GALAN LITHIUM LIMITED

ASX ANNOUNCEMENT

31 October 2023

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2023

Hombre Muerto West (HMW)(100% Galan):

- Phase 1 construction progressing well; first pond 35% complete
- Pilot plant achieves steady state Li concentrate production at 50l/day; confirms concentration model predictions
- Advanced negotiations for offtake/funding options for Phase 1 and 2 underway; Li samples delivered to potential offtake partners and potential Li_2CO_3 tollers
- Tier one Phase 2 DFS results; HMW Project produces a premium high grade lithium chloride (LiCl) concentrate of 6% Li, comparable to 13% Li_2O or 32% Lithium Carbonate Equivalent (LCE) in H2 2026, and delivers the following strong financial outcomes:
  - Post-tax NPV8% US$2 billion, IRR 43% free cash flow US$236m pa (pre-tax NPV8% US$3.1 billion)
  - Short Payback Phase 1 & 2 of 2.9 years
  - Increased Production to 21Ktpa LCE up from 5.4Ktpa LCE in Phase 1
  - Moderate Incremental CAPEX of US$278m (additional to Phase 1 Capex US$104m). Total Phase 1 & 2 Capex US$382m (ex-contingency)
  - Low Operating Cost of US$3,510/t LCE (excludes conversion cost from LiCl to lithium carbonate). HMW is in the 1st quartile of industry's cost curve
  - Phase 1 construction has commenced with first production H1 2025
- Capex & Opex intensity reduced by 7% & 11% respectively (from Phase 1 DFS); future potential reduction for key cost drivers
- High Li recovery (68.5%) with further process optimisation underway
- Strong 40 year Ore Reserve 806kt LCE @ 864 mg/Li; resource upside remains
- Long term average payable price assumed for LiCl 6% Li US$22,841/t LCE, long term average lithium carbonate price US$29,000/t LCE
- Galan's robust 4 phase production strategy (up to 60ktpa LCE) provides an exceptional foundation for significant future economic upside

Greenbushes South (100% Galan):

- Extended maiden drilling campaign completed; pegmatite exploration model validated
- Further drill planning underway

Canadian acquisitions (50/50 JV – Redstone Resources Ltd as Manager):

- 100% purchase of the Taiga, Camaro and Hellcat projects in James Bay province, Quebec
- Option to purchase 100% of PAK East and PAK southeast projects in Ontario

Corporate:

- Cash and investments at the end of quarter ≈A$33 million

The Board of Galan Lithium Limited (**Galan** or the **Company**) is pleased to provide this Quarterly Activities Report for the quarter ended 30 September 2023 and to the date of this report. The focus for the quarter was the completion of the Phase 2 Definitive Feasibility Study (**DFS**) and construction works/activities at the Company's 100% owned, high-grade/low-impurity Hombre Muerto West (**HMW**) Project in the Catamarca Province, Argentina.

The HMW Project DFS was separated into two phases. The initial Phase 1 DFS was based on a production level of 5.37 ktpa lithium carbonate equivalent (**LCE**) in the form of lithium chloride concentrate (as governed by the production permits).

As announced on 3 October 2023, 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 Phase 2 DFS results and analysis provided outstanding outcomes confirming Galan's belief that the HMW Project is a tier one project in the lithium brine industry.

Galan's Managing Director, Juan Pablo (JP) Vargas de la Vega, commented on the Phase 2 DFS Results:

"The release of the Phase 2 DFS for Hombre Muerto West clearly demonstrates the world-class nature of Galan's 100% owned Project. The production volumes and low cost of production from HMW means it is truly worthy of being considered a tier one lithium brine project. These results fully support our DFS re-evaluation process and long-term production strategy, delivering a high-quality lithium chloride product into the market and providing Galan with strong early cash flows. The Board is delighted to report these outstanding financial outcomes for the Project Phase 2 DFS, which are robust and include an approximate 2.9-year payback and a USD 2 billion Project NPV. Thanks to our loyal project and corporate teams that have worked cohesively and tirelessly to deliver these outstanding results. We are also very grateful for the supportive government policies in place, and our local community support, which have enabled us to demonstrate the enhanced feasibility of the Project.

We are extremely confident about the future of HMW, both in the short and long term. Construction of Phase 1 is already well underway with the first evaporation pond already 35% complete. Galan looks forward to updating shareholders and investors as development continues into future phases to accelerate and ramp up production."

Cautionary Statements

The Definitive Feasibility Study (**DFS**) referred to in this announcement is based upon a JORC Code Compliant Mineral Resource Estimate announced on 1 May 2023 (Refer ASX announcement entitled "Galan's 100% Owned HMW Project Resource Increases to 6.6 Mt LCE @ 880 mg/L Li (72% in Measured Category)"(inclusive of the updated Proven and Probable Reserves referred to in this announcement). Galan confirms that there are no Inferred Resources included in the Phase 2 DFS production schedule and that it is comprised 100% of Reserves (Proven 101.2 kt LCE @ 884 mg/Li and Probable 705.2kt LCE @ 861.5 mg/Li).

The Mineral Resources underpinning the Reserves and production target in the DFS have been prepared by a competent person in accordance with the requirements of the JORC Code (2012). The Competent Person's Statements are provided in the section of this ASX release titled *"Competent Person's Statements".* For full details of the Mineral Resources estimate, please refer to the body of this announcement. Galan confirms that it is not aware of any new information or data that materially affects the information included in this release. All material assumptions and technical parameters supporting the estimates in the ASX release continue to apply and have not materially changed.

Process and engineering designs for the DFS were developed to support capital and operating cost estimates to an accuracy of -10% to +15%. Key assumptions that the DFS are based on (including those defined as Material Assumptions under ASX Listing Rule 5.9.1) are outlined in the body of this announcement and in Appendix 1. Galan believes that the production target, forecast financial information derived from that target and other forward-looking statements included in this announcement are based on reasonable grounds.

Several key steps need to be completed to firstly bring the HMW Project Phase 1 into production and subsequently expand production rates from Phase 2. These key steps are referred to in this announcement and investors should note that if there are delays associated with these steps, outcomes may not yield the expected results (including the timing and amounts of estimated revenues and cash flows). The economic outcomes associated with the Phase 2 DFS are based on certain assumptions made for commodity prices, exchange rates and other economic variables, which are not within the Company's control and are subject to change. Changes in such assumptions may have a material impact on the economic outcomes.

To achieve the range of outcomes indicated in the Phase 2 DFS, funding will more than likely be required. There is no certainty that Galan will be able to source the amount of funding when required. It is also possible that such funding may only be available on terms that may dilute or otherwise affect the value of Galan's shares. It is also possible that Galan could pursue other value realisation strategies such as an off-take with pre-payment, sale, partial sale or joint venture of the HMW Project.

Some of the statements appearing in this announcement may be forward-looking in nature. 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 that 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, none of Galan Lithium Limited's directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

OPERATIONS

Hombre Muerto West (100% Galan)

Definitive Feasibility Study (DFS)

The Phase 2 DFS was prepared by several consultants. The Mineral Resource estimate was prepared by SRK Consulting (**SRK**), the Reserve estimate was prepared by WSP Consulting (Chile) (**WSP**) (part of WSP Ambiental S.A.), the lithium recovery method was designed by Ad-Infinitum and the pond and water contour channels designs were developed by AIA Engineering and Consulting Services International (**AIA**) and EIC Engineering (**EIC**), respectively. AIA and EIC are specialised engineering companies with sound previous experience with similar projects. Pares & Alvarez Ingenieros Asociados Limitada (**P&A**) were responsible for reviewing and documenting the recovery method and developing the engineering design of the reagents and filter plant. P&A also developed the Project layout, infrastructure designs for water and power supply that needed to be expanded for Phase 2, capital cost (**Capex**) and operating cost (**Opex**) estimates and overall economic evaluation. Andeburg Consulting Services Inc. (**ACSI**) reviewed the Capex, Opex and overall economic evaluation. The price estimates for lithium carbonate and lithium chloride concentrate were developed by Wood Mackenzie and iLiMarkets, respectively. Key financial highlights are presented in Table 1.

Table 1 - Phase 2 Definitive Feasibility Study Results – HMW Project

Parameters	Units	Values
Lithium Carbonate Equivalent (LCE) Production	tpa	20,851
Project Life Estimate	Years	40
Capital Cost (Capex)	US$ Million	429
Capital Cost (ex-contingency)	US$ Million	382
Average Annual Operating Cost (Opex)	US$/t LCE	3,510
Average Lithium Chloride Selling Price (2025-2064)	US$/t LCE	22,841
Average Annual EBITDA	US$ Million	374
Average Annual Free Cash Flow	US$ Million	236
Pre-Tax Net Present Value ($NPV_{8\%}$)	US$ Million	3,145
After-Tax Net Present Value ($NPV_{8\%}$)	US$ Million	1,993
Pre-Tax Internal Rate of Return (IRR)	%	57%
After-Tax Internal Rate of Return (IRR)	%	43%
Payback Period (After-Tax, commencement Phase 1 production)	Years	2.9

Mineral Resource Estimate

The latest HMW Mineral Resource estimate was announced on 1 May 2023 (Refer ASX Announcement entitled "Galan's 100% Owned HMW Project Resource Increases to 6.6 Mt LCE @ 880 mg/L Li (72% in Measured Category)". The Resource incorporated geological and geochemical information obtained from nineteen (19) drill holes totalling 5,918 m within the Pata Pila, Rana de Sal, Casa del Inca (III & IV), Del Condor, Pucara del Salar, Delmira, Don Martin and Santa Barbara mining tenements (see Figure 8). A total of 610 brine assays were used as the foundation of the estimation, all of which were analysed at Alex Stewart International (**Alex Stewart**) laboratory in Jujuy. The QA/QC program included duplicates, triplicates and standards. In total, 325 QA/QC samples were analysed using Alex Stewart (duplicates) and SGS in Argentina (triplicates) as the umpired laboratory.

The HMW Mineral Resource was supported by new core porosity data. Approximately 51 km of additional surface resistivity (CSAMT and TEM) completed in the 2021 and 2022 campaigns at the HMW Project supported the directly obtained brine samples.

The HMW Mineral Resource was re-classified based on the new data, resulting in a Measured Resource exceeding 4.7 Mt of contained lithium carbonate equivalent (**LCE**) product grading 873 mg/L Li in accordance with JORC Code Guidelines. The total HMW Mineral Resource (Measured + Indicated + Inferred) increased by approximately 14% to 6.6 Mt of contained LCE grading 880 mg/L Li. The latest HMW Mineral Resource estimate is summarised below in the Mineral Resource Statement (Table 2). No cut-off grade was applied to the updated Mineral Resource estimate as minimum block grades of 805 mg/L Li exceeded the anticipated economic threshold. This exceptional characteristic of the HMW reservoir reflects the highly homogenous brine quality throughout the mining tenements which permits the aggregation of the complete ore body and simplifies future operational and process constraints. The adjacent Candelas North project, approximately 40 km from the future HMW plant site is a strategic resource that forms part of the Galan long-term growth strategy.

Table 2 - Mineral Resource Statement for Hombre Muerto West and Candelas (Effective Date May 2023) (Inclusive of Ore Reserves)

Resource Category	Brine Vol. (Mm^3)	In situ Li (kt)	Avg. Li (mg/L)	LCE (kt)	Avg. K (mg/L)	In situ K (kt)	KCl Equiv. (kt)
Hombre Muerto West (Western sector and Santa Barbara)							
Measured	1,020	890	873	4,737	7,638	7,782	14,841
Indicated	205	185	904	986	7,733	1,585	3,022
Inferred	182	161	887	859	7,644	1,391	2,653
HMW Total	1,407	1,237	880	6,582	7,653	10,758	20,516
Candelas North (*)							
Indicated	196	129	672	685	5,193	1,734	3,307
Galan's Total Resource Inventory							
Grand Total	**1,603**	**1,366**	**852**	**7,267**	**7,793**	**12,492**	**23,823**

Notes:

1. No cut-off grade is applied to the updated Mineral Resource Estimate as minimum assays values are above expected economic concentrations (Li 620 mg/L).
2. Specific yield (SY) values used are as follows: Sand – 23.9%, Gravel – 21.7%, Breccia – 8%, Debris – 12%, Fractured Rock – 6%, and Halite – 3%.
3. The conversion for LCE = Li x 5.3228, and KCl = K x 1.907.
4. (*) Candelas North Mineral Resource Statement announced on 1 October 2019.
5. There may be minor discrepancies in the above table due to rounding.

Ore Reserve Estimate

An updated hydrogeological numerical model was built to represent the dynamic behaviour of the groundwater flow and the lithium concentrations in the nucleus and margins of Salar Hombre Muerto West for natural conditions and brine extraction scenarios in order to support the Ore Reserve estimate for the Phase 2 DFS. The following objectives were considered:

(i) Calibrate the natural conditions considering the groundwater level data available up to July 2023
(ii) Calibrate the system response according to the data gathered during the long-term pumping well tests conducted in 4 wells
(iii) Simulate Phase 2 brine extraction scenario, targeting 20 ktpa of Lithium Carbonate Equivalent (LCE)

A summary of the main aspects of the hydrogeological numerical model used to estimate the reserves is presented below. A detailed modelling report describing the model construction, calibration and simulation has been developed as part of the Phase 2 DFS.

Model Construction

For the reserves assessment, MODFLOW-USG was used as the numerical simulation tool. MODFLOW-USG is a modelling software developed by the United States Geological Survey (**USGS**) and is a commonly used platform for solving saturated flow and transport. It is particularly applicable for brine extraction projects as when used with connected linear networks (**CLN**), it can improve the representation of operating well drawdown and extracted lithium concentration.

The defined model limit covers the salar nucleus and margins of the HMW Salar (Figure 1). The limit generally follows topographic highs in most areas, where older bedrock is present, and groundwater is not expected to flow across. In terms of grid discretisation, the numerical model grid comprises 17 layers and a total of 278,417 active cells, with an equivalent of 16,381 active cells per layer. The grid was designed to accurately represent changes in lithium concentration and geological features in depth. To achieve this, hexagonal Voronoi cells (Figure 1) were employed to create a locally refined grid within the mining tenements, where most field data

currently exist. Outside this zone of interest, larger cell sizes were specified. The highest discretisation in the grid has dimensions close to 5 m (diameter) and the lowest discretisation has dimensions of about 500 m (diameter).

To represent the natural conditions, the following boundary conditions were included in the numerical model:

No flow: Corresponds to cells outside the active model domain that are not simulated. Most limits of the hydrogeological model are represented by no-flow cells because they coincide with topographical high points along older bedrock outcrops where groundwater is not expected to flow across.

Recharge: Direct recharge and lateral inflow were defined as inflow boundary conditions for the model, based on previous recharge estimates and water balance (WSP, 2021; WSP, 2022). Direct recharge, due to infiltration of precipitation, was defined based on the hydrogeological units at the surface to represent distinct zones of potential infiltration. Lateral inflow was implemented through injection wells, which were defined along the southeastern and northern limits to represent lateral inflow from neighbouring alluvial sub-basins. The total amount of the recharge included in the model corresponds to 327 L/s.

Evapotranspiration: Groundwater outflow occurs via evapotranspiration. Outflow was differentiated spatially by evaporation rates and extinction depths that were defined based on the lithological surface features (salar surface, nearby marginal areas and surface water features).

To represent extraction from pumping wells (transient conditions), the CLN package was implemented in the model as an additional boundary condition.

Model Calibration

To ensure that the numerical model can be used as a predictive tool for potential pumping scenarios, it is necessary to accurately represent observed historical behaviour. To achieve this, a steady-state flow calibration was performed to represent natural conditions until July 2023 and a transient flow calibration was carried out for long-term pumping tests conducted in wells PBRS-01-21, PBRS-03-23, PPB-01-21 and PPB-02-22 (Figure 2).

Steady state calibration of the natural conditions for groundwater flow at the nucleus and margins of the HMW Salar focused on the representation of observed groundwater levels in the HMW mining tenements and the conceptualised groundwater balance of the system. The calibration process involved estimating and iteratively modifying the hydrogeological properties of the modelled system to adjust the simulated groundwater levels against the observed data.

