial scale since 1997. The Fenix Project and associated mining permits lie adjacent to HMW (see Figure 1 below).

Figure 1: Location of Galan's 100% owned HMW and Candelas Projects in Argentina



The Phase 2 Mining Permit also supports Galan’s application for the grant of the RIGI, which was lodged on 30 October 2024. Subject to meeting the eligibility criteria for RIGI, it can provide the following key incentives:

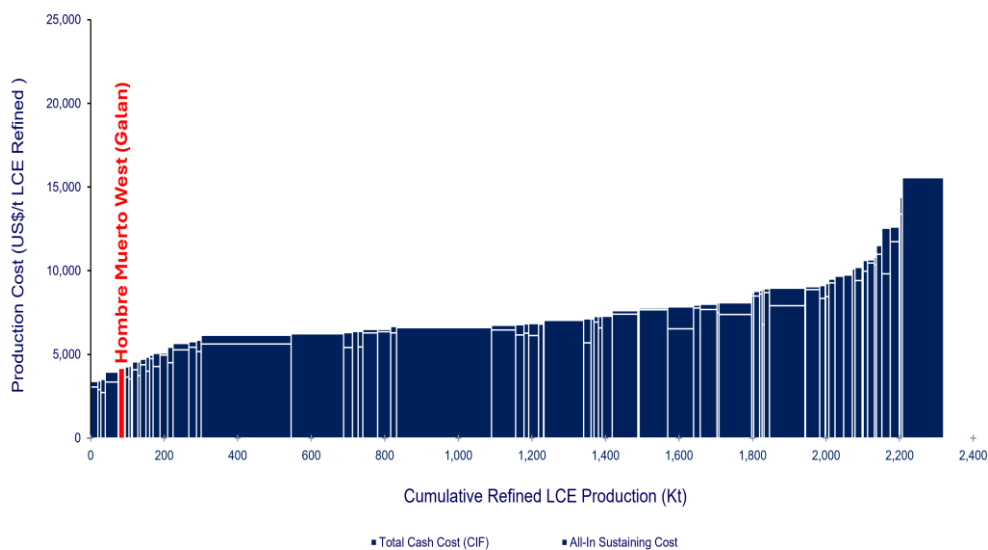
- The corporate income tax rate is set at 25% (ordinarily 35%)
- Accelerated depreciation
- Absence of time limits in the computation of tax loss carry forwards
- Concessions on import duty, VAT and withholding tax
- Greater flexibility on foreign exchange movements
- Fiscal stability for a period of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

Galan continues to work with Argentine authorities in respect of the grant of the RIGI and looks forward to making an update in due course.

HMW Economics

Importantly, the high-grade and low-cost nature of HMW see it placed in the first quartile of the LCE cost curve. Phase 1 and Phase 2 production would be cash flow positive even at today’s prevailing lithium carbonate prices. HMW is now poised to be a long term and resilient globally significant source of lithium supply.

Figure 2. Wood Mackenzie 2028 LCE Cost Curve: AISC (US\$/t LCE)



Wood Mackenzie Disclaimer “The foregoing information was obtained from the Lithium Cost Service™ a product of Wood Mackenzie.” “The data and information provided by Wood Mackenzie should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for your use of this data and information except as specified in a written agreement you have entered into with Wood Mackenzie for the provision of such of such data and information.”

The cost curve was sourced from Wood Mackenzie in December 2024. The opinions expressed are those of Wood Mackenzie, and do not necessarily represent company filings and / or project economic estimates. The above AISC cost curve is based on multiple metrics (including commodity prices, feedstock assumptions and inflation), structures and industry developments and standardises lithium assets (at PFS, DFS, BFS and operational levels) and whether they are of brine, hard rock or another origin by converting the costs of the upstream lithium product to costs for a lithium carbonate equivalent (LCE) product.

