

ASX ANNOUNCEMENT

31 July 2025

QUARTERLY ACTIVITIES REPORT JUNE 2025

Highlights

- Galan secures binding commitment for \$20 million placement with strategic investor, The Clean Elements Fund
- The placement represents the final funding solution for completion of Phase 1 construction at HMW
- HMW remains on track for construction completion in H2 2025 and transitioning into production in H1 2026
- Argentine Government Committee approves RIGI incentive regime for HMW Project
- Galan has no outstanding debt, cash and liquid assets of \$4.4 million at end of financial year

Galan Lithium Limited (**Galan** or **the Company**) presents its Quarterly Activities Report for the quarter ended 30 June 2025, as well as activities up to the date of this release. Galan's focus remains solely on the completion of construction activities in H2 2025 at its world class, 100% owned Hombre Muerto West project (HMW) project in Argentina, in advance of lithium chloride production in H1 2026.

Speaking on the Clean Elements funding and the RIGI incentive regime, Managing Director, Juan Pablo (JP) Vargas de la Vega, said:

"This has been a significant quarter for Galan, with the Company now funded to complete HMW Phase 1 construction. This is a significant achievement against the backdrop of a challenging lithium market, which is now beginning to show early signs of recovery. Our strategic approach, combining project quality and strong partnerships, positions Galan to generate long-term value as a near-term producer of high-purity lithium chloride."

The awarding of the RIGI is a major milestone for Galan that will further strengthen HMW's global competitive position as a future low-cost producer. The RIGI will provide a strategic advantage to Galan and will unlock meaningful long-term value for the people of Catamarca and our shareholders."

Strategic Placement – The Clean Elements Fund

On 20 June 2025, Galan announced a binding commitment for a \$20 million equity placement with strategic partner, The Clean Elements Fund (**Clean Elements**). The placement to Clean Elements was priced at \$0.11 per share — a 21% premium to the previous close — and includes one unlisted option for every two shares, exercisable at \$0.15 with a three-year term.

The placement will fund the completion of Phase 1 construction at HMW and is to be executed in two tranches:

- **Tranche One:** A\$10 million (90.9M shares and 45.5M options) under Listing Rules 7.1A and 7.1. Settlement expected shortly after the Company's General Meeting on 22 August 2025.
- **Tranche Two:** A\$10 million (90.9M shares and 45.5M options), subject to shareholder approval and completion of due diligence. Targeted settlement: November 2025.

Clean Elements is a private holding company specifically founded to pursue the development of high performing lithium assets in Argentina and globally. Clean Elements has a successful track record in investing in lithium brine assets, notably completing a financing transaction with NOA Lithium in 2024 (TSXV:NOAL). Clean Elements is partnered with Swiss financial expert firm ISP Securities Ltd., part of the ISP Group, who is a leading Swiss financial service provider specializing in wealth management, asset management, securitisation and trading services. ISP Group has companies in Switzerland (Zurich and Geneva), Dubai, Hong Kong and Israel.

RIGI Incentive Regime

On 25 July 2025, the Company advised that the Comité Evaluador de Proyectos RIGI, responsible for awarding the Argentine Government's Régimen de Incentivo para Grandes Inversiones (the incentive regime for large-scale investments referred to as the "**RIGI**"), approved the RIGI for Galan's flagship HMW project in Catamarca Province, Argentina. Galan expects to receive official approvals relating to the RIGI in due course.

The RIGI is a landmark investment framework introduced as part of the Government of Argentina's new economic reform agenda, aimed at encouraging large-scale investment in key sectors, including mining. The RIGI provides long-term certainty on tax and foreign exchange regulations, as well as streamlined permitting, both critical enablers for project financing, efficient construction and operation of the HMW Project over its multi-decade life.

HMW will be only the sixth project to receive the RIGI approval in Argentina and the second in the mining sector, following the recent award to Rio Tinto's Rincon project.