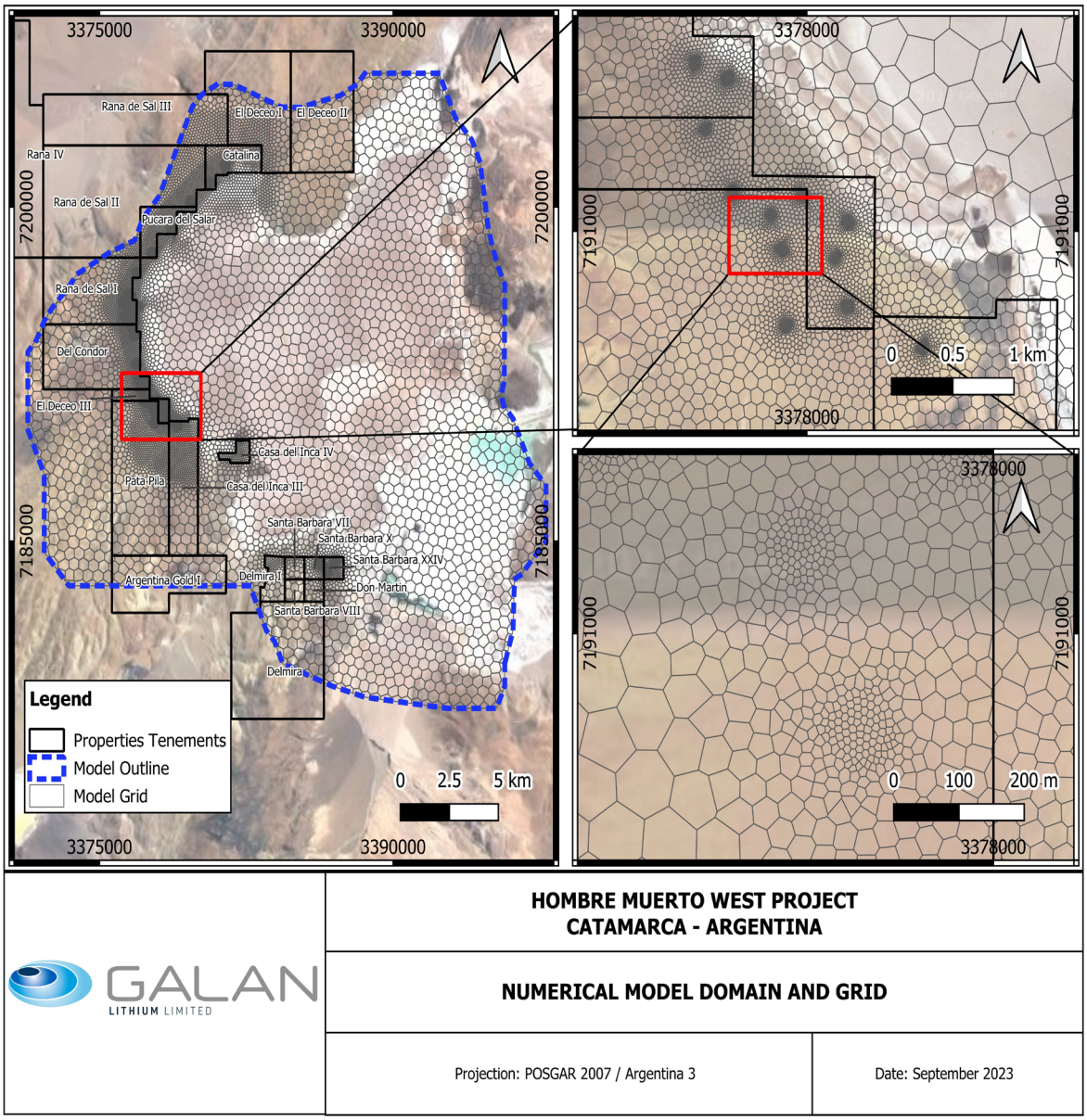

Figure 1 - Numerical Model Domain and Grid

A constant brine density was assumed for the numerical model based on near constant brine density measurements (about 1.2 g/L) from pumping and observations wells, with the exception of wells PPZ-W-01-23 and PPZ-W-02-23 (Figure 2) located topographically higher than the rest of the wells. No density correction was applied to convert freshwater head to equivalent brine head in the observation wells, due to the negligible impact in the adjustment of hydrogeological properties in the brine extraction zone and in the overall groundwater dynamics.

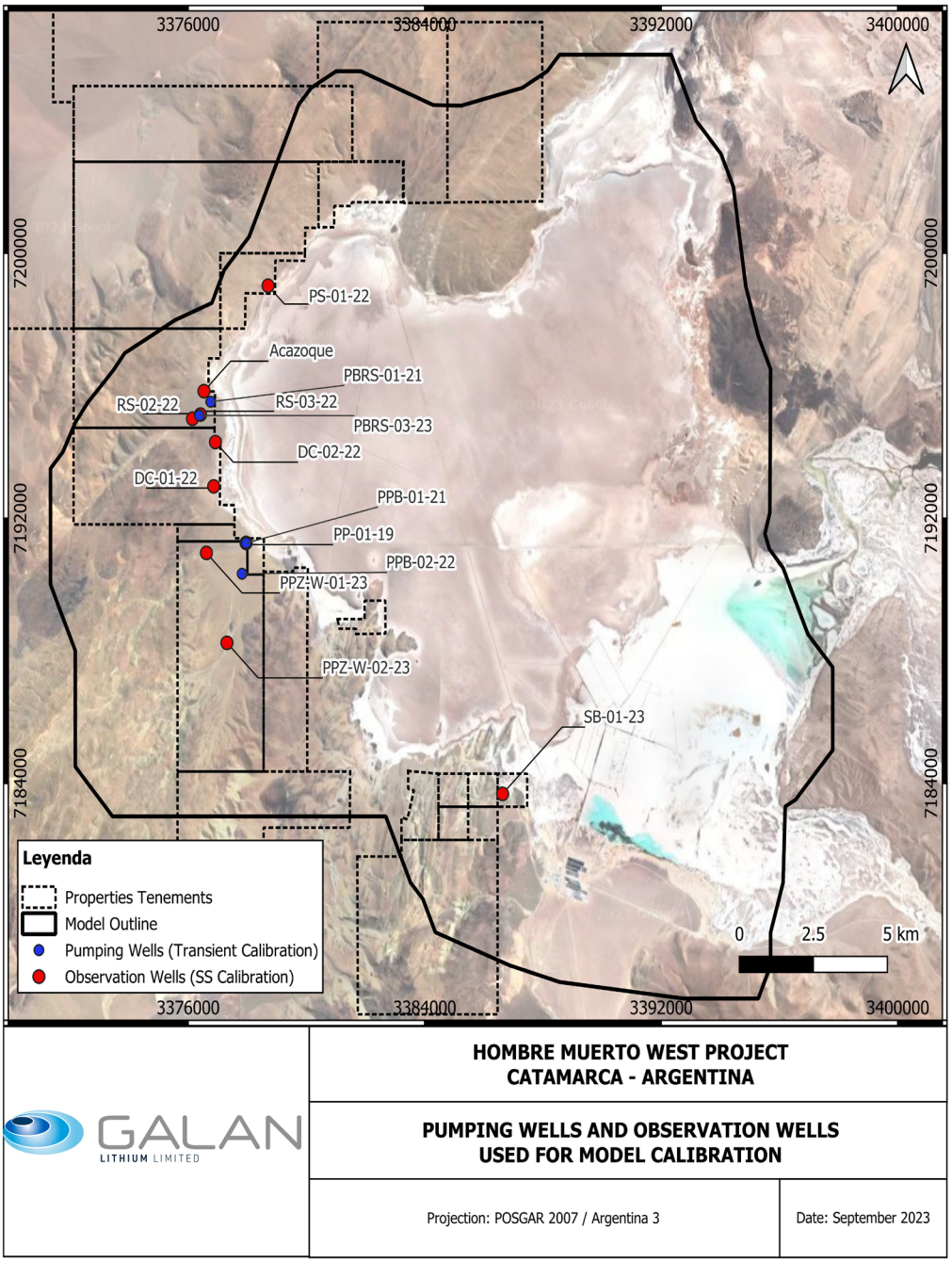

Figure 2 - Pumping Wells and Observation Wells Used for Model Calibration

Figure 3 shows the results of the model calibration, the left side of presents observed versus simulated water levels with less than a 5 m difference; this is considered acceptable. The transient calibration is determined by the analysis of the observed drawdown in the pumping wells and the observation wells associated with each pumping test. An example of the adjustment of the simulated drawdown for the pumping test in well PBRS-01-21 is shown on the right side of Figure 3.

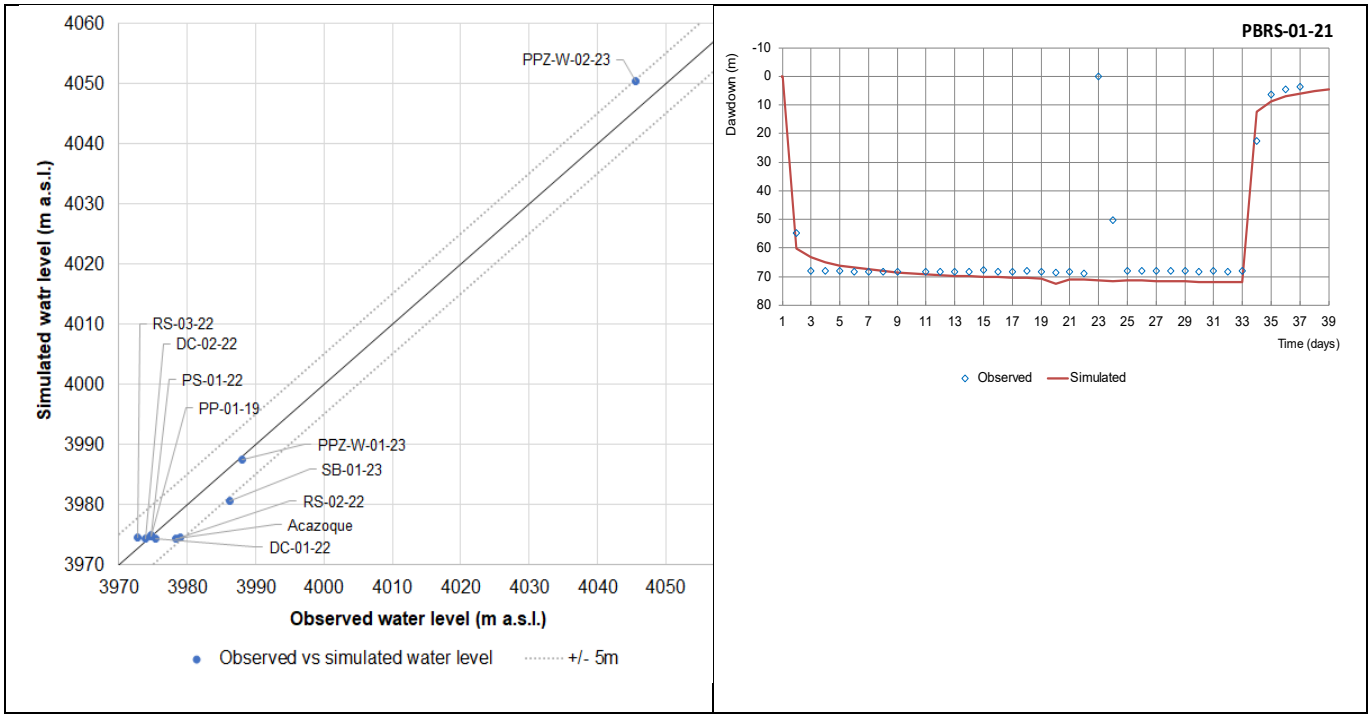

Figure 3 - Results of Model Calibration (LHS - Simulated and Observed Water Level (Steady State Calibration). RHS - Example of Transient Calibration for Observed Drawdown in Long Term Pumping Test

Predictive Model

The calibrated model was used to predict and evaluate the brine extraction capacity for Galan's Phase 2 production plan and the extracted lithium concentrations for a 40 year period. The predictive scenario considered a total of 23 wells distributed across two well fields (West well field (20 wells) and Santa Barbara well field (3 wells)) as shown in Figure 4.

After a 2 year ramp-up period, the average annual pumping flow is estimated to be around 230 L/s (184 L/s in the West well field and 46 L/s in the Santa Barbara well field).

Calibrated hydrogeological parameters (hydraulic conductivity and specific storage) and specific yield from the resource model (SRK - May 2023) were considered as base conditions for the predictive model. The hydraulic head resulting from the steady-state calibration was used as the initial condition for the predictive simulations. Li grades were assigned to each model cell based on the resource model distribution (SRK – May 2023) within the Galan mining tenements to assess solute transport. A zero Li concentration was set outside the Galan mining tenements.

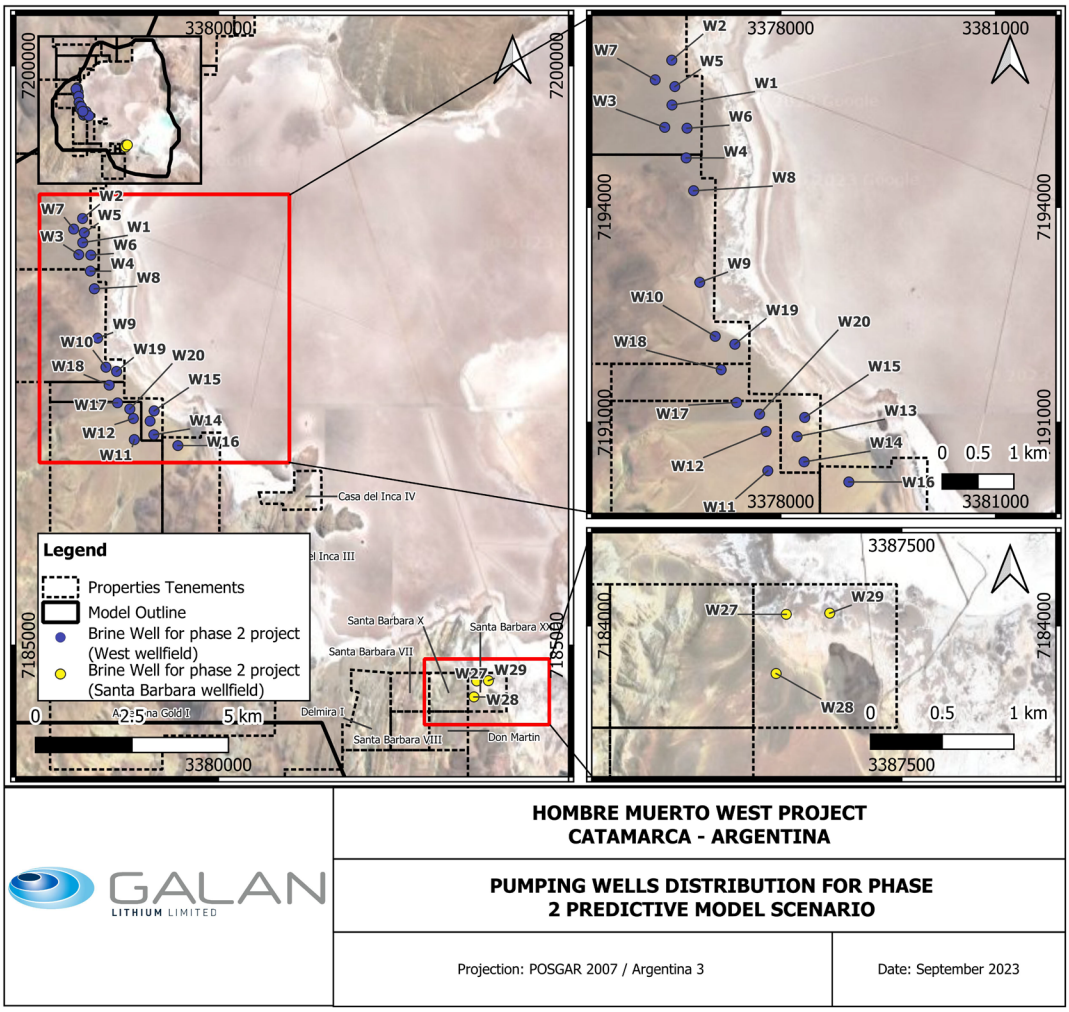

Figure 4 - Pumping Wells Distribution for Phase 2 DFS Predictive Model Scenario

The resulting average extracted lithium concentration simulation 40 year period is shown in Figure 5. Considering the total concentration, the resulting dilution is close to 5% after 40 years of operation. This reflects the homogenous brine quality over the deposit. A more pronounced concentration decline is observed after Year 2 due to the start of production from the Santa Barbara well field, which has lower lithium concentrations compared to the West well field.

The LCE production estimates considered a global process recovery of 61.65% (efficiency provided by Ad-Infinitum (Ad-Infinitum, 2023)). Figure 6 shows the LCE predicted production for Phase 2, indicating that targeted production of nearly 21 ktpa would be achieved in Year 3 and for the rest of the LOM.

Particle tracking and mass balance calculations were carried out to ensure that the bulk of the lithium mass (over 99%) extracted by the production wells comes from Measured and Indicated Resources within the Galan mining properties.

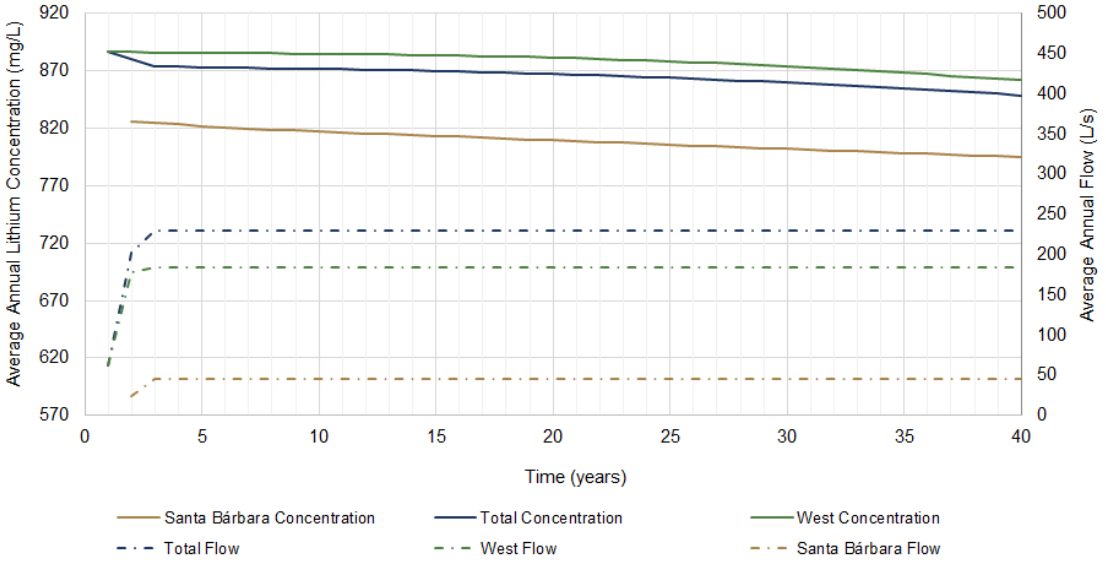

Figure 5 - Average Lithium Concentration Results for Phase 2 Predictive Model Scenario

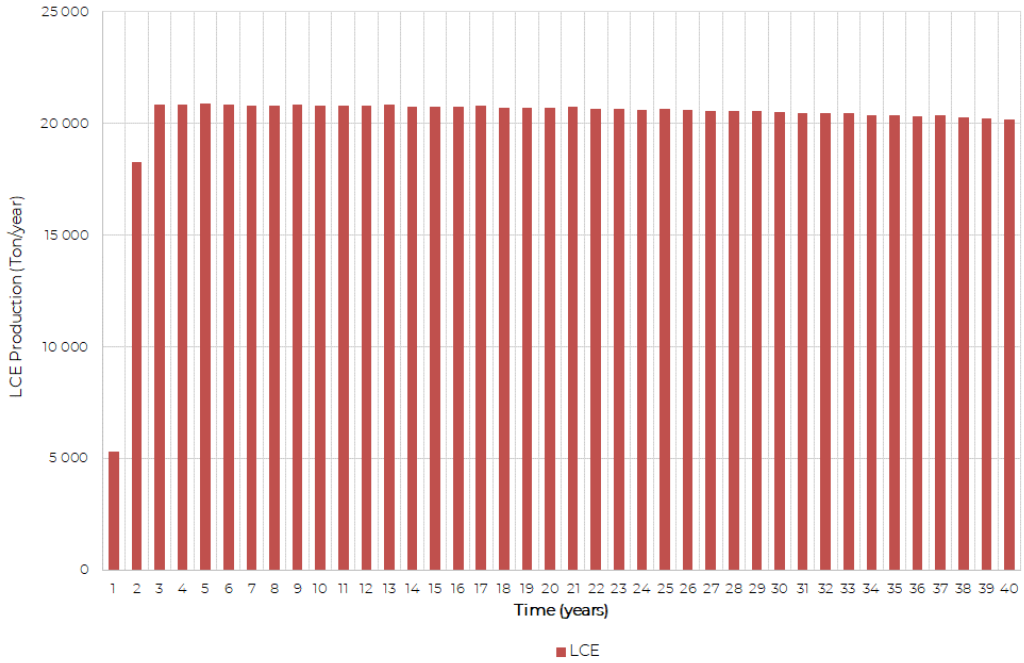

Figure 6 - LCE Production for Phase 2 Predictive Model Scenario

Ore Reserve Statement

The HMW Project Phase 2 DFS reports an Ore Reserve estimate of 806.4 kt of recoverable LCE (Table 3). The Ore Reserve estimate was signed off by Rodrigo Riquelme (GeoInnova), who is a Competent Person as described in the Competent Persons Statements.