Wood Mackenzie's emissions benchmarking service has also placed HMW within the first quartile of the industry greenhouse gas emissions curve. Strong environmental, social and governance principles have been a governing tenet of the development strategy for HMW, which focuses on the production of a lithium chloride concentrate from conventional evaporation allowing for significantly reduced energy and water consumption. In line with Galan's commitment to social principles, at least 70% local content in employment and contracting opportunities has been targeted at HMW and remains a key focus for the Company and the Government of Catamarca. Skills and training opportunities have been provided to increase local participation, with a view to creating a skilled local workforce and supply chain for sustainable long-term operations.

Figure 3 – General Overview of HMW Site



Candelas Project, Argentina (100% Galan)

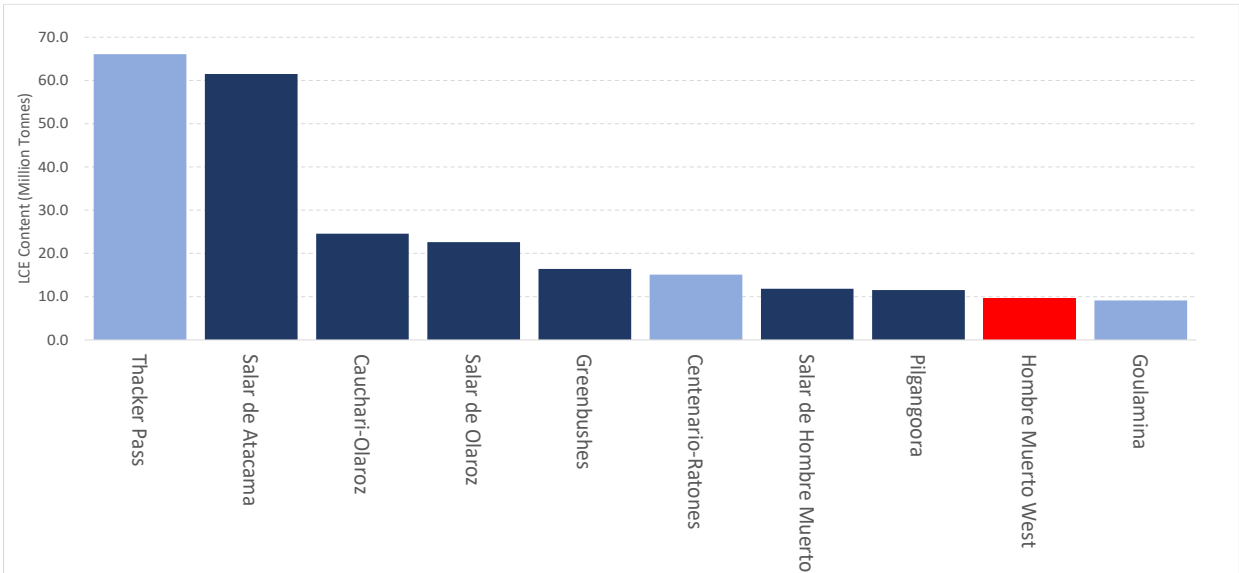
On 29 January 2025, the Company announced a substantial increase in the mineral resources at its 100% owned Candelas lithium brine project. ⁽³⁾

The Candelas Mineral Resource was significantly increased to 1.634 Mt LCE from 0.685 Mt LCE, providing Galan with a total Mineral Resource of 9.5 Mt LCE. This increase provides Galan with a foundation for further assessing commercialisation options for Candelas with significant upside potential also identified to further enhance the Candelas Mineral Resource.

(3) Refer to announcement dated 29 January 2025 "Galan's Mineral Resources grow to 9.5Mt LCE". The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

Galan now sits within the top 10 lithium production and construction projects (by LCE mineral resource).