Key Benefits of the RIGI for the HMW project:

- **Reduced Corporate Income Tax:** a significant 10% reduction in corporate income tax rate to 25%.
- **Fiscal Stability:** Certainty around income tax, royalties, and export duties for 30 years.
- **Foreign Exchange:** Preferential access to currency markets for imports and dividend repatriation.
- **Customs & Tariff Exemptions:** Reduced barriers for importing critical equipment and materials.
- **Accelerated Depreciation:** Improved cash flow through tax-effective project development.

Offtake and Prepayment Facility – Authium Limited

Galan continues to advance its commercial relationship with Authium Limited, which includes:

- A signed offtake agreement for a portion of HMW's lithium chloride production being 45 kt LCE over six to 12 years
- Access to a US\$6 million prepayment facility, available under the terms of the agreement.

This partnership complements the equity placement with Clean Elements and further de-risks the funding and commercialisation path to first production.

Authium is an Australian entity with expertise in mineral commercialization and innovative processing solutions. The team has a history of developing lithium projects, including the first chemical process to extract lithium from unconcentrated brine. Under the agreements, Authium will supply, fund, commission and remotely operate the nano-filtration skid units at the HMW site. This proven technique selectively removes impurities while allowing lithium to pass through. The process has been successfully deployed at multiple international lithium projects, including the Rio Tinto Rincon Project.

Hombre Muerto West Project - Argentina

HMW is a tier-1 lithium brine project located on the Hombre Muerto salar in Argentina. Phase 1 is designed to deliver 4ktpa LCE as a 6% lithium chloride concentrate, over an initial 40-year mine life ⁽¹⁾. Current brine inventories sit at approximately 9,500t LCE.

Project execution remains on schedule with the following key developments during and post quarter:

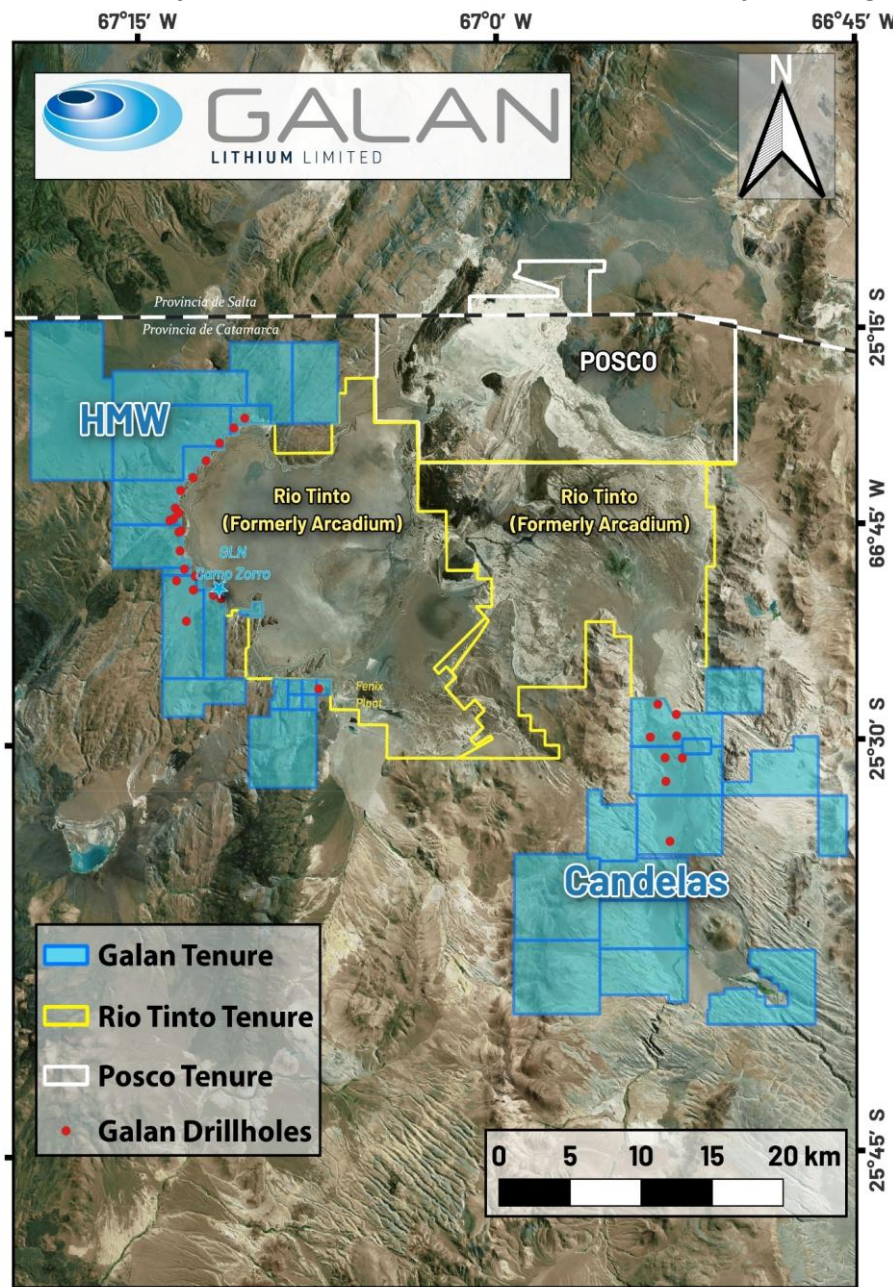
- Secured binding commitment for Phase 1 funding solution with Clean Elements
- Authium completed detailed engineering design of the nano-filtration plant
- Orders for fabrication of the nano-filtration plant have been issued
- Installation and commissioning of nano-filtration plant targeted for H2 2025
- Site construction activities, including completion of pond 4 targeted for H2 2025
- First production expected in H1 2026