Abstraction capture zones determined that the brine origin from each production well throughout the LOM and Ore Reserve volumes were mostly sourced from within the Measured Resource blocks in the case of the West well field with the exception of brine from well W16 (Figure 4), whose origin comes from Indicated Resource blocks. For the Santa Barbara well field, the Ore Reserves are all sourced from within the Indicated Resource blocks.

Table 3 - Ore Reserve Statement for HMW Project Phase 2 DFS (Effective Date September 2023)

Ore Reserve Category	Well Field	Production Period (Years)	Pumped Brine Vol. (Mm^3)	Li Metal (kt)	Avg. Li grade (mg/L)	LCE (kt)
Proven	West	1-7	34.9	30.8	884.0	101.2
	Santa Barbara	-	-	-	-	-
Probable	West	1-7	1.8	1.5	840.2	5.1
		8-40	192.1	168.5	877.1	552.9
	Santa Barbara	1-40	55.5	44.9	807.9	147.2
Total Proven		**1-7**	**34.9**	**30.8**	***884.0***	**101.2**
Total Probable		***1-40***	***249.5***	***214.9***	***861.5***	***705.2***
Total Proven and Probable		**1-40**	**284.3**	**245.7**	**864.2**	**806.4**

Notes:
1. Ore Reserves are inclusive of the declared Measured and Indicated Mineral Resources.
2. No cut-off grade is applied for the HMW Ore Reserve.
3. A combined process recovery factor of 61.65% was applied. Extracted Li metal in the table does not consider this factor.
4. "Li Metal" and "LCE" are expressed as total contained metals.
5. Lithium carbonate equivalent (LCE) is calculated using mass of LCE = 5.3228 multiplied by the mass of lithium metal.
6. Ore Reserves do not consider any Mineral Resources at Candelas North.
7. There may be minor discrepancies in the above table due to rounding.

The Ore Reserve estimate is considered to be a conservative representation (due to border conditions with zero concentration of lithium in overburden and outside the mining tenements) of the aquifer systems with a high confidence in modelled outputs during the early mine production plan and reducing confidence during mid-life and later production. In the case of the West well field, extracted brine in Years 1 to 7 of the Phase 2 mine plan is predominantly from areas with high levels of confidence with good geological and test pumping control and has therefore been categorised as Proven Ore Reserves. Extracted brine in Years 8 to 40 of the Phase 2 mine plan tends to be derived from areas with less confidence and has therefore been categorised as Probable Ore Reserves. For the Santa Barbara well field, because extracted brine is derived from Indicated Resources, Reserves were categorised as Probable for the LOM.

Due to the high and consistent grades of lithium within brines derived from Hombre Muerto West, no cut-off grade has been applied to the Ore Reserve.

Although model sensitivity and professional judgement have been incorporated into the numerical model development, it is important to note that hydrogeological numerical models have significant areas of uncertainty and that the mine plan developed over a 40 year period is not definitive. As previously stated by Galan, Phases 3 and 4 will see a further increase in production, however these phases are not included in this Ore Reserve Statement.

For more detailed technical information (including relevant JORC Code Tables) surrounding the latest HMW Mineral Resource and the HMW Ore Reserve Statement, please refer to the ASX Announcement dated 1 May 2023 entitled "Galan's 100% Owned HMW Project Resource Increases to 6.6MT LCE @ 880 mg/l Li (72% in Measured Category)" and the ASX Announcement dated 3 October 2023 entitled "Phase 2 DFS Confirms Tier One Status of Hombre Muerto West (HMW) Lithium Brine Project in Argentina".

Project Background

Location

The Hombre Muerto West Project is part of the Hombre Muerto basin, one of the most prolific salt flats in the world. The basin is located in the Argentinean Puna plateau of the high Andes Mountains at an elevation of approximately 4,000 m above sea level (masl). The Project is 90 km north of the town of Antofagasta de la

Sierra, in the Province of Catamarca, Argentina as shown in Figure 7. The HMW Project is located to the West and South of the Salar del Hombre Muerto.

The HMW Project is in close proximity to other world class lithium projects owned by Allkem Resources, Posco and Livent. The Project is around 1,400 km northwest Buenos Aires, the capital of Argentina and 170 km west-southwest of the city of Salta.

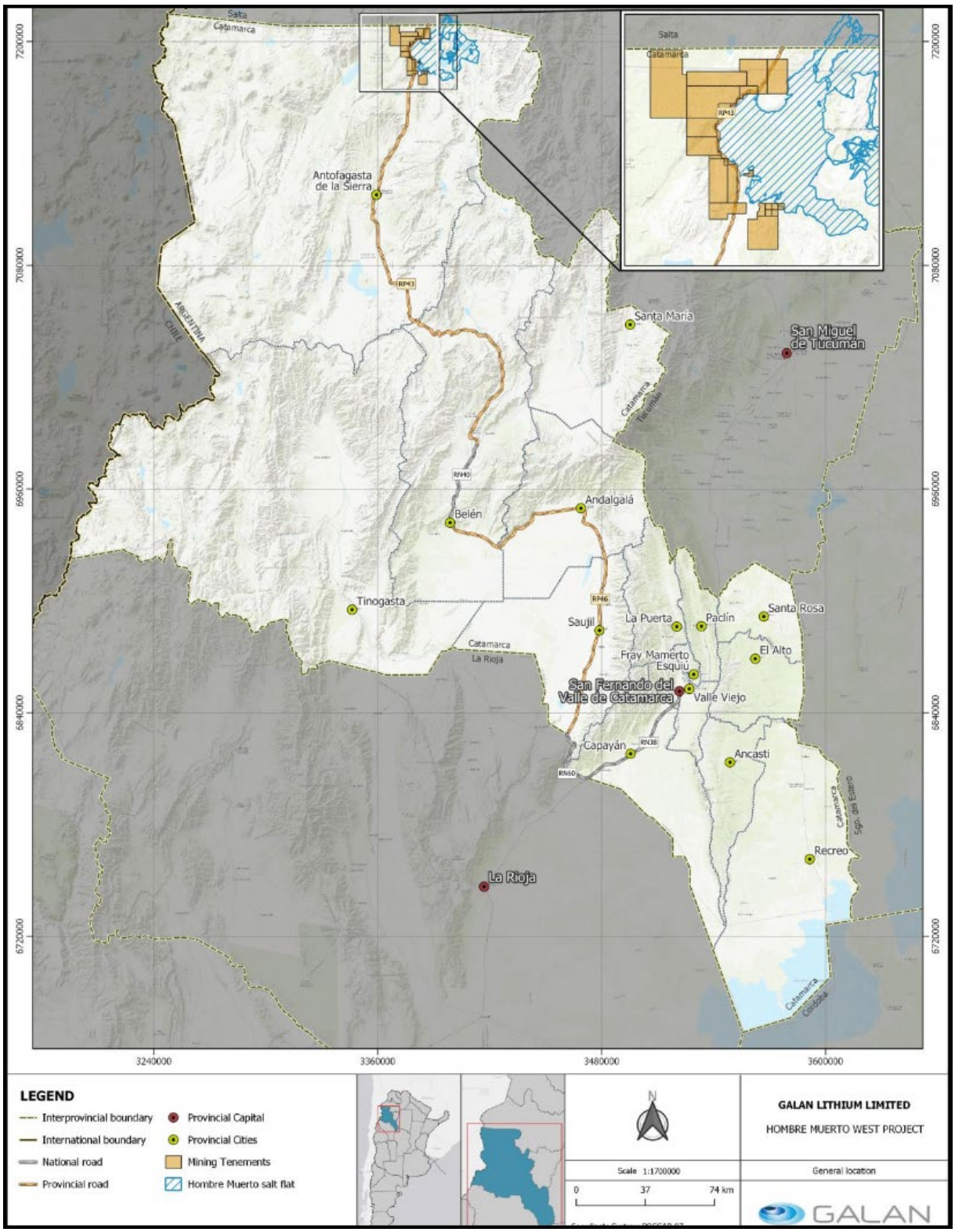

Figure 7 - Location of HMW Project, Hombre Muerto Salar, Catamarca Argentina

Climate

The climate in the HMW Project area is classified as cold, high altitude desert with sparse vegetation. Solar radiation is intense (especially during the summer months of October to March) resulting in high evaporation rates. Very strong winds are also typical, reaching speeds up to 80 km/h during the dry season. However, in summer, warm to cool winds normally develop after midday and reduce in strength during the evening hours.

Precipitation data from meteorological sources show a mean annual precipitation of around 86.4 mm. Precipitation typically occurs between the months of December and March, during which about 82% of annual rain fall occurs. From April to November, it is typically dry with average daily mean temperatures of approximately 5.3°C.

Mining Tenure

The HMW Project comprises 21 mining tenements - Rana de Sal (I, II & III), El Deceo (I, II & III), Pata Pila, Catalina, Rana IV, Del Condor, Pucara del Salar, Casa del Inca (III & IV), Argentina Gold I and the Santa Barbara group (Delmira, Delmira I, Santa Barbara X, Santa Barbara VII, Santa Barbara VIII, Santa Barbara XXIV & Don Martin), covering an area of approximately 26,059 hectares (Figure 8). All mining tenure is 100% owned by Galan (through its wholly owned subsidiaries in Argentina).

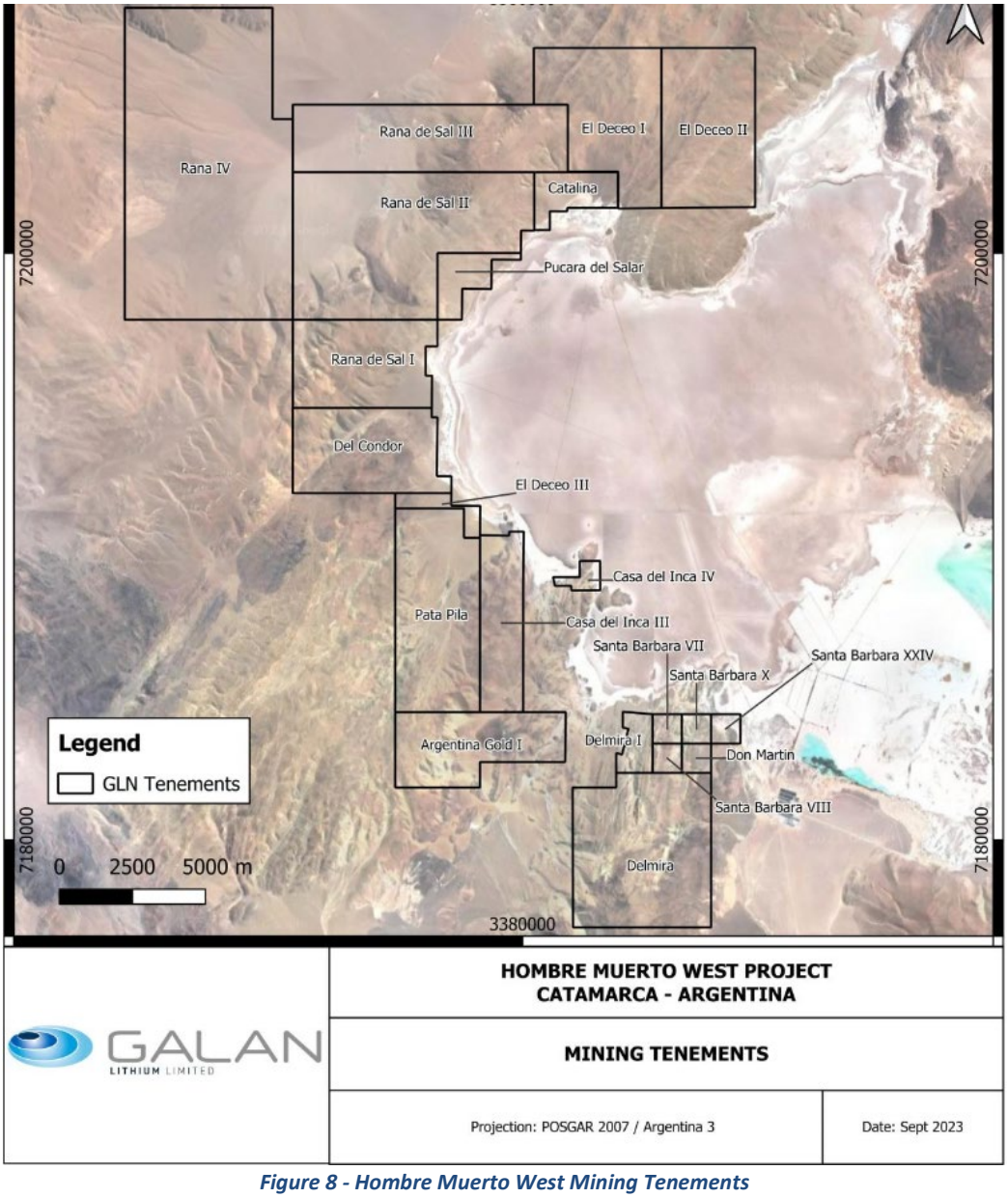

Figure 8 - Hombre Muerto West Mining Tenements

Design work shows that the HMW brine wells and related production infrastructure will be located in the Rana de Sal I, Del Condor, El Deceo III, Pata Pila, Casa del Inca III, and Santa Barbara XXIV areas.

On 2 August 2023, Galan announced the acquisition and consolidation of the Catalina tenure. The Catalina tenure has not been considered in the Phase 2 DFS but the Company expects that it will make a significant contribution to future development under Phases 3 and 4 (with a final production goal of 60 ktpa LCE).

Mining and Process Methodology

Brine Extraction Wells

These wells extract the brine, rich in lithium, from the salar, the brine is then pumped to the pre-concentration solar evaporation ponds.

The brine well field is in the same area as the pond system, the raw brine will be extracted using up to 25 production wells depending on the seasonal brine demand. The raw brine from each well will be pumped to the first pond in the string which acts as an accumulation pond (often referred to as a buffer pond) to enable a more homogeneous brine feed quality and quantity (controlling seasonal variations). From the accumulation ponds, the raw brine will be transported to the downstream ponds in the evaporation system.

Recovery Method

The process, specifically designed for the HMW Project, is based on conventional solar evaporation ponds and impurity removal by addition of reagents (lime and calcium chloride) to obtain a concentrated lithium chloride product with 6% Li content (equivalent to 12.9% Li_2O or 31.9% LCE). Figure 9 shows the general process diagram.

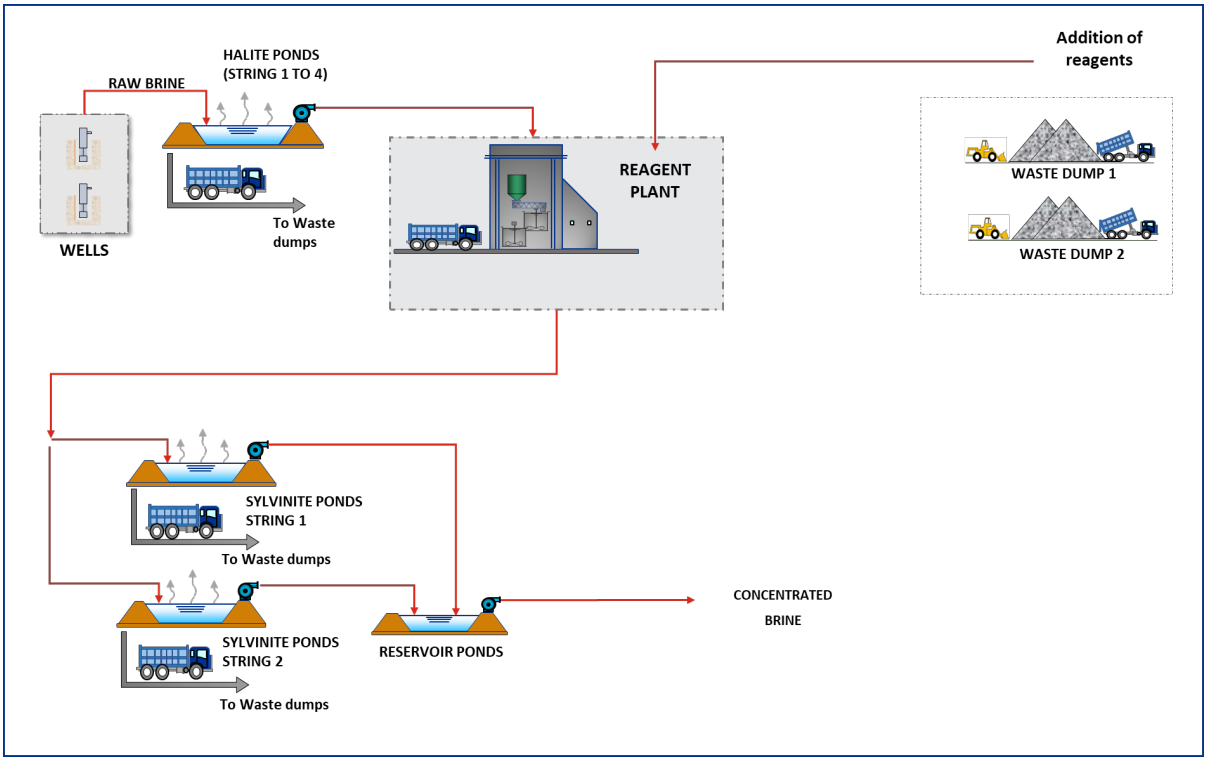

Figure 9 - Process Diagram HMW Project

The long term recovery of Li including the brine transport and evaporation ponds system is 68.5%, taking account losses and recoveries through the evaporation ponds. In addition, a further recovery factor of 90% was assumed for the conversion of the lithium chloride into lithium carbonate product. Therefore, the net recovery of Li from the raw brine extracted to obtain a final lithium carbonate product is 61.65%. Once the ramp up is complete, the overall residence time in the halite and sylvinite ponds is approximately nine (9) and three (3) months respectively, depending on climatic conditions.