Figure 4. Global Top 10 Lithium Production and Construction Projects (by LCE mineral resource)



- Notes
- a) Production projects shaded dark blue, construction projects shaded lighter blue, HMW (red) is a construction project
 - b) Analysis of peers included in table 2. Conversion table applies to convert all lithium units to LCE tonnes
 - c) Peer group: all global lithium production and construction projects ranked by LCE mineral resource size with a bottom cut-off of rank 10. Data obtained from S&P GMI as of 15 January 2025
 - d) HMW includes the Candelas Mineral Resource due to its close proximity and Galan's plans for a co-development of the resources in Phase 4 of HMW using common project infrastructure

Table 1. Mineral Resource Statement for Hombre Muerto West and Candelas (January 2025)

Resource Category	Brine Vol (Mm³)	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:							
Indicated	350	242	689	1,284	2,406	6,870	4,588
Inferred	100	65	661	350	649	6,520	1,238
Subtotal	450	307	683	1,634	3,055	6,792	5,826
Galan's Total Resource Inventory							
Total	2,125	1,785	841	9,501	15,950	7,508	30,417

Notes:

- a) A cut-off grade of 500 mg/L updated Mineral Resource Estimate for Candelas.
- b) The Mineral Resource Estimate for Hombre Muerto West is unchanged from 27 March 2024. 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 changed.
- c) There may be minor discrepancies in the above table due to rounding.
- d) The conversion for LCE = Li x 5.3228, KCl = K x 1.907.
- e) 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.

For detailed technical information please refer to GLN ASX announcements dated 1 October 2019, 27 March 2024, 4 April 2024 and 29 January 2025.

Other Galan Projects

There was no material work undertaken, in the quarter, on Galan's 100% owned Greenbushes South project (Australia) or its 50% owned James Bay (Canada) projects.

Corporate

Capital Raising

As announced on 27 December 2024, the Company issued 15,000,000 fully paid ordinary shares to Acuity Capital, under the At-the-Market Subscription Deed (ATM), for net proceeds of A\$1.8m.

On 28 January 2025, the Company announced that it had received proceeds from Latam Resources Pty Limited (**Latam**), an Affiliate of Chengdu Chemphys Chemical Industry Co., Ltd (**Chemphys**) in relation to the share placement (**Placement**) announced by the Company on 10 September 2024 and subsequently approved by shareholders at the Galan Annual General Meeting held on 15 November 2024. Chemphys agreed to subscribe for US\$3 million worth of shares under the terms of the Placement.

Other

During the quarter, the Company rationalised its investor relations arm of the business and engaged the services of VECTOR Advisors. VECTOR is a corporate communication, investor relations and reputation management firm, servicing clients across Australia and internationally.

Financial Position

At the end of the December 2024 quarter, the Company had cash resources of approximately A\$3.6 million.

Payments to related parties of the Company and their associates for the quarter totalled A\$526,793 for director fees, legal fees, capital raising and consulting fees.

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

For further information contact:

COMPANY

Juan Pablo ("JP") Vargas de la Vega
Managing Director

jp@galanlithium.com.au

+ 61 8 9214 2150

MEDIA

Matt Worner
Vector Advisors

mworner@vectoradvisors.au

+61 429 522 924

About Galan

Galan Lithium is a leading lithium development company, focused on delivering high-grade, low-cost lithium brine production from its Hombre Muerto West (HMW) project in Argentina. Positioned within the world-renowned lithium triangle, HMW ranks among the top 20 global lithium resources, offering substantial scale, exceptional grade and a low carbon footprint.

Galan's phased development strategy mitigates risk while maintaining steady progress toward near-term production, with first output expected in 2025. The Company is strategically positioned in the lowest quartile of both the lithium cost and CO₂ emissions curves, reinforcing its status as a sustainable and cost-efficient producer, even in times of challenging commodity prices.

Backed by a highly experienced management team and robust support from government and community stakeholders, Galan is poised to capitalize on growing global demand for lithium driven by the energy transition and electrification.

Through disciplined execution, tangible progress and a clear focus on shareholder value, the Company is well-placed to meet the needs of the rapidly evolving lithium market while maintaining its commitment to sustainable development and local engagement.