HMW's low-cost structure, high-grade resources and low impurity profile offer significant competitive advantages over hard-rock lithium projects. The staged development plan, targeting 60ktpa LCE across four phases, is designed to manage capital intensity and de-risk execution.

In addition, lithium chloride from HMW is ideally suited for LFP battery production, which continues to dominate the global EV battery market. Galan's product can be readily converted into lithium carbonate or lithium dihydrogen phosphate.

⁽¹⁾ Please refer to the announcement dated 3 July 2023 (ASX: Phase 1 of Hombre Muerto West (DFS Delivers Compelling Economic Results for Accelerated Production)). The Company confirms that all material assumptions underpinning the production target continue to apply and have not materially changed.

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



Other Galan Projects

No material work was undertaken on Galan's 100% owned Greenbushes project in Western Australia or on its 50% owned James Bay projects in Canada.

Financial Position

At the end of the June 2025 quarter, the Company had cash resources of approximately \$4.4m.

Payments to related parties of the Company and their associates for the quarter totalled \$536,143 for director fees, legal fees and consulting fees.

The Galan Board authorises the release of this June 2025 Quarterly Activities Report.

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About Galan

Galan Lithium Limited (ASX:GLN) is an ASX-listed lithium exploration and development business. Galan's flagship assets comprise two world-class lithium brine projects, HMW and Candelas, located on the Hombre Muerto Salar in Argentina, within South America's 'lithium triangle'. Hombre Muerto is proven to host lithium brine deposition of the highest grade and lowest impurity levels within Argentina. It is home to the established El Fenix lithium operation, Sal de Vida (both projects are operated by Rio Tinto) and Sal de Oro (POSCO) lithium projects. Galan also has exploration licences at Greenbushes South in Western Australia, just south of the Tier 1 Greenbushes Lithium Mine.

Forward-Looking Statements

Some of the statements appearing in this announcement may be forward-looking in nature. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Galan Lithium Limited operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside Galan Lithium Limited's control. Galan Lithium Limited does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, neither Galan Lithium Limited, its directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements reflect views held only as at the date of this announcement.