The brine from the wells is transferred to the pre-concentration ponds (halite ponds) and through the action of solar radiation, wind and other environmental conditions, the water evaporates from the brine producing a change in the thermodynamic equilibrium point of the brine, which precipitates salts and hence increases the concentration of lithium in the brine.

After the pre-concentration stage, the pre-concentrated brine progresses to a reagent addition stage designed to facilitate further precipitation of impurities but to leave the lithium in solution in the brine. This stage of the process requires solid/liquid separation (filtering) to remove the precipitated solids. Filter presses will be used for this separation.

The filtered brine is transferred to the concentration ponds (sylvinite ponds) to continue the lithium concentration by evaporation until 6% Li is reached.

The overall process plant is described further in the following paragraphs.

Pre-concentration (Halite) Ponds

The main purpose of the pre-concentration ponds is to initiate the evaporation of the brine. This stage targets the precipitation of the most unstable salts, mainly halite and some others. The Phase 2 design includes a circuit of 40 pre-concentration ponds.

Reagents, Thickener and Filter Plant

In the reagents plant, reagents are added to precipitate impurities (mainly magnesium and sulphates) from the pre-concentrated brine. After the addition of the reagents, the mixture is thickened and then filtered to separate the precipitated salts (mainly magnesium hydroxide and gypsum) from the brine. The filtered brine is fed into the first concentration pond where brine evaporation continues. The precipitated solids are sent to a waste dump. The reagents and filter plant for Phase 2 consider the same technology used in Phase 1, but the capacity is expanded and a 30 m diameter thickener is added into the process circuit.

Concentration (Sylvinite) Ponds

There are 17 concentration ponds, these ponds are smaller and are fed with lower flows than the pre-concentration ponds. Sylvinite salts (KCl) and other salts precipitate in these ponds. The Li content is also increased by evaporation with the end product of this stage being a concentrated lithium chloride with 6% Li.

In Phase 2 the concentration stage will consist of two strings of sylvinite ponds (one string of 12 ponds and one string of 5 ponds) operating in parallel as shown in Figure 11.

Project Layout & Infrastructure

Galan has developed a layout for the main facilities with the brine well field and evaporation ponds system located in alluvial areas surrounding the salar. The reagents and filter plant, diesel storage, power generation (diesel and solar) and water storage are located in an area close to the main strings of the ponds systems and the waste dumps for storage of the waste salts. The water wells and camp are located in the ponds area next to the main access road.

Figure 10 shows the HMW Project layout including the major infrastructure.

The infrastructure is within the Pata Pila, Deceo III, Del Condor, Rana de Sal, Casa del Inca III and IV, and Santa Barbara XXIV mining tenements as they collectively offer the best location for the main production facilities.

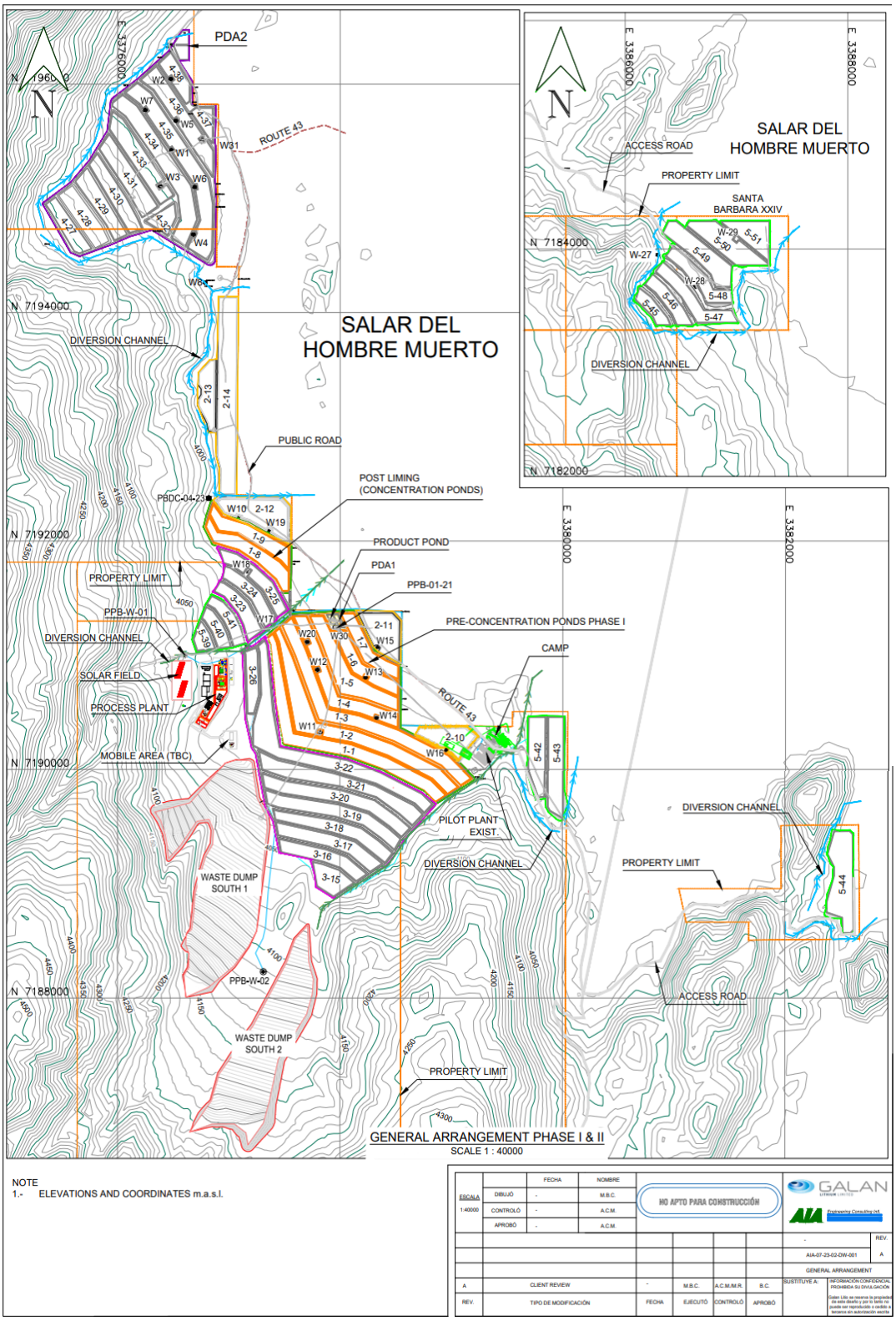

Figure 10 - HMW Project Layout (Phase 1 and Phase 2)

A brief description of the main facilities follows:

Brine Well Field

The brine well field is located in the same area as the ponds system. The project team designed access and drilling areas to facilitate the operation, maintenance and potential replacements of the wells during the life of the HMW Project.

The wells field for Phases 1 and 2 are exclusively located in the Rana de Sal, Del Condor, Deceo III, Pata Pila, Casa del Inca III & IV, and Santa Barbara XXIV mining tenements. The HMW Project also has several tenements (including Catalina) with great potential to further increase the quantity and quality of the brine resources, which may result in additional production.

There are 23 production wells, the average raw brine flow required to feed the ponds system is 230 L/s. The wells are designed to achieve an availability of 90%. The production well locations are shown in Figure 4.

The raw brine will be pumped from the wells to small mixer ponds through pipes located on the surface. The purpose of the mixer pond is to achieve a more homogeneous quality of the brine feed into the ponds system. From the mixer ponds, the blended raw brine will be conveyed to the first pond of each evaporation string.

Evaporation Ponds System

The evaporation ponds system has an effective evaporation area of 534 Ha (this includes the ponds constructed in Phase 1). The ponds system has been designed to take advantage of the topography, the location and the shape and size of each pond was designed to minimise the amount of earthworks (cut and fill) needed to build them.

There are 40 pre-concentration ponds at the beginning of the brine evaporation process (inclusive of the Phase 1 pond system). The pre-concentration ponds are arranged in four strings (2 strings of 10 ponds, one string of 8 and one string of 12) that operate in parallel. The main salts precipitated are halite salts (NaCl). The pre-concentration ponds are shown schematically in Figure 11, the brine is pumped from one pond to another by floating transfer pumps. From the last pre-concentration pond in each string, the brine is fed to the reagents plant.

For the design of the flow between evaporation ponds, one of the main objectives was to reduce the pumping distances, reducing energy consumption and maintenance requirements.

Water Contour Channels

The annual rainfall in the Project area is only 86.4 mm. An analysis of a major event (1 in 100 years) was evaluated to design the water contour channels to protect the Project infrastructure, mainly in the area of the evaporation ponds system and the reagents and filter plant.

The contour channels are designed to divert and collect the surface water using trenches. The trenches include reinforcement and protection in some sections to reduce erosion.

A plan view of the water contour channels is shown in Figure 12.

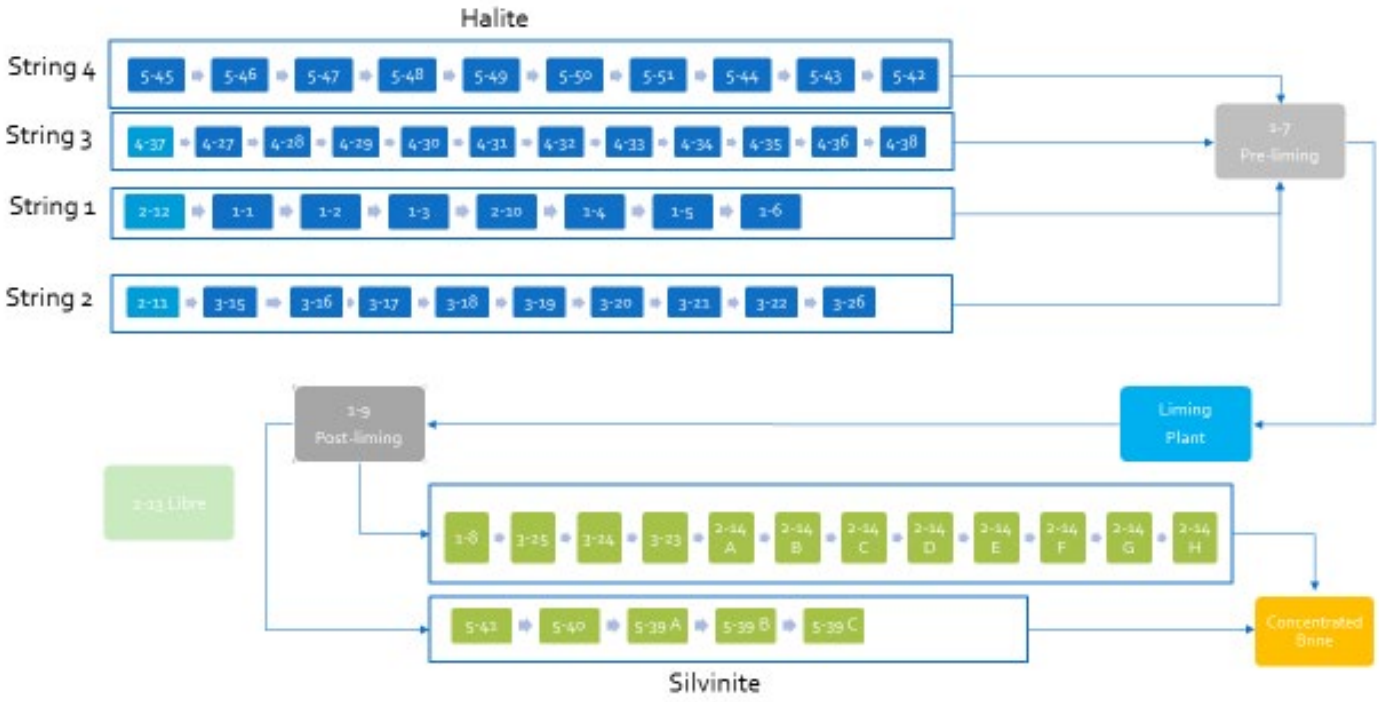

Figure 11 - Brine Flow Diagram for the Evaporation Ponds System and Reagents Plant

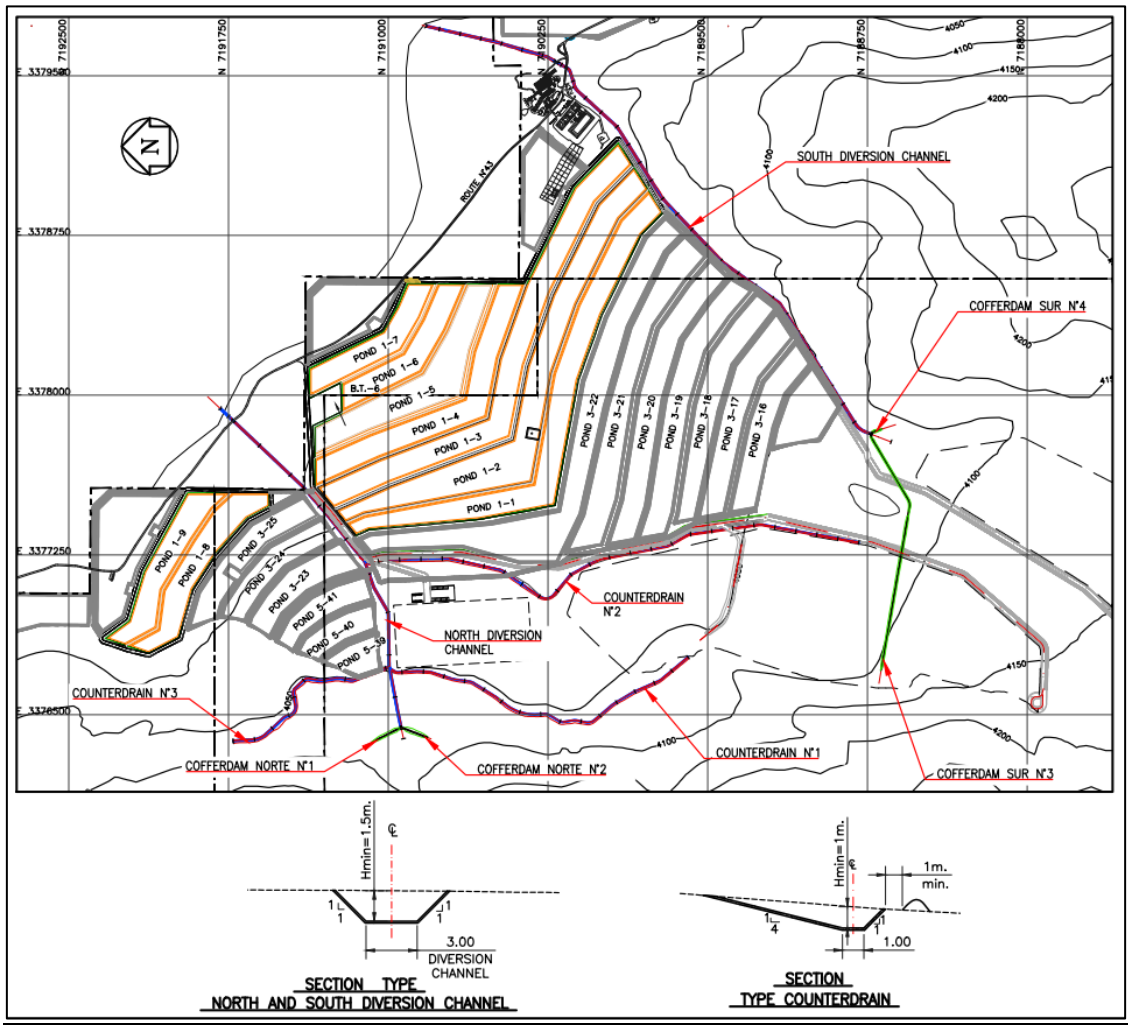

Figure 12 - Water Management and Road System in the Pata Pila Area

Reagents, Thickener and Filter Plant

The reagents plant, comprising a reagent warehouse, silos, lime slaker, reactors and ancillary equipment will be located upstream, close to the ponds and the main access road to the Project. The utilities (water, power, reagent storage) are also located in the same area.

The thickener and filter plant are shown in Figure 13 with the plant to include five filter presses and associated support equipment (electrical, compressors etc). The filtered cake will be trucked to a final disposal area in the salt waste dump facility.