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 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 in this report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement 2

The information relating to the integrity of the database and site inspection was done by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM. Dr Cunningham is a Principal Consultant and full-time employee of SRK Consulting (Australasia) Pty Ltd. The information in this report that relates to the Mineral Resources estimation approach at Candelas was compiled by Dr Cunningham. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". 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.

Table 2. Global Top 10 Production and Construction Projects (by LCE mineral resource size)

Project	Operator	Stage	Type	Mineral Resources (including Ore Reserves) in Lithium Carbonate Equivalent (LCE Mt)			Total Resources	Information Source
				Measured	Indicated	Inferred		
Thacker Pass	Lithium Americas	Construction	Clay	8.0	36.5	21.6	66.1	NI-43-101 Technical Report 31/12/2024
Salar de Atacama	SQM	Production	Brine	30.5	17.2	13.7	61.5	SQM Annual Report 31/12/2023
Cauchari-Olaroz	Ganfeng	Production	Brine	3.6	16.3	4.7	24.6	NI-43-101 Technical Report 19/10/20
Salar de Olaroz	Arcadium*	Production	Brine	11.5	3.8	7.3	22.6	Arcadium SEC Technical Report 30/6/2023
Greenbushes	Talison	Production	Hard rock	0.1	15.0	1.3	16.4	IGO Ltd Greenbushes CY23 Resources and Reserves 19/2/24
Centenario-Ratones	Eramet	Construction	Brine	2.8	9.8	2.6	15.1	Eramet Annual Report 19/4/24
Salar de Hombre Muerto	Arcadium*	Production	Brine	2.8	4.3	4.7	11.8	Arcadium Reserve and Resource Report 14/11/2023
Pilgangoora	Pilbara Minerals	Production	Hard rock	0.5	8.9	2.0	11.5	PLS Annual Report 26/8/24
Hombre Muerto West	Galan	Construction	Brine	4.7	2.9	1.9	9.5	Galan Lithium Limited
Goulamina	Ganfeng	Construction	Hard rock	0.7	4.9	3.5	9.1	Leo Lithium Annual Report 31/5/24

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 3. 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.

INTEREST IN MINING TENEMENTS AT 31.12.24

Argentina (HMW & Candelas projects) - 100% interest

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

Australia (Greenbushes South project) – 100% interest

E70/4629
E70/4690
E70/4790
E70/4777
E70/5680
E70/4889 (Pending)
P70/1698 to P70/1704 (Pending)
E70/6263 (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")

31 December 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	16	192
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(987)	(1,847)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	43	46
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	(928)	(1,609)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	1	(7)
	(d) exploration & evaluation	(13,067)	(26,469)
	(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
	(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	(13,066)	(25,391)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	15,694	27,160
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	(453)	(883)
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	15,241	26,277
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,364	4,334
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(928)	(1,609)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13,066)	(25,391)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	15,241	26,277

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	3,611	3,611

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	3,316	1,774
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Overseas bank acc	295	590
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,611	2,364

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	388
6.2	Aggregate amount of payments to related parties and their associates included in item 2	139

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 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.		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(928)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(13,066)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(13,994)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,611
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,611
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.3
<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, the company has reduced the rate of expenditure on all its projects in order to preserve cash ahead of finalisation of funding arrangements	

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 28 January 2025, the Company announced the receipt of USD \$3 million from Latam Resources Pty Limited (Latam), an Affiliate of Chengdu Chemphys Chemical Industry Co., Ltd (Chemphys) in relation to the share placement (Placement) announced by the Company on 10 September 2024 and subsequently approved by shareholders at the Galan Annual General Meeting held on 15 November 2024. The Chemphys Placement proceeds, and the progression of funding and offtake discussions are expected to fund Galan into production in H1 2026. As such, the company is confident that it will secure funding through a combination of debt and equity to support its activities during 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 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 January 2025

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.