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

Resource Category	Brine Vol (Mm ³)	In Situ Li (Kt)	Avg Li (mg/L)	LCE (Kt)	In Situ K (Kt)	Avg K (mg/L)	KCl Equiv. (Kt)
Hombre Muerto West:							
Measured	1,028	890	866	4,738	7,714	7,505	14,711
Indicated	347	310	894	1,649	2,717	7,837	5,181
Inferred	300	278	926	1,480	2,464	8,210	4,700
HMW Total	1,675	1,478	883	7,867	12,895	7,700	24,591
Candelas:							
Indicated	350	242	689	1,284	2,406	6,870	4,588
Inferred	100	65	661	350	649	6,520	1,238
Subtotal	450	307	683	1,634	3,055	6,792	5,826
Galan's Total Resource Inventory							
Total	2,125	1,785	841	9,501	15,950	7,508	30,417

Notes:

1. A cut-off grade of 500 mg/L updated Mineral Resource Estimate for Candelas.
2. The Mineral Resource Estimate for Hombre Muerto West is unchanged from 27 March 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not changed.
3. There may be minor discrepancies in the above table due to rounding.
4. The conversion for LCE = $\text{Li} \times 5.3228$, $\text{KCl} = \text{K} \times 1.907$.

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

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

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 .

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
Lithium Chloride	LiCl	0.871		

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

Competent Persons Statements

The information contained herein that relates to the latest Mineral Resource estimation approach at Hombre Muerto West was compiled by Mr. Carlos Eduardo Descourvieres. Mr. Descourvieres is an employee of WSP Chile and a Member of the Australian Institute of Mining and Metallurgy. He has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined by the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)'. Mr. Descourvieres consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information contained herein that relates to the latest Mineral Resource estimation approach at Candelas was compiled by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM. Dr Cunningham is a Principal Consultant and full-time employee of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information contained herein that relates to exploration results and geology is based on information compiled or reviewed by Dr Luke Milan, who has consulted to the Company. Dr Milan is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Milan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

INTEREST IN MINING TENEMENTS AT 30.06.25

Argentina (HMW & Candelas projects) - 100% interest

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

Australia (Greenbushes South project) – 100% interest

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

Canada (James Bay project) – 50% interest

James Bay – Claim Nos

CDC2662038-CDC2662057
CDC2660890-CDC2660897

Taiga – Claim Nos

CDC2661464-CDC2661493

Appendix 5B

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

Name of entity

GALAN LITHIUM LIMITED

ABN

87 149 349 646

Quarter ended ("current quarter")

30 June 2025

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	11	335
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(1,083)	(3,827)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	31	87
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	(1,041)	(3,405)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(8)
	(d) exploration & evaluation	(8,122)	(42,684)
	(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	34	34
	(d) investments	-	1,085
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(8,088)	(41,573)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,887	46,655
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(707)	(1,573)
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	12,180	45,082
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,397	4,335
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,041)	(3,405)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,088)	(41,573)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12,180	45,082

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	-	9
4.6	Cash and cash equivalents at end of period	4,448	4,448

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	4,317	1,312
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Overseas bank acc	131	85
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,448	1,397

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	261
6.2	Aggregate amount of payments to related parties and their associates included in item 2	275

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

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

	8. Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,041)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(8,122)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(9,163)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,448
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,448
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.5
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<div style="border: 1px solid black; padding: 5px;"> <p>Answer: Yes, the company has reduced the rate of expenditure at its Argentina project in order to preserve cash ahead of settlement of funding arrangements.</p> </div>	
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?	
	<div style="border: 1px solid black; padding: 5px;"> <p>Answer: On 20 June 2025, the Company announced that it had secured a binding commitment for a A\$20 million placement (Placement) at A\$0.11 per share, from an existing shareholder, The Clean Elements Fund (Clean Elements). The Placement is subject to Clean Elements' satisfactory completion of due diligence over a period not longer than 77 days. Full completion of the Placement will require shareholder approval which will be sought at a Galan general meeting to be held on 22 August 2025. The funds are expected to settle over two tranches of A\$10 million each, in August 2025 and November 2025 respectively</p> </div>	
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?	
	<div style="border: 1px solid black; padding: 5px;"> <p>Answer: Yes, the announced equity funding above is expected to provide cashflow to meet the company's business objectives in 2025.</p> </div>	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2025

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

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

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.