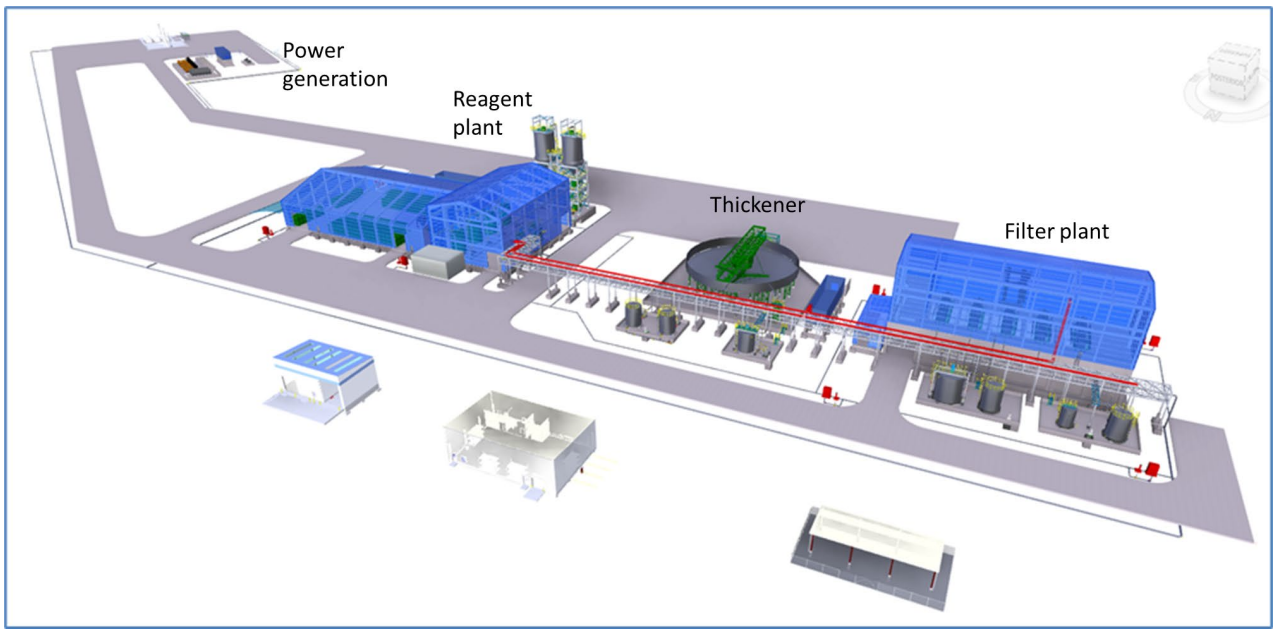

Figure 13 - 3D View of the Process Plant

Waste Dumps for Salt Discharge

The Project design includes the construction of two waste dumps for the storage of the discharge salts. These waste dumps are located close to the main strings of the evaporation ponds system, for easy access and efficiency of operation of the salt haulage trucks.

The dumps are designed to store the waste salts harvested during the 40 years of operations.

Water Supply

The industrial water source for the HMW Project will come from four water wells and one trench located within the Project footprint. The water demand for Phase 2 is 20 L/s, which is considered sufficient for both construction and operation purposes. At the time of preparation of this report Galan has constructed and tested one fresh water well yielding 10 L/s. A second well is under construction.

The water quality for the three sources has been analysed at Alex Stewart (Jujuy) and is adequate for process and camp requirements, but not for potable use. Galan has implemented a monitoring program to control the water quality coming from the water supply sources.

Even though it is not required (because the average quality of the water is adequate), as a risk mitigation, Galan may consider a small reverse osmosis plant to improve the water quality for usage in specific areas in the process plant.

Power Supply

Diesel generators will provide the electrical power required for the HMW Project. The average power draw is approximately 39 GWh per annum, with an installed power capacity of 6.6 MW (allowing for the de-rating at site) but with significant seasonal variations. The installed power capacity has considered the efficiency losses of the diesel generators due to the altitude. The equipment list was used to estimate the installed capacity (maximum demand 5.5 MW) and the expected power consumption.

Galan will utilise solar power during Phase 2, with the planned installation of a 3 MW solar generator plant in 2026. The solar plant will be expanded by adding an extra 3 MW in 2030 to further reduce reliance on diesel generation.

Diesel Storage

The Project design includes one area to receive and store 200,000 L of diesel. This facility is dedicated to serve the diesel generators and it is located next to the generators.

A separate dedicated diesel storage facility with a tank capacity of 150,000 L will be provided for servicing the mobile equipment units used for construction of the ponds and the salt harvesting. This facility will also serve on-road trucks. Diesel for light vehicles will be supplied at the camp area through two 20,000 L tanks.

Truck Workshop

The contractor in charge of the construction of the ponds system will be required to install a truck workshop for the construction period.

In the third year of operations, the HMW Project plans to construct a workshop facility to serve the salt harvesting mobile equipment fleet. This workshop will be located close to the ponds and salt waste dump area.

Reception, Handling, Storage and Distribution of the Main Supplies

The infrastructure facilities for the HMW Project include the items necessary for the reception, handling, storage and distribution of the main supplies, including reagents and diesel. The design of these facilities is based on proven technology used for similar operations in the industry.

Camp and Administration Area

The HMW Project infrastructure includes the installation of camp facilities to accommodate a maximum of 700 people during construction and will consist of permanent and temporary facilities. The administration area includes the access gate, office, mess, crib room, medical facility, entertainment area and warehouse. The permanent installations will be designed and installed for long term operational requirements.

The Phase 2 design of the camp is large enough to partially serve future expansion phases of the Project, reducing some Capex requirements for these later expansions.

Sewage and Waste Management

The HMW Project already has infrastructure to manage the waste generated on site. The development of Phase 2 considers the expansion of these facilities to treat the extra demand for domestic and industrial wastes generated.

Project Access and Product Transport

There are existing roads providing easy access to the Project for personnel, equipment and supplies. The incoming freight will consist of equipment, spares, reagents, consumables and construction materials. Some inbound goods will be break bulk or customised packaging. Others will be in sea containers. Road transport of diesel fuel will be in conventional tanker trucks.

During the production period, some reagents will be shipped via the Antofagasta port in Chile and/or from San Juan Province in Argentina. There are two existing border crossings into Chile that are close to the Project

(Paso de Jama and Paso de Sico). There is also a rail line that can transport equipment and supplies between Antofagasta and Pocitos (130 km north of the HMW Project).

The sale of lithium chloride concentrate from the HMW Project is expected to be within the northern region of Argentina, therefore, the product can be transported using trucks. This practice is used by other companies such as SQM in Chile, where the lithium chloride concentrate is trucked from the Salar de Atacama area to conversion plants near Antofagasta.

Environmental and Social Studies

Galan is focusing on the discovery of lithium as a critical resource for the energy transition towards more sustainable alternatives, specifically as a raw material in the production of batteries for electric vehicles which will contribute to the decarbonisation of the economy. From its early ventures in Argentina, Galan has striven to put the well-being of its employees, communities and the environment first and foremost, as it continues its ongoing commitment towards a sustainable future for all its stakeholders.

Galan is developing and evolving its Environmental, Social and Governance (**ESG**) framework to enable it to report against the 21 core metrics and disclosures promoted by the World Economic Forum. The Company has consulted and continues to consult with its stakeholders addressing planned systems and actions required for the key four ESG pillars – Governance, Planet, People and Prosperity.

In 2021, Galan partnered with Circulor for full traceability and ESG tracking for its lithium brine assets in Argentina. To further enhance its ESG journey, Galan engaged the services of Socialsuite to assist in the compilation of its baseline ESG reporting, database and systems. Galan's baseline ESG Disclosure Report has now been completed.

The HMW Project has a series of existing environmental permits to carry out exploration, studies and piloting related activities. Galan submitted an application to the local authority in November 2022, to extend the piloting facilities for Phase 1 under the same permit scope. This included the evaporation ponds system and associated facilities to test the production, at industrial level, for a lithium chloride product with 6% Li. The initial development permit was granted on 23 June 2023 (as announced by Galan on 26 June 2023) and associated works have commenced. The full construction permit was granted on 7 August 2023 (ASX Galan announcement dated 7 August 2023) and is valid for 24 months of activities on site.

Galan has also advanced its Environmental Impact Assessment documentation for the application for the Phase 2 Exploitation Permit (20 ktpa LCE production) at the HMW Project. The submission of the application for this permit is expected in October 2023. The original document was developed by Ausenco Limited and updated by Galan personnel.

The general Environmental Impact Statement (DIA) permit is accompanied by and feeds into other specific permits related to technical, environmental and social areas. Galan has a strategic plan for permits to ensure that the applications are submitted in a timely fashion and that the applications comply with the requirements so that approval is facilitated. This will ensures that exploration, studies, test work, construction and operations meet the standards expected by the Argentinean authorities.

The Company is currently running environmental monitoring activities on site as required under its permitting. These activities include data collection for weather, water sources, control of the sewage system. The domestic and industrial wastes are managed using storage, transport and final disposal procedures as required by the local environmental authorities in Catamarca. Galan strives to meet world's best practices in these areas.

The Company has actively engaged in the Project assessment process, making staff available to the authorities and communities that could be influenced or affected by the Project. Local government authorities and indigenous communities within the area of influence of the HMW Project have formally endorsed and supported the Project during the various processes.

Galan now has an existing workforce of approximately 100 people, including personnel with long experience in the construction and operation of wells and evaporation pond units. It contracts suppliers and contractors, bringing the total workforce to 180 people (direct and indirect). Galan has committed to the recruitment of personnel from the communities close to the Project. It is expected that the total workforce will increase to around 1,500 people during construction of Phase 2, the majority coming from Catamarca Province; some personnel may come from nearby Provinces in northern Argentina. During Phase 2 operations, Galan expects to directly employ a permanent work force of 225 people (excluding contractors).

The Company has an ongoing, solid working relationship with local communities and actively continues meaningful engagement with local people, communities and businesses. Wherever possible, training, employment and procurement opportunities will be made available for communities near the HMW Project. Galan continues to encourage its suppliers and contractors to adopt similar policies, standards and practices.

Production Schedule

The HMW Project study team has developed a Phase 2 production schedule based on the process design and mass balance developed by the process consultant, Ad-Infinitum. Table 4 displays the annual production schedule for the Project. The schedule is expressed in recoverable units of LCE.

Table 4 - Production Schedule (HMW Project – Phase 2)

Production Years	2025 (year 1)	2026	2027	2028	2029	2030	2031 - 2040	2041 - 2060	2061 - 2064	Total Production
Recoverable LCE (tonnes)	4,180	13,955	17,436	20,224	20,851	20,851	208,509	417,018	83,404	806,430

The production schedule uses a fixed average grade of 0.073% Li with no cut-off grade being applied. The extracted brine volumes and Li contents were used in the production modelling, developed by Ad-Infinitum, using thermodynamic simulation software and their own mathematical models for the ponds and reagents plant. The production schedule assumes full use of the current estimated Ore Reserves.

The predictive models developed by Ad-Infinitum also used parameters for the evaporation rate, availability of the evaporation area, brine entrainment rate in the precipitated salts and leakage.

The operation of the evaporation ponds for producing lithium chloride concentrate has a long-term Li recovery for Phase 2 of 68.51% within the pond system; however, in the first 2 years of the ramp up, due to the accumulation of operational working capital (salt and brine inventory in ponds) during the ramp-up period, the Li recovery is 52.7%. As salt harvesting commences through the various strings of ponds, the recovery will gradually increase to 68.51% at steady state conditions.

The estimate of the recoverable LCE produced from the lithium chloride concentrate after the conversion process considers a recovery of 90%. Galan considers this number achievable in an average lithium carbonate plant, based on the high quality of the lithium chloride concentrate produced by the HMW Project.

Combining the pond and equivalent lithium carbonate recovery, the production level of 4,180 tpa of recoverable LCE will be generated in 2025, building up to full production of 20,851 tpa LCE in 2029.

The total long-term Li operational recovery, considering both the evaporation process at the ponds system and the conversion process into LCE at the lithium carbonate plant is 61.66%.

Test Work and Piloting Activities

During the period 2020 and 2021, Galan conducted test work at the laboratory scale in Chile to calibrate the process design. These tests obtained a high quality lithium chloride product and provided the information to prepare the process design criteria for the HMW Project.

Galan also conducted laboratory scale test work activities using the lithium chloride product obtained in the test work, successfully producing lithium carbonate with battery grade specifications. The results of these tests were released to the market on 12 July 2021.

Before the commissioning of the existing pilot plant on site, Galan conducted test work at the HMW site for obtaining lithium chloride with 6% Li. Test work utilised a batch methodology starting with a volume of around 40 m^3 of brine, to obtain around 10 L of lithium chloride. Another set of laboratory test work was conducted in the Antofagasta Region, Chile, during 2021. These tests also obtained lithium chloride products with similar qualities; the results were released to the market on 22 March 2021.

The Company started piloting activities in April 2022 by filling the first evaporation pond at the existing pilot plant. The pilot plant (Figure 14) has continued with brine evaporation and on 24 July 2023 Galan announced that 6% Li content had been achieved (ASX: Successful Delivery of a Premium Quality, (6% Li) Lithium Chloride Concentrate Product from HMW Pilot Plant). Since then, the pilot plant has continued operating successfully, delivering the second volume of lithium chloride product on 18 September 2023. The test work undertaken and described above was released to the market in line with ASX disclosure requirements.

Figure 14 - Pilot Plant at HMW

The pilot plant has validated the production of lithium chorine concentrate, adding reagents to eliminate impurities, and generating a concentrate at 6% Li. The plant comprises pre-concentration ponds, a lime plant, a filter press and concentration ponds.

The pilot plant has now achieved a steady state Li concentrate production rate of 50l/day.

Since early 2021, all key meteorological data, including temperature and water evaporation rates has been and continues to be collected.

Construction Progress of Phase 1

HMW Phase 1 project commenced the construction of the ponds on 20 August 2023. The latest progress on the construction for Phase 1 is as follows:

- First pond (1-1) has a construction progress of 35%
- All six production wells are drilled, three of them are fully operational
- Camp facilities were expanded to accommodate around 200 people, 144 additional beds are in construction with progress of around 50%
- The diesel storage facility was extended, the current capacity is 150,000 L
- Long lead items have been purchased, or the tender process is well advanced.

Figure 15 shows the construction of the first pond (1-1) of Phase 1.

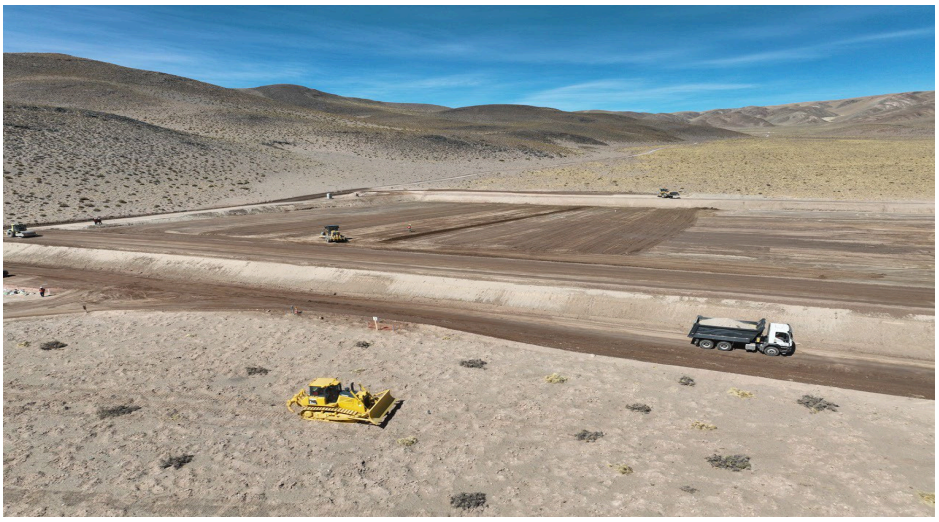

Figure 15 - Construction of the First Evaporation Ponds at HMW

Market and Contracts

Estimate of the Lithium Carbonate Price

The estimate of the battery grade lithium carbonate price (for the period 2025-2040) used for the economic evaluation Phase 2 of the HMW Project was taken directly from the latest battery grade lithium carbonate contract price forecast prepared by Wood Mackenzie Q2, 2023*. In addition, from 2041 to 2064, the long-term price of LCE was projected by Galan to remain steady at US$29,000/t LCE (see Figure 16).

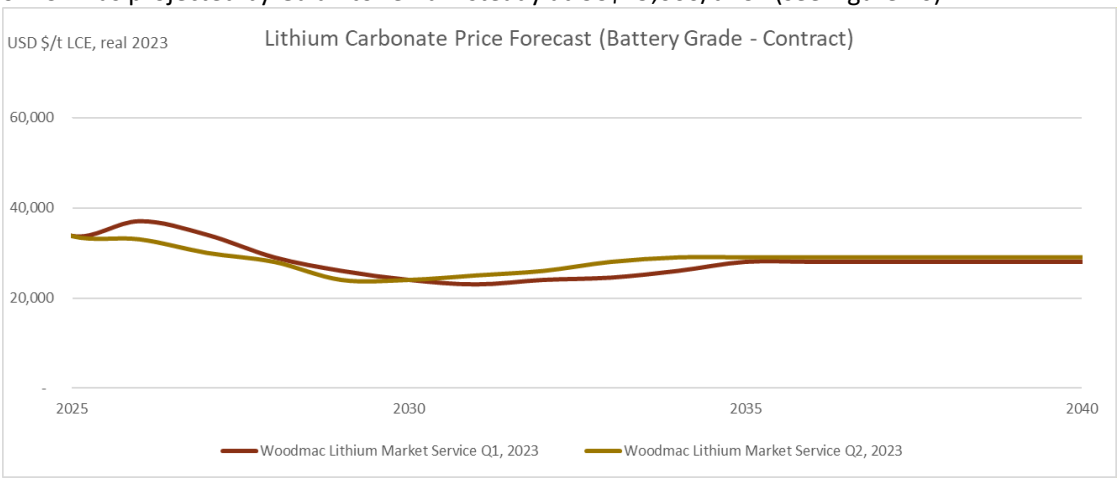

Figure 16 - Lithium Carbonate Price Forecast (Battery Grade – Contract)

Estimate of the Lithium Chloride Price

Galan conducted a sale price estimate study for a concentrated lithium chloride (**LiCl**) product. The study involved the following considerations:

- Technical analysis of the quality of the HMW LiCl product, the focus of this analysis was to define the technical effort required to convert the LiCl concentrate into a lithium carbonate product, by plants in northern Argentina
- Commercial analysis to define a range of off-take prices, taking into account the attractiveness of the business model for both Galan and the potential off-taker.

There are approximately 10 projects in northern Argentina that can potentially process the LiCl concentrate generated by the HMW Project to produce a lithium carbonate product. Galan has also identified that the quality of the LiCl concentrate from the HMW Project is superior due to higher content of Li and lower contents of impurities compared to the average LiCl concentrate treated by the majority of the lithium carbonate plants in Argentina. Therefore, there is an opportunity for the lithium carbonate plants in Argentina to use the HMW LiCl concentrate and improve the efficiency of their conversion process, adding value to their businesses.

The estimate of the price of LiCl concentrate has been analysed considering the price of battery grade lithium carbonate but deducting from it the costs and losses of the conversion process to transform the LiCl concentrate into lithium carbonate. The conversion cost includes the operating cost, capital cost and an economic margin for the converter. The losses include the metallurgical recovery of the Li in the lithium carbonate plant (90%).

The estimate of the LiCl concentrate price is shown as a percentage of the lithium carbonate price. A pricing formula was developed by iLi Market, a company specialising in the lithium market.

The average lithium chloride payable price for the period 2025-2064 is US$20,557/t Li contained in Lithium Chloride concentrate (equivalent to $22,841/t LCE). This price is estimated on a real basis, excluding the impact of inflation, representing approximately 79% of Galan's long term price estimate for lithium carbonate ($29,000 USD $/t LCE).

Capital (Capex) Estimate

Scope of the Capital Cost Estimate

The estimate includes direct and indirect Project costs, owner costs and contingency. Direct costs include equipment and materials supplied by Galan, labour, construction equipment, materials supplied by the construction contractor, indirect costs and construction contractor profits.

The scope of the estimate includes the brine extraction wells, solar evaporation ponds, reagents plant, water supply, power supply, access and internal roads, diesel storage, camp and associated facilities, owner's team, engineering and construction management services and other indirect costs.

The Capex considers the execution of Phase 1 of the HMW Project and the continuation with the expansion to the full production of 20.85 ktpa LCE from Phase 2. The project team continues to optimise the implementation of Phase 1 and 2 which may result in reductions of the total Capex presented.

Basis of the Capital Estimate

The capital cost estimate (**Capex**) was developed using the standards established for a DFS as defined by the JORC Code (2012).

The basis of the estimate utilised the information coming from actual costs being spent in Argentina and the estimate for new cost items developed by specialist teams.

The main source of inputs incorporated into the capital cost estimate are described in Table 5.

The Capex estimate structure was defined using the following criteria:

- Direct Construction and Assembly Costs: consider procurement or supply, assembly labour, construction equipment, permanent construction materials and consumables, as well as indirect Contractor costs such as mobilisation and demobilisation of construction equipment and temporary facilities, administration and supervision, transportation and feeding of personnel, general expenses and contractor profits.
- Indirect Project Costs: consider freight and insurance, capital spare parts, import duties, supplier representatives, commissioning activities, accommodation and meals, engineering and studies, services, EPCM, start-up and owner's costs.
- Contingency: estimated based on a percentage of the total cost, according to cost engineering standards.

All Capex items are expressed in US dollars (US$). Due to the uncertainties in the currency market of Argentina, the majority of equipment, material and services were bid directly in US$.

Table 5 - Information Utilised in the Capital Estimate (HMW Project - Phase 2)

Item	Quantities/Size	Price Source
Brine wells	Engineering design and estimate of quantities	Actual costs, firm quotes and budget quotes
Evaporation ponds	Engineering design and estimate of quantities	Firm quote
Main mechanical equipment	Engineering design and vendor sizing	Budget quote plus escalation on specific items
Main electrical equipment	Engineering design and vendor sizing	Budget quote and benchmark
Main pipelines	Engineering design and estimate of quantities	Combination of budget and tender quotes
Camp and administration buildings	Engineering design and estimate of quantities	Tender quote
Water supply	Engineering design and estimate of quantities	Tender quote and budget quote
Diesel storage	Engineering design and estimate of quantities	Tender quote
Instrumentation	Allowance	% of direct cost
EPCM services	First principles and factors	Actual costs, budget quote and benchmark
Owner's team	First principles estimate of quantities	Escalation based on actual cost
Transport	Allowance	% of direct cost

Based on the level of engineering development, an overall contingency of 11% of total Capex is defined for the HMW Project.

The following items were excluded from the Capex estimate:

- Depreciation and amortisation
- Financial costs
- Costs or provisions for escalation
- Costs for processing permits
- Working capital
- Costs for closure of works
- VAT

Working capital was included as part of the economic evaluation in the financial model.

For the development of the Capex, Galan provided the following information to P&A:

- Owner's cost
- Location of brine well field area and total flow
- Firm quotes for the construction of the evaporation ponds system, after a tender and negotiation process
- Basic meteorological data
- Location of the fresh water wells
- Civil design of the ponds
- Civil design of the water contour channels

Existing Facilities (sunk costs)

The HMW Project has existing facilities that have been considered as sunk costs for the Capex estimate, these facilities include the following:

- Construction of five production wells, including pumps and electrical equipment. The low Capex component considered for this area in the capital estimate is explained because of the sunk cost
- Existing camp and ongoing expansion, including accommodation and utilities (water, power and sewage)
- Other administration and services buildings such as kitchen, dining room, polyclinic and offices
- Diesel tanks for light vehicles, road maintenance and on-road trucks
- Boom truck, small excavators and other minor equipment and tools
- Pipe welding equipment and other tools for the installation of HDPE pipes
- Waste management storage area

Despite the timing difference between the Capex estimates of Phase 1 and Phase 2, Galan considered the same sunk costs, which facilitates the comparison of the incremental Capex of Phase 2 against Phase 1.

Capex Estimate Results

The total Capex for Phase 2 of the HMW Project is estimated to be US$428.8 m which is broken down into direct, indirect and contingency costs. This includes the following estimates:

- Direct Project costs equal to US$246.9 million, equivalent to 58% of the total Capex
- Indirect Project costs equal to US$134.6 million, equivalent to 31% of the total Capex
- Project contingency equal to US$47.3 million, equivalent to 11% of the total Capex

Table 6 summarises the capital cost estimate for the implementation of Phase 2 of the HMW Project in accordance with the scope and the information available at this stage (including Phase 1 Capex).

Table 6 - Capital Cost Estimate (HMW Project – Phase 1 and Phase 2)

Area	Total Capex US$ Million
Brine Wells and Brine Transport	21.7
Evaporation Ponds System	113.3
Reagent and Filter Plant	57.6
Utilities	39.3
Infrastructure	15.0
Total Direct Cost	**246.9**
Total Indirect Cost	134.6
Total Capex without contingency	**381.5**
Contingency (12.4%)	47.3
Total Capex	**428.8**

Capex Transition between Phase 1 and 2

Phase 1 is currently in construction and Galan is targeting to continue directly with the construction of the ponds for Phase 2, once the construction of the Phase 1 ponds are completed. This will have a positive impact on the production plan and the Capex efficiency.

Other areas may not need this continuity of construction to achieve the Phase 2 production plan. However, Galan will analyse the possibility of bringing forward or combining the construction of the Phase 2 facilities with the construction of Phase 1. This may result in capital savings and will reduce mobilisation and demobilisation costs.

The Phase 1 and Phase 2 Capex estimates are compared in Table 7. Galan will review the transition between the phases to take advantage of potential savings and to further optimise its cash flows.

Table 7 - Incremental Capex Between Phase 1 and 2

Area	Phase 1 Capex US$ Million	Phase 2 Incremental Capex US$ Million	Total Capex US$ Million
Brine Wells and Brine Transport	3.3	18.4	21.7
Evaporation Ponds System	31.3	82.0	113.3
Reagents and Filter Plant	27.0	30.6	57.6
Utilities	9.3	30.0	39.3
Infrastructure	12.9	2.1	15.0
Total Direct Cost	**83.8**	**163.1**	**246.9**
Total Indirect Cost	19.8	114.8	134.6
Total Capex without contingency	**103.6**	**277.9**	**381.5**
Contingency	14.8	32.5	47.3
Total Capex	**118.4**	**310.4**	**428.8**

Operating Cost (Opex) Estimate

The operating cost estimate (**Opex**) is expressed in US dollars (US$). Due to the uncertainty of the currency market in Argentina, the majority of the operating cost items were based directly in US$ with the local labour costs being originally estimated in Argentinian pesos.

The scope for the Opex estimate includes all the activities required for the production of 20.85 ktpa LCE. The study team prepared a first principles estimate using an Excel model.

The battery limits considered for the development of the operating cost estimate are:

- From: Raw brine feed from the brine wells
- To: Lithium chloride intermediate product delivered at the converter plant

The following general definitions are considered:

- Direct operating costs**:** expenses associated with the operation that are directly associated with the main production process. These expenses include supply and consumption, mainly related to reagents and power, as well as workforce, personnel costs (salary), LiCl transport and others.

- General administration**:** general business and administration associated expenses that support the site operation. Among these are the rental of offices, administration personnel (overhead salary), catering and personnel transport costs.

The Opex estimate for Phase 2 of HMW Project to Lithium Chloride is presented in Table 8.

Table 8 - Operating Cost Estimate (Opex) (HMW Project - Phase 2)

Area	US$/Recoverable t of LCE[1]
Brine Field	175
Ponds	262
Reagents and Filter Plant	1.171
Site Services	362
Salt Harvesting	635
General Administration	488
LiCl Transport	418
Total Opex[2]	**3,510**

(1) Operating cost reported excludes the conversion cost from lithium chloride to battery grade quality lithium carbonate.
(2) Operating cost estimate assumes a recovery of 90% for the conversion process from LiCl to LCE

The cash cost for the production of lithium chloride is US$3,510 per recoverable tonne of LCE, excluding the conversion cost from lithium chloride to battery grade lithium carbonate equivalent (LCE).

The operating cost estimate for Phase 2 achieved a significant reduction in the fixed cost components such as the G&A and site service items compared to the Opex estimate for Phase 1. In addition, the inclusion of the solar power plant in Phase 2 reduced the power cost. The Opex estimate for Phase 2 has captured the lithium chloride product transport cost from the HMW Project site to customers located in Argentina, this cost was previously embedded in the negotiation of the lithium chloride pricing formula in the Phase 1 DFS but Galan has reported this independently in the Phase 2 DFS.

A brief explanation of each operating cost item is provided below:

<u>Brine Field</u>
This cost area covers the operation of the six brine extraction wells, including manpower, electricity consumption, pipe replacements.

<u>Evaporation Ponds</u>
This cost area covers the operation of the evaporation ponds and other minor ponds and includes manpower, electricity consumption, maintenance of pumps and pipe replacements.

<u>Reagents and Filtering Plant</u>
This cost area covers the operation and maintenance of the reagents and filter plant and includes the consumption of reagents, manpower, maintenance and power consumption.

Site Services

This cost includes some centralised maintenance costs calculated for the Project are related to a relative annual maintenance cost associated with each area, plus the usage of the mobile equipment for road maintenance, maintaining the water diversion channels, transporting filtered cake and for some production activities. The mobile equipment fleet includes forklift, boom truck, bobcat, front end loader, water truck, grader. This cost item also includes some small tools and supplies, for example lubricants and safety items.

Salt Harvesting

This cost item covers the extraction of the precipitated salts from the ponds and the transport of this material to the designated stockpiles. A detailed cost estimate was prepared assuming that this activity will be conducted by a contractor.

Product Transport

The transport costs considers the transport of the lithium chloride product from the final product area on site to the lithium carbonate plant located in Argentina. An average transport distance was estimated considering the location of several potential plants in northern Argentina.

General Administration

This item includes costs related to the Catamarca office and camp services on site. It also includes personnel transport, training, travel and other miscellaneous items.

Power Consumption

The operating cost estimate for energy consumption was prepared based on an analysis of total electrical consumption required for the Project. A detailed list of the electrical equipment was prepared and the power consumption for each item was estimated. The power cost is included in the cost of each main area in Table 8.

Labour

Galan conducted an analysis of the number of personnel required for the Project, excluding the salt harvesting personnel cost which is included in the salt harvesting cost. The labour cost is embedded in the cost of each main area in Table 8.

HMW Project within the Lithium Cost Curve

The lithium carbonate equivalent (LCE), All-In Sustaining Cost (**AISC**) curve is based on the Q1, 2023 forecast prepared by Wood Mackenzie*.

The AISC includes the cash operating cost for lithium chloride concentrate in this report and the estimated conversion costs to Li_2CO_3, including the impact of sustaining Capex, royalties and selling costs.

Figure 17 shows the lithium carbonate equivalent industry AISC cost curve. The location of the HMW DFS Phase 2 Project is within the first quartile of the industry cost curve.

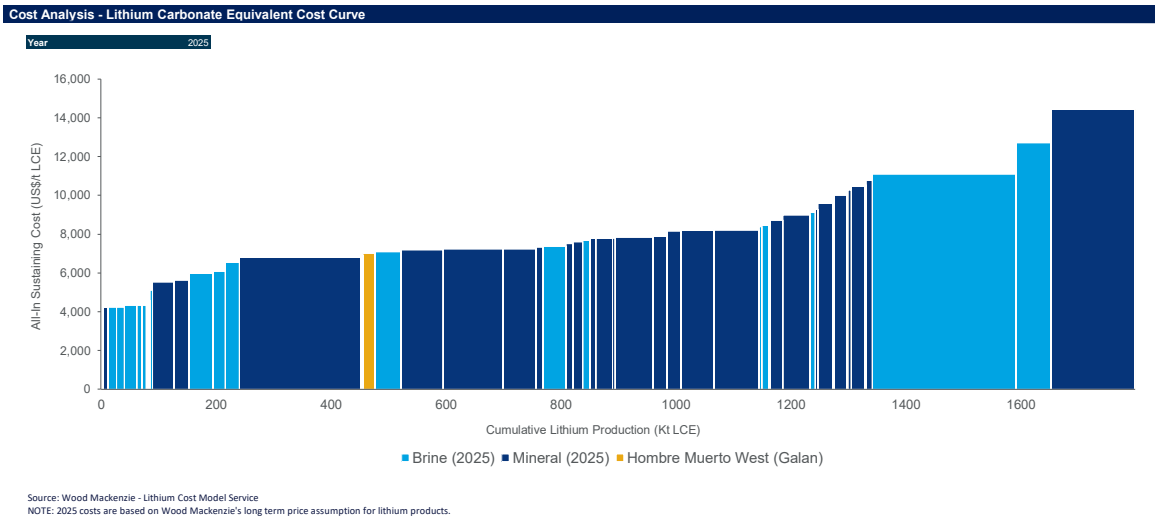

Figure 17 - All in Sustaining Cost Curve

Source: WoodMac – Lithium Cost Model Service (Wood Mackenzie data from Q1, 2023 with Galan's assumptions applied)

*** 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."

Project Schedule

The Phase 1 construction permit was granted by the authorities in August 2023. Galan immediately commenced construction of the evaporation ponds, expansion of the camp facilities, procurement of long lead items, tendering of major contracts and recruiting personnel.

The construction period for Phase 2 is from H2 2024 to H1 2026, with the production of lithium chloride from Phase 2 expected to commence in H2 2026. Galan developed a construction schedule for the Project, considering the conditions on site. Productivity rates were checked by P&A for major disciplines such as earthworks, installation of liners in the ponds system, concrete and structural steel. In addition, the fabrication time for the long lead items (filter presses and lime plant) were considered in estimating the construction time. Table 9 shows the most important milestones for the development of HMW Project.

Table 9 - Development Milestones (HMW Project – Phase 2)

Milestone	Completion Timeframe	Status
Construction permit, Phase 1	Q3 2023	Achieved
Start of construction, Phase 1	Q3 2023	Achieved
First pond filled	Q1 2024	On-track
Exploitation permit, Phase 2	H2 2024	On-track
Start of construction, Phase 2	H2 2024	On-track
Completion of construction, Phase 1	Q1 2025	On-track
Start of production of lithium chloride (from Phase 1)	H1 2025	On-track
Completion of construction, Phase 2	H1 2026	On-track
Ramp up of production for Phase 2	H2 2026	On-track

Galan expects to continue with the expansion of the HMW Project through the implementation of successive phases. Phase 1 is currently under construction whilst the commencement of construction for Phase 2 is subject to the approval of the 20.85 ktpa LCE permit application, which will ideally be approved in H2 2024 (allowing for the continuous construction of ponds through Phases 1 and 2).

Economic Evaluation

The economic evaluation of the HMW Project was conducted following industry standards for this project stage. A discount rate of 8% was used for present value calculations. All costs are expressed in US dollars (US$), to reduce the impact of the variation of the local currency market in Argentina.

Forecast lithium carbonate prices for the period from 2025 to 2040, used for the economic evaluation, were provided by Wood Mackenzie. The lithium carbonate price for the period from 2041 onwards was fixed at the 2040 value.

Income tax and royalty assumptions are as follows:

- Tax – there is no income tax at the provincial level. A rate of 35% was effectively applied for Argentinian federal income taxes.
- Catamarca Royalty – applied under the Mining Investments Law at 3% of the 'mine mouth value' of the mineral extracted. The 'mine mouth value' is defined as the value obtained in the first sale, less the direct and/or operating costs necessary to bring the ore from the mine mouth to said stage, with the exception of direct or indirect expenses and/or costs inherent to the extraction process.

The evaluation is based on ex-works Argentina; no withholding tax for repatriation of dividends was considered. No potential potassium credits were included in the economic evaluation. Based on the above and the other key assumptions mentioned throughout this announcement, the results of the economic evaluation are displayed in Table 10.

Table 10 - Economic Evaluation Results (HMW Project – Phase 2)

Parameter	Unit	Phase 2 Values
Lithium Carbonate Equivalent (LCE) Production	tpa	20,851
Project Life Estimate	Years	40
Capital Cost (Initial Capex)	US$ Million	429
Capital Cost (ex-contingency)	US$ Million	382
Sustaining Capital Cost	US$ Million	221
Average Annual Operating Cost (Opex)	US$/t LCE	3,510
Average Lithium Chloride Selling Price (2025-2065)	US$/t LCE	22,841
Average Annual EBITDA	US$ Million	374
Average Annual Free Cash Flow	US$ Million	236
Pre-Tax Net Present Value @ 8% (NPV)	US$ Million	3,145
After-Tax Net Present Value @ 8% (NPV)	US$ Million	1,993
Pre-Tax Internal Rate of Return (IRR)	%	57
After-Tax Internal Rate of Return (IRR)	%	43
Payback Period (After-Tax, commencement Phase 1 production)	Years	2.9
Maximum cumulative negative cash flow	US$ Million	401

(1) The Average figures for income, Provincial Royalty, Operating Expenses, Corporate and Withholding Taxes, EBITDA and Operational Free Cash Flow have been estimated considering only the full production time of the operating period.

(2) Payback is years after the commencement of production.

Sensitivity Analysis

The sensitivity of the economic evaluation of HMW Project was analysed for the most important parameters identified. The project is most sensitive to lithium pricing achieved, followed by Opex and Capex respectively. Tables 11 and 12 display the sensitivity of NPV and IRR respectively, when the most important parameters fluctuate within the range of -30% and +30%.

Table 11 - Sensitivity of the NPV After Tax (HMW Project - Phase 2)

Driver Variable	Base Case Value		NPV After Tax (US$ Million) Percentage of Base Case Value						
			70%	80%	90%	100%	110%	120%	130%
Capex (Initial)	US$ Million	428.8	2,086	2,056	2,025	1,993	1,960	1,926	1,892
Lithium Chloride Price	US$/t LCE	22,841	1,152	1,433	1,713	1,993	2,273	2,553	2,834
Opex	US$/t LCE	3,510	2,130	2,084	2,039	1,993	1,947	1,902	1,856

Table 12 - Sensitivity of the IRR (HMW Project - Phase 2)

Driver Variable	Base Case Value		IRR After Tax (%) Percentage of Base Case Value						
			70%	80%	90%	100%	110%	120%	130%
Capex (Initial)	US$ Million	428.8	56.5%	50.9%	46.4%	42.7%	39.5%	36.8%	34.4%
Lithium Chloride Price	US$/t LCE	22,841	29.3%	33.9%	38.3%	42.7%	46.9%	51.1%	55.1%
Opex	US$/t LCE	3,510	44.9%	44.2%	43.4%	42.7%	41.9%	41.2%	40.4%

Project Funding

The relatively technically simple and strong economics of the HMW Project give Galan the foundation to source additional financing through debt and equity markets. This may include other fund raising channels that could benefit shareholders. However, there is no certainty that Galan will be able to source the required finance.

To achieve the range of outcomes indicated in the DFS, funding of part of the US$ 382 million (ex- contingency) capital cost (includes Phase 1 Capex of US$ 104m and Phase 2 (incremental) Capex of US$ 278m) will likely be required, in order to deliver Phase 2 within the timeframe projected within the study. Alternatively, the Company could self-fund the Phase 2 incremental Capex from Phase 1 cashflows, although this would involve Phase 2 development occurring over a longer timeframe.

Typical project development financing involves a combination of debt and equity. The Company may also elect to pursue other funding options, which could include undertaking a corporate transaction or other value realisation strategies such as an off-take with pre-payment, sale, partial sale or joint venture of the HMW Project. Galan is of the opinion that there is a reasonable basis to believe that the requisite future funding for Phase 2 of the HMW Project will be available when required. However, the economic analysis does not price in the cost of funding over and above the application of the 8% discount factor, based on conventional mining methods and a very short capital payback period. It is also possible that such funding may only be available on terms that may dilute or otherwise affect the value of Galan's existing shares on issue. The grounds on which this reasonable basis is founded include:

- Finance availability for high-quality projects remains robust
- Early off-take opportunities due to more flexible commercial outcomes
- The HMW Project will produce a premium, high-grade concentrated lithium chloride product with 6% Li (equivalent to 12.9% Li_2O or 31.9% LCE) with low impurities
- Premium LiCl product can help to improve the performance of any lithium carbonate plant in northern Argentina. Several of these plants will start production in the next 3 years

- Like Phase 1, Phase 2 is technically simple and has a rapid payback of only 2.9 years from the start of Phase 1 production
- The strategic nature of lithium, especially in the context of urgent global climate issues
- The release of the Phase 1 and Phase 2 DFS for the HMW Project enables Galan to discuss outcomes with potential financiers
- The HMW Project has significant growth in its Ore Reserves as it moves further into Phase 2 for 20.85 ktpa LCE production
- There are significant capital savings and other sunk costs that flow through from Phase 1 to Phase 2 and will flow through to Phases 3 and 4
- Two years earlier cash flow from lithium chloride production versus lithium carbonate production.

Further Expansions and Upside Potential of HMW Project

Galan plans to undertake more studies in 2024 for Phase 3 production from HMW in 2028 (40 ktpa LCE) followed by Phase 4 production in 2030 (60 ktpa LCE) from both the HMW and Candelas Projects.

Phase 2 is considered a Tier 1 project, because it delivers the following competitive advantages:

- >40 years operating life, at competitive AISC
- A premium product: High grade, low impurity concentrated lithium chloride product with 6% Li (equivalent to 12.9% Li_2O or 31.9% LCE). This product can improve the performance of any lithium carbonate plant, because it is significantly superior to the average LiCl product currently available in the market
- Strong ESG credentials: Efficient fresh water usage and lower power costs compared to lithium carbonate production, and a solar power plant
- Significant economics: Capex approximately 40% less than lithium carbonate production
- Up to 2 years earlier cash flow than lithium carbonate production, lower sustaining Capex
- Flexible commercial outcomes: Opens up the potential for early off-take opportunities and pre-payments

Galan has identified the following upside opportunities, which may add value to Phases 2, 3 and 4:

- The northern mining tenements currently being explored may increase the quality and quantities of the Ore Reserves. This could have the potential to increase the Li grade in the raw brine feed, which may result in an increase in the LCE content in the lithium chloride product
- Increase the production of LCE contained in the lithium chloride by recovering the high Li grade brine entrained in the discharge salts. There are between 1,000 and 2,000 of LCE tonnes per annum contained in the sylvinite salts removed from the ponds. This opportunity can only be analysed after the salt harvest activity commences, around Year 3 of the operation

Risk Analysis

P&A undertook with Galan a preliminary risk assessment for Phase 2, using the Australian and New Zealand risk methodology known as AS/NZS 4360. This methodology is a comprehensive framework designed to identify, assess and manage risks effectively. For more information on the Risk Analysis, please refer to the ASX Announcement dated 3 October 2023 entitled “Phase 2 DFS Confirms Tier One Status of Hombre Muerto West (HMW) Lithium Brine Project in Argentina.”

Candelas (100% Galan)

The Candelas Project is supported by a full Preliminary Economic Assessment and a JORC 2012 Resource 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 3rd 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.

Greenbushes South (100% Galan)

On 21 September 2023, the Company announced the completion of its extended maiden diamond drilling program at its 100% owned Greenbushes South project in Western Australia, with final assay results validating its exploration model for targets. The Company's exploration model employed novel geophysical methods for identifying blind pegmatites at depth, and the rock types associated with spodumene mineralisation, and proved to be successful. Whilst the drilling did not detect any significant lithium mineralisation, the results mean that Galan's planning for further exploration will be more focused and cost-effective.

The maiden diamond drilling campaign at Fry's Block was extended into a second phase to validate the exploration model provided by the geophysical and drilling results, and furthermore to take advantage of the logistics, mobilisation and continued availability of the drilling team. Phase two drilling included three additional diamond drill holes and a further 1,385 metres of drilling for a total of eight (8) holes and 3,885 metres of drilling.

Approximately 25% of the rock drill core recovered was classified as pegmatite. In general, whilst the pegmatite intersected is not significantly enriched in lithium, caesium, and tantalum to an extent consistent with 'mineralised' LCT pegmatites or granite, it does show a trend towards some enrichment in these elements, which, along with some of the above observations, suggests the pegmatite cannot be disregarded as genetically unrelated to the Greenbushes pegmatite at this stage. The Company has engaged with primary stakeholders to gain strategic land access in the region and will engage with NewGen Geo Pty Ltd to develop another geophysical campaign and a new calibration of the previous drill core data. This will enable the Company to identify the density characteristics of potentially new host rocks and targets and provide further geophysical targeting.

Table 13 - Completed drill-hole information at the Fry's Block (on E70/4790) of the Greenbushes South Lithium Project

Hole ID	Easting (GDA 1994 Zone 50)	Northing (GDA1994 Zone 50)	RL (m)	Depth (m)	Dip	Azimuth	Phase
FDD001	412510	6247699	239	324	60	270	Phase1
FDD002	412585	6247700	234	327	60	270	Phase1
FDD003	412435	6247600	209	446	60	270	Phase1
FDD004	412525	6247600	231	451	60	270	Phase1
FDD005	412555	6247305	238	521	60	270	Phase1
FDD006	412528	6247597	231	528	60	90	Phase2
FDD007	412467	6247701	201	496	90	270	Phase2
FDD008	413175	6247652	272	792	60	90	Phase2

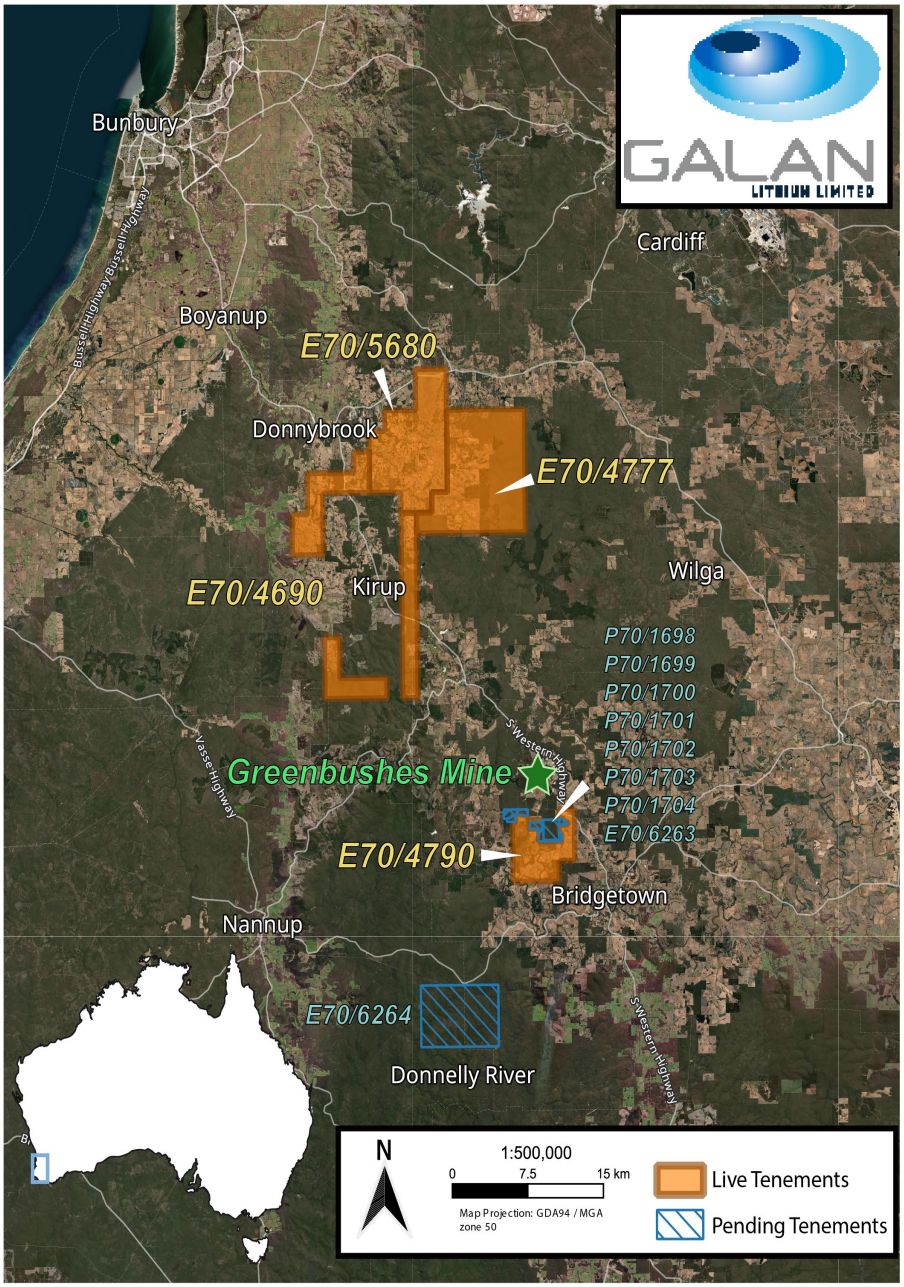

Figure 18 – Galan's Greenbushes Tenements

For more detailed technical information (including relevant JORC Code Tables) surrounding the Greenbushes South drilling campaign, please refer to the ASX Announcement dated 21 September 2023 entitled "Greenbushes South Drilling Update".

Canadian Acquisitions (50/50 Joint Venture with Redstone Resources Limited)

On 4 October 2023, the Company announced that it had entered into an exclusive binding agreement to acquire 100% of the Camaro-Taiga-Hellcat property blocks collectively covering 5,187 hectares located in the world-class James Bay Lithium Province, host to several advanced lithium projects and new lithium discoveries in Quebec, Canada. The agreement also includes an option to acquire 1,415 hectares in Ontario's Electric Avenue near the Frontier Lithium's PAK Lithium Project.

All projects (see Figure 19) will be housed within a 50/50 unincorporated joint venture with ASX-listed Redstone Resources Ltd (ASX:RDS) (**Redstone**).

Figure 19 - Location of the joint JV Projects between Redstone Resources and Galan Lithium Limited. The PAK projects are located in Northwest Ontario, while the Taiga-Hellcat-Camaro projects are located in James Bay, Quebec, Canada

James Bay Lithium Projects - Taiga, Camaro and Hellcat

The 5,187-hectare James Bay Lithium Projects are located adjacent to Patriot Battery Metals' Corvette Property in the James Bay Region of Quebec, approximately 235 kilometres east of Radisson, Quebec and 245 kilometres northeast of the Cree village municipality of Nemaska. The James Bay Lithium Projects contain three property blocks: Taiga, Camaro, and Hellcat. These projects cover 3,850 hectares and are adjacent to Patriot Battery Metals' (TSX.V:PMET) Corvette Lithium discovery in James Bay. PMET's CV8 pegmatite is one of the finest new hard rock lithium discoveries, with grab samples averaging 4.6% Li_2O, and is located only 1.4 km north of the Taiga Project, and PMET's newly-discovered CV13 pegmatite cluster is located 1.5 km north of the Camaro Project (See Figure 20).

<u>Geology</u>

Three primary ingredients have been identified in the industry as necessary for spodumene-bearing pegmatite emplacement: 1) Nearby granites, providing a source for melts; 2) Greenstone belts, acting as host rocks; and 3) large-scale structural features acting as conduits for the melts. The Taiga, Camaro and Hellcat properties in James Bay contain all three ingredients and multiple high-value exploration targets.

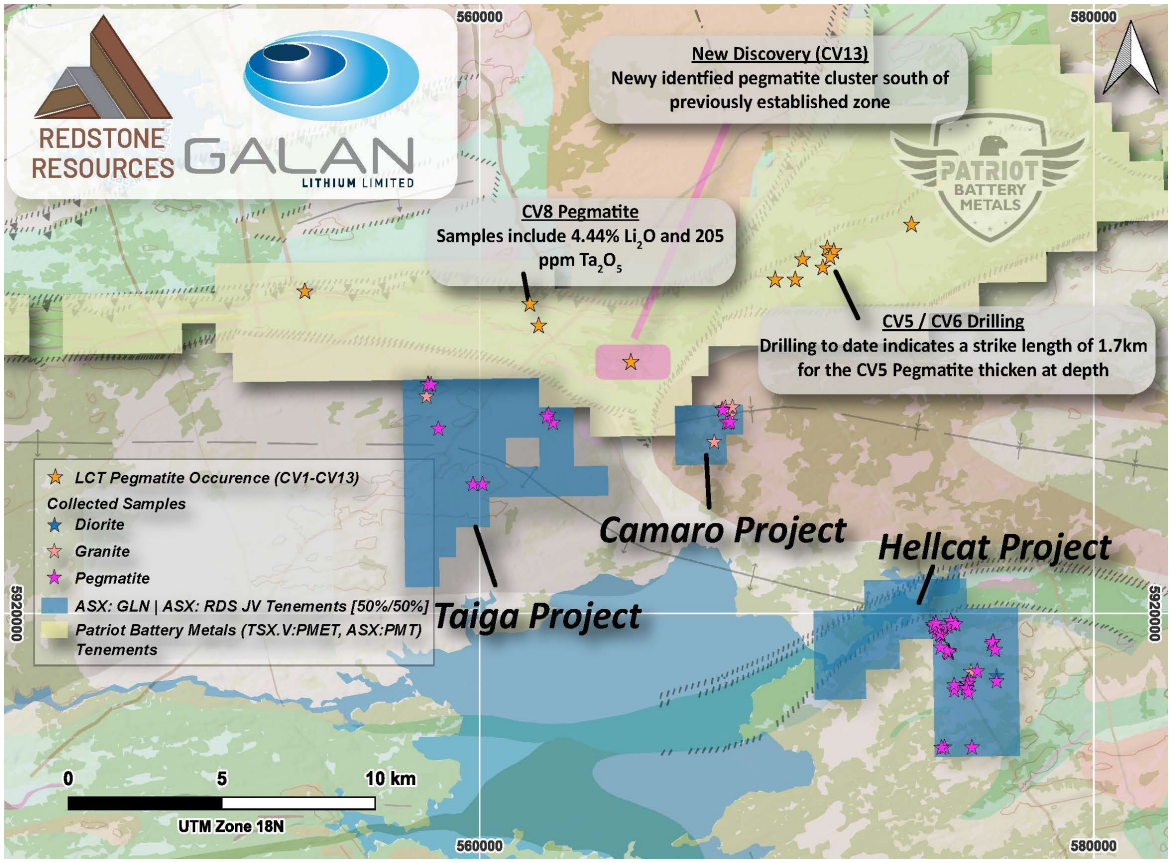

Figure 20 - Location of the Taiga-Camaro-Hellcat properties in James Bay. Figure highlights PMET's recently reported LCT Pegmatite Occurrences. Blue, Pink and Purple stars indicate samples collected by Axiom Exploration within the TCH tenements.

Taiga and Camaro Projects

These properties are situated in the Meso-Archean to Paleoproterozoic La Grande Subprovince of the Superior Provence. The Corvette Pegmatite series is hosted in the Mesoarchean Guyer Grupe, which is dominantly a meta-basalt (greenstone). The Taiga and Camaro projects are underlain by the Poste Le Moyne and Langelier plutons, respectively. The Camaro project is hosted in the Semonville Pluton with local windows of the Rouget Formation metabasalt. Properties are hosted in hornblende biotite diorite, quartz-rich diorite, biotite hornblende tonalite, granodiorite, granite, conglomerate, wacke, and amphibolite. Pegmatite dykes range from cm-scale irregular anatectic sweats to locally 5m wide dykes traced up to 200 m in length. The dykes are comprised of plagioclase feldspar, potassium feldspar, quartz, and minor biotite with local tourmaline and muscovite.

Hellcat Project

The Vieux Comptoir Granitic suite contained within the properties is believed to be the source of the spodumene-bearing pegmatite dykes found within the region. The properties host multiple greenstone belts. The primary greenstone within the Project is Amphibolites of the Rouget greenstone belt, a similar age to the Grupe de Guyer greenstone belt, located within Patriot Battery Metals Corvette discovery. Additionally, the Corvette Shear Zone transects the property roughly E-W, creating an additional zone of weakness for pegmatite emplacement within the greenstone belt.

Geologic Sample Collection

During October 2022, Infinity Stone Ventures contracted Axiom Exploration Group to complete basic geologic reconnaissance and assess the prospectivity of the Taiga-Camaro-Hellcat properties. Axiom collected eleven (11) samples from the Taiga property, twelve (12) samples from the Camaro property and forty-seven (47) from the Hellcat Tenement. Overall, sixty-one (61) samples were classed as pegmatite (See Figure 21). Pegmatite samples were collected from outcropping dykes ranging from 30cm to 2.5 m thick. The samples

from the Hellcat properties host the greatest concentration of prospective dykes with multiple dykes encountered at one outcrop.

Most of the assay data provided show encouraging geochemical trends indicative of fractionation commonly associated with pegmatite mineralisation (e.g. trends to very low ratios of K/Rb, Mg/Li, and Nb/Ta), while two pegmatite samples show Ta values above 100 ppm.

Ontario Lithium Projects - PAK South and PAK Southeast

In addition to the acquisition of the James Bay Projects, Galan and Redstone have secured an option to acquire 100% of the PAK South and PAK Southeast claims located approximately 170 km north of Red Lake, Ontario, in the Red Lake Mining Division. The PAK South and PAK Southeast properties cover 1258 hectares and 157 hectares, respectively, and several pegmatite units have been identified in regional mapping by the Ontario Geological Survey (OGS)[1]. The Properties are adjacent to Frontier Lithium's (TSX.V:FL) PAK Lithium Project, which includes two lithium deposits, the Spark Deposit and PAK Deposit, and two other prospects[3] (See Figure 21). On February 16, 2022, Frontier Lithium announced it encountered "405 metres of 1.5% Li_2O" at its Spark Deposit[4]. Frontier Lithium's PAK Deposit hosts a mineral resource in measured and indicated categories of 6.68Mt @ 2.02% Li_2O and inferred of 2.67Mt @ 2.29% Li_2O. In comparison, the Spark Deposit hosts an indicated resource of 14.4Mt @ 1.40% Li_2O and an inferred resource of 18.1Mt @ 1.37% Li_2O[2,3].

Additionally, Frontier Lithium recently announced, on 25 September 2023, a 108.4-metre intercept of pegmatite at the Spark Deposit with Li_2O values averaging 2.12%[5].

The properties are located near the Bear Head Lake Fault, which is the dominant structural feature in the region and has been traced for over 140 km from northwest-southeast within the PAK project. The Bear Head Lake Fault Zone appears to be the locus for a peraluminous suite of granitic plutons. Nine major plutons consisting of two mica granites (fertile granites) are documented over the 140 km strike length of the fault. Fertile granites are interpreted to be the parental rocks that give rise to rare metal pegmatites[2]. Additionally, the properties are located in the heart of Ontario's "Electric Avenue", in the vicinity of Avalon Advanced Materials Inc. (TSX:AVL) (OTCQB:AVLNF), recently announced lithium battery metals refinery.

References

1. Ontario Geological Survey Precambrian Geology of Whiteloon Lake, Map P.3224.
2. NI 43-101 Technical Report for the PAK Lithium Project in Northwest Ontario, prepared for Frontier Lithium Inc, April 9, 2021.
3. Frontier Lithium Inc. (TSX.V:FL) News Release dated March 1, 2022, "Frontier Lithium successfully converts Inferred Resource to 14 million tonnes of Indicated Resource on the Spark Deposit".
4. Frontier Lithium Inc. (TSX.V:FL) News Release dated February 16, 2022, "Frontier Drills 405 metres of 1.5% Li_2O from Phase X Drilling at Spark".
5. Frontier Lithium Inc. (TSX.V:FL) News Release dated September 25, 2023, "Frontier Lithium Intersects 108.4 m of 2.12% Li_2O on the Spark Pegmatite and Grant Options"

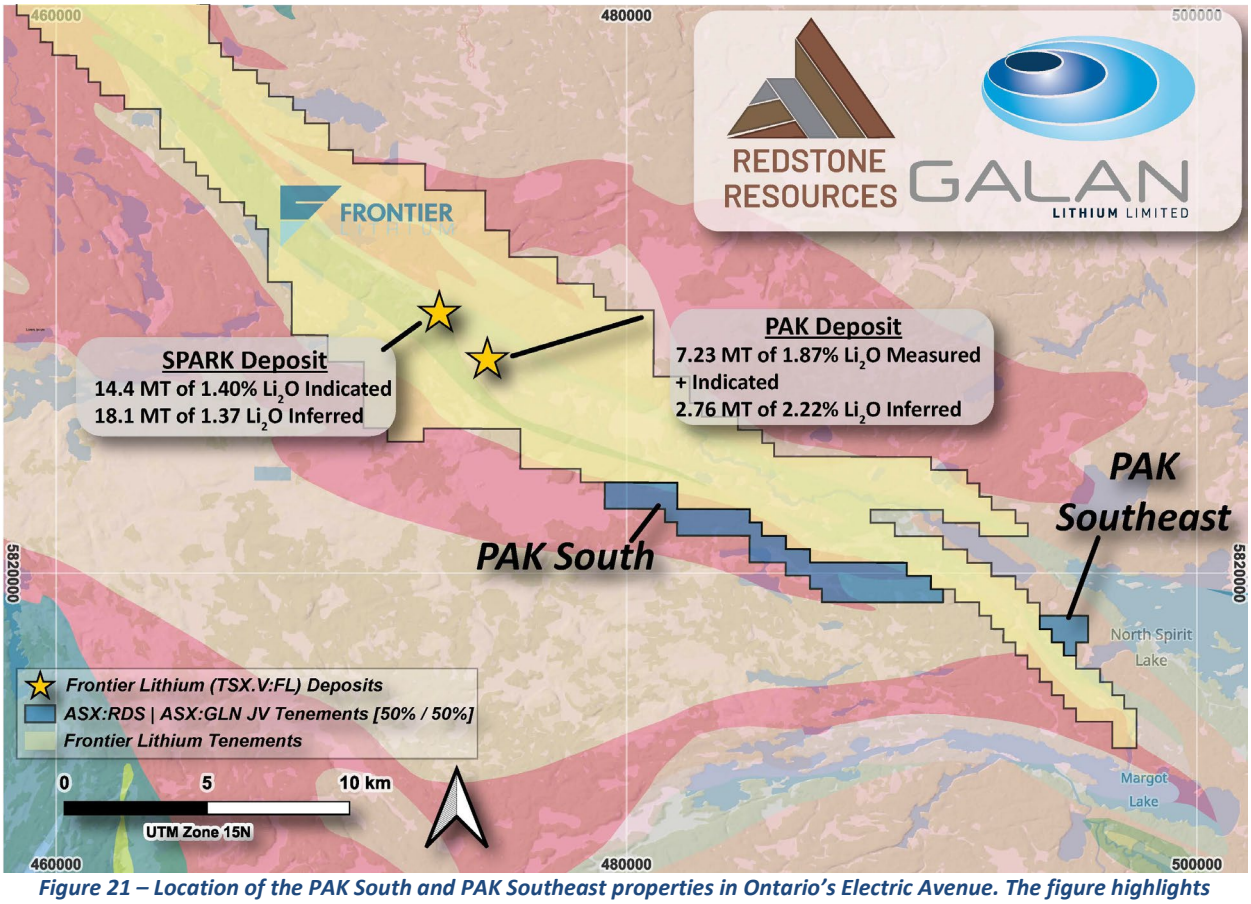

Figure 21 – Location of the PAK South and PAK Southeast properties in Ontario's Electric Avenue. The figure highlights proximity to Frontier Lithium's SPARK and PAK lithium deposits.

Forward Plan

Upon completion of the acquisition, a field-based reconnaissance geological mapping program, including rock chip sampling for geochemical assays will be completed. This program will assess the prospectivity of pegmatites for lithium mineralisation within the licence areas and will include the large number of already documented outcropping pegmatites. The results of this study will inform on areas to be targeted for further investigation, such as geophysical exploration. Ground-based geophysical methods are planned to determine the geometry of any lithium-bearing pegmatites at depth. Following the mapping, geochemical assays and targeted geophysical data synthesis, an exploration strategy will be developed to drill test the best targets identified.

Material Terms of Agreement

Galan, in 50/50 joint venture with Redstone, executed an agreement (**Agreement**) to acquire the James Bay, Taiga and Ontario tenements. The other parties to the agreement are Infinity Stones Ventures (CSE: GEMS) (**Infinity**) and two private individuals. The Agreement is to acquire a 100% undivided legal and beneficial interest in unpatented mining claims situated in Quebec and Ontario. The material terms of the Agreement include:

James Bay Projects (James Bay and Taiga)

- Upon signing the Agreement, Galan issued 250,000 fully paid ordinary shares to Infinity plus a payment of CAD500,000. It also issued 300,000 fully paid ordinary shares to another vendor plus a payment of CAD255,000 for the James Bay projects.

Ontario Projects (Ontario tenements)

- Upon signing the Agreement, Galan will make a payment of CAD20,000 to Infinity for a 3 month exclusive option fee (**Option**). Upon exercise of the Option, Galan will make of payment of CAD200,000 plus issue CAD230,000 worth of Shares to Infinity (and/or its nominee(s)) based on the volume weighted average price (in CAD) for Shares traded on the ASX for the 5 trading days prior to the date of the exercise of the Option.

Galan and Redstone will pay or assume a 2% Net Smelter Return royalty over all of the James Bay Lithium Projects and PAK Lithium Projects with a right to buy back one half of each royalty by payment to each royalty holder of CAD1M.

The Agreement is subject to customary terms and conditions.

Joint Venture (with Redstone Resources Limited)

Galan and Redstone will form an unincorporated joint venture (**JV**), with Redstone to be the JV manager.

Under the terms of the Agreement and the JV, subject to the prior approval of the holders of fully paid ordinary shares on the capital of RDS (**RDS Shares**) and within five days of such approval, Redstone will issue to Galan the lower of (i) 50,000,000 RDS Shares and (ii) that number of RDS Shares equal to CAD500,000 divided by the volume weighted average price (in Canadian dollars) for RDS Shares traded on the ASX for the five trading days prior to the date of such approval. If the Option is exercised, Redstone will in addition issue to GLN the lower of (i) 20,000,000 RDS Shares and (ii) that number of RDS Shares equal to CAD215,000 divided by the volume weighted average price (in Canadian dollars) for RDS Shares traded on the ASX for the five trading days prior to the date of the Option exercise. In the event that shareholder approval is not obtained by 31 January 2024 (or such later date as RDS and GLN may agree) and RDS does not then elect to either waive the requirement for shareholder approval and issue RDS Shares for the consideration or satisfy the consideration in cash or cash equivalent, the rights and obligations of RDS under the Agreement will cease (except for any accrued rights) and RDS will be deemed to have withdrawn from the JV.

CORPORATE

At the end of the September 2023 quarter, the Company had cash resources and investments of $33.3 million.

Equity Issues

On 28 July 2023, a total of 9,756,098 fully paid ordinary shares were issued to Everlight Resources Pty Ltd for 100% ownership of the Catalina tenement in the Salta province.

On 22 and 29 August 2023 and 12 October 2023, a total of 5,940,000 fully paid ordinary shares were issued upon the conversion of $0.21 options (total proceeds of $1,247,400).

On 4 September 2023, a total of 60,777 fully paid ordinary shares were issued to a consultant in lieu of services provided.

On 4 October 2023, a total of 550,000 fully paid ordinary shares were issued to the vendors of the James Bay lithium assets in Quebec, Canada.

Appendix 5B

Payments to related parties of the entity and their associates for the quarter totalled $313,691 for director fees, legal fees and consulting fees.

The Galan Board authorises the release of this September 2023 Quarterly Activities Report.

For further information contact:

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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 in this report that relates to the Mineral Resources estimation approach at Candelas and Hombre Muerto West was compiled by Dr Michael Cunningham. Dr Cunningham is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined by the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)'. Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement 3
The information contained herein that relates to Project background, brine extraction method, recovery method and Project layout, have been directed by Mr. Marcelo Bravo. Mr. Bravo is Chemical Engineer and managing partner of Ad-Infinitum SpA. with over 25 years of working experience, he is a Member of the Chilean Mining Commission and has sufficient experience which is relevant 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'. Mr. Bravo 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 4
The information in this report that relates to the Ore Reserves estimation approach at Hombre Muerto West was compiled by Mr Rodrigo Riquelme. Mr Riquelme is a Principal Consultant of GeoInnova and is assisting WSP Consulting (Chile). He has 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 Riquelme 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 5
The information in this report that relates to the Project infrastructure, Capex, Opex and economic evaluation was reviewed by Ernest Burga, General Manager of Andeburg Consulting Services Inc. He has sufficient experience relevant to the activity which they are undertaking to qualify as a Competent Persons as defined by the "Australasian Code for Reporting for Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Mr Burga consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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

The Company confirms that all material assumptions underpinning the production target and the derived financial information disclosed in the Phase 2 DFS announced by the Company on 3 October 2023 continue to apply and have not materially changed.

About Galan

Galan Lithium Limited (ASX:GLN) is an ASX-listed lithium exploration and development business. Galan's flagship assets comprise two world-class lithium brine projects, HMW and Candelas, located on the Hombre Muerto Salar in Argentina, within South America's 'lithium triangle'. Hombre Muerto is proven to host lithium brine deposition of the highest grade and lowest impurity levels within Argentina. It is home to the established El Fenix lithium operation (Livent Corporation) and the Sal de Vida (Allkem) and Sal de Oro (POSCO) lithium projects. Galan is also exploring at Greenbushes South in Western Australia, approximately 3 km 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 Livent Corp. 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 May 2023 an updated Mineral Resource estimate was delivered totalling 6.6 Mt of LCE. There still remains exploration upside for other areas of the HMW concessions that have not been included in the current resource estimate.

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^2. 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. In March 2022 airborne geophysics were flown to develop pegmatite targets for the Galan's mining tenements. Following on, in August 2022, a pegmatite associated with spodumene-bearing rocks was discovered at E70/4790. This mining tenement is approximately 3 km to the south of the Greenbushes mine.

Lithium Classification and Conversion Factors

Lithium grades are normally presented in mass percentages or milligrams per litre (or parts per million (ppm)). Grades of deposits are also expressed as lithium compounds in percentages, for example as a percentage of lithium oxide (Li_2O) content or percentage of lithium carbonate (Li_2CO_3) content. Lithium carbonate equivalent (LCE) is the industry standard terminology and is equivalent to Li_2CO_3. 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_2CO_3 value in per cent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li_2CO_3.

Table of Conversion Factors for Lithium Compounds and Minerals:

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

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 in this announcement reflect views held only as at the date of this announcement.

INTEREST IN MINING TENEMENTS AT 30.09.23

Argentina (Hombre Muerto projects) - 100% interest	Australia (Greenbushes South project) – 100% interest
Argentina Gold	
Candela I – VIII, XI-XV	E70/4690 (G)
Casa Del Inca I, II, III & IV	E70/4790 (G)
Catalina	E70/4777 (G)
Deceo I, II & III	E70/5680 (G)
Del Condor	E70/6263 (P) (formerly E70/4889)
Delmira I	E70/1698 to E70/1704 (P)
Don Martin	E70/6264 (P) (formerly E70/4629)
Jazmin II	
Juana De Antofalla	
Pata Pila	
Pucara del Salar	
Rana de Sal I, II, III & IV	
Salinas	
Santa Barbara VII, VIII, X, XXIV	

Appendix 5B

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

Name of entity	
GALAN LITHIUM LIMITED	
ABN	**Quarter ended ("current quarter")**
87 149 349 646	30 September 2023

	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	15	15
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(913)	(913)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	376	376
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**	**(522)**	**(522)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(146)	(146)
	(c) property, plant and equipment	(27)	(27)
	(d) exploration & evaluation	(13,547)	(13,547)
	(e) investments	-	-
	(f) other non-current assets	-	-

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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(13,720)**	**(13,720)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	270	270
3.4	Transaction costs related to issues of equity securities or convertible debt securities	100	100
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**	**370**	**370**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	45,151	45,151
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(521)	(521)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13,720)	(13,720)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	370	370

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**	**31,279**	**31,279**

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	11,011	12,129
5.2	Call deposits	15,000	27,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Overseas bank acc	5,268	6,022
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**31,279**	**45,151**

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	188
6.2	Aggregate amount of payments to related parties and their associates included in item 2	125

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

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

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

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

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(521)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(13,547)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(14,068)
8.4	Cash and cash equivalents at quarter end (item 4.6)	31,279
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	31,279
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2

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

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

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

Answer: NA

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

Answer: NA

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

Answer: NA

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

Compliance statement

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

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

Date: 31 Octobery 2023

